



Merger Notification

This document is important and requires your immediate attention. If you have any questions about the content of this letter you should seek independent professional advice.

Notice of the Merger of:

Mouflon Fund I (AIF61_1) (the “Merging Sub-Fund I”) & Mouflon Fund II (AIF61_2) (the “Merging Sub-Fund II) Investment Compartments of Mouflon Investment Fund AIF V.C.I.C. Plc

Into:

Mouflon Yield Fund (AIF62_7) (the “Receiving Sub-Fund”) a newly established Investment Compartment of Mouflon Investment Fund AIF V.C.I.C. Plc

Capitalized terms not defined herein have the same meaning as in the Offering Document of the Company.

28 February 2025

Dear Investors,

The Board of Directors of the Management Company, following the decision of the Management Shareholders of Mouflon Investment Fund AIF V.C.I.C. Plc, has decided to merge the two Merging Sub-Funds into the Receiving Sub-Fund (the “Merger”). The Merger shall become effective on 07/04/2025 (the “Effective Date”).

This notice provides the Terms of the Merger and details the reason of the contemplated Merger, the available options for the Investors, and provides the required information for you to make an informed decision.

Please contact your financial advisor and/or legal advisor if you require any further advise on the content of this notice. Furthermore, the Merger may have tax impact in certain individual investors which might affect their decision and Investors should contact their tax advisor for specific tax advice in relation to the Merger.



Background and the rational for the impending merger

The Merger consist in transferring within the same Umbrella AIF the two (2) Merging Sub-Funds to the Receiving Sub-Fund as per Section 85(b) of the Alternative Investment Funds Law of 2018 (L.124(I)/2018) (the “AIF Law”).

Merging Sub-Funds	Receiving Sub-Fund
Mouflon Fund I (AIF61_1)	Mouflon Yield Fund (AIF62_7)
Mouflon Fund II (AIF61_2)	

The two Merging Sub-Funds and the Receiving Sub-Fund have the same Investment Objectives, investment policy and risk profile. Other key characteristics of the Receiving Sub-Fund closely align with those of the Merging Sub-Funds with few differences as disclosed in the following sections and **APPENDIX III** of this letter.

The Receiving Sub-Fund has been established as an Open-Ended Compartment and has been authorized by CySEC on 23/10/2023. Currently the Receiving Sub-Fund remains inactive with no investors, and its shares will be offered for the first time on the Effective Date of the Merger at the initial offering price of EUR 10 per share to the Investors of the Merging Sub-Funds.

The Merging Sub-Funds are Closed-Ended Funds and Merging their assets and liabilities under the Receiving Sub-Fund the Merging Sub-Fund will cease to exist as a result of the Merger and thereby will be dissolved on the Effective Date without going into liquidation.

The decision for the Merger has been taken by the Management Shareholders in agreement with the External Manager for the for the following reasons:

- Consolidating the Compartments will streamline operations, reduce administrative costs, and improve overall efficiency. A single compartment will allow for more effective management and oversight of the combined real estate assets.
- External Manager will be able to manage in a more cost-effective way the Receiving Sub-Fund. Receiving Sub-Fund will achieve economies of scale and Investors will gain financial benefit.
- Consolidating the assets of both Compartments will give Investors the opportunity to be invested in a larger Compartment with much higher AuM (“Assets under Management” a more diverse portfolio and stronger asset growth prospects.
- the Merger will lead to greater client centricity, as the Mergers will result in efficiency benefits for existing and prospective Investors;



- The consolidated portfolio of assets under the Open-Ended Receiving Sub-Fund will become more attractive for new Investors providing higher liquidity. This can help in managing cash flows more efficiently and reducing the reliance on debt.
- A single, larger Compartment can negotiate better terms on loans and financing due to increased bargaining power, potentially lowering interest rates and reducing financing costs.
- With a larger asset base, the Receiving Sub-Fund can pursue new investment opportunities that may not have been feasible for the smaller, separate Compartments.
- The Merger will provide Investors with a more diversified and robust portfolio, potentially leading to better returns.

These benefits can contribute to a stronger, more competitive Compartment that is better positioned to achieve its investment objectives and provide better returns to its Investors. Therefore, the Board of Directors and the External Manager believe that the Merger is to the best interest of the Investors of the Merging Sub-Funds.

Terms of the Merger

The Merger shall become effective and final between the Merging Sub-Funds and the Receiving Sub-Fund on the Effective Date.

On the Effective Date, all assets and liabilities of the Merging Sub-Funds will be transferred to the Receiving Sub-Fund. The Merging Sub-Funds will cease to exist as a result of the Merger and thereby will be dissolved on the Effective Date without going into liquidation. Shares in the Merging Sub-Funds will be cancelled, and Investors of the Merging Sub-Funds will receive Class A shares in the Receiving Sub-Fund.

Shares Class A Investor Shares in the Receiving Sub-Fund will be offered at the initial price of EUR 10 (ten euro) per Share. The intention is to launch the Receiving Sub-Fund and corresponding share class on the Effective Date via the Merger.

The Investors holding Shares of the Merging Sub-Fund on the Effective Date will automatically be issued Class A Shares of the Receiving Sub-Fund in exchange for their Shares of the Merging Sub-Fund, in accordance with the relevant Share exchange ratio provided in **APPENDIX I** and participate in the results of the respective Receiving Sub-Fund as from such date.

The 2nd of April 2025 is determined as the Final NAV Date for the calculation of the NAV price per Share of the Merging Sub-Funds. The Valuation of the real estate assets of the Merging



Sub-Funds to be used for the Merger will be performed by the external independent valuers as at 31 December 2024 and will be adjusted for the Final NAV Date.

No subscription fee will be levied within the Receiving Sub-Fund as a result of the Merger.

Investors of the Merging Sub-Funds will receive a confirmation note of their holding in the Receiving Sub-Fund as soon as practicable after the Effective Date.

Investors of the Merging Sub-Fund not agreeing with the Merger, as per Option 2 below, are given the possibility to request the redemption of their Shares of the Merging Sub-Fund at the applicable net asset value as at 02/04/2025, **without** any redemption charges (other than charges retained by the Merging Sub-Fund to meet disinvestment costs) during at least 30 calendar days following the date of the present notice.

Your Options

The two options available to you are as follows – please note that none of the below options will incur any switching or redemption fees:

- **Options 1: Participate in the Merger**

If you wish to participate in the Merger please complete and sign the Confirmation/Consent Letter in **APPENDIX II**.

Your Confirmation/Consent Letter must be received by the Fund Administrator no later than Monday 31 March 2025 in order to receive shares in the Receiving Fund an equivalent value (determined by the valuation of the Merging Fund as at 02/04/2025) of the Shares you hold in the Merging Sub-Fund as at the Effective Date.

- **Option 2: Fully or partially redeem your holding – with no additional charge.**

If you wish to redeem fully or partially your Shares in the respective Merging Sub-Fund, please complete by selecting the Option 2 and sign the Consent/Confirmation Letter. In addition, your official signed Redemption Request Form must be received by the Fund Administrator no later than on Monday 31 March 2025 in order to process your redemption request on the Effective Date.

Key Dates

Notice Period	From 28 February 2025 to 04 April 2025
Effective Date of the Merger (the “Effective Date”)	Monday, 07 April 2025



Date of calculation of the exchange ratio	On the Effective Date using the NAVs as of the Final NAV Date of the Merging Sub-Funds
Final NAV Date – for Merging Sub-Funds (used for the purpose of the Merger)	Tuesday 2 April 2025
Real Estate Assets Valuation – used for the purpose of the Merger	As at 31 December 2024
Publication of the NAV of the Merging Sub-Funds	As soon as practicable after the Final NAV Date
Date of calculation of the exchange ratio	On the Effective Date using the NAVs as of the Final NAV Date of the Merging Sub-Funds
Dispatch confirmation of number of shares in Receiving Fund	As soon as practicable after the Effective Date

Impact of the Merger on the Investors of the Merging Sub-Fund

The overall objectives and risk profiles of the Receiving Sub-Fund, as described in the Offering Supplement of the Receiving Sub-Fund and in the Key Information Document in accordance with Packaged Retailed Investments and Insurance Products Regulation ("KID") of the Receiving Sub-Fund and of the Merging Sub-Funds as described in the Offering Supplement of the Merging Sub-Funds and in the KID of the Merging Sub-Funds are similar and will remain the same after the Effective Date.

Investors of the Merging Sub-Funds should carefully read the details of the Receiving Sub-Fund in the Offering Supplement of the Receiving Sub-Fund and in the KID of the Receiving Sub-Fund before making any decision in relation to the Merger.

As both the Merging Sub-Funds and the Receiving Sub-Fund are Sub-Funds of Mouflon Investment Fund AIF V.C.I.C. Plc the External Manager, the Depositary, the Fund Administrator the Investment Consultant, the External Auditor and other service providers will remain the same.

Given that the investment policy of the Receiving Sub-Fund is consistent with those of the Merging Sub-Funds, there will be no impact on the portfolio composition.

- **Comparison of Merging Sub-Funds and Receiving Sub-Fund**

Investment Objective and Policies		
Merging Sub-Fund I	Merging Sub-Fund II	Receiving Sub-Fund
The Investment Compartment's primary objectives are to (i) achieve attractive returns for Investors by investing directly and indirectly in revenue generating commercial properties with long term rental contracts and high quality tenants, in order to secure said returns over the investment period, and (ii) benefit from the expected increase in real estate value in Cyprus over the medium term in order to generate capital appreciation for Investors upon exit	The Investment Compartment's primary objectives are to (i) achieve attractive returns for Investors by investing directly and indirectly in revenue generating commercial and/or mix-use properties with strong rental potential or existing contracts, in order to secure said returns over the investment period, and (ii) benefit from the expected increase in real estate value in Cyprus over the medium term in order to generate capital appreciation for Investors upon exit	The Investment Compartment's primary objectives are to: (i) achieve attractive returns for Investors by investing directly and indirectly in revenue generating commercial, residential, and/or mixed-use properties with strong rental potential or existing contracts, in order to secure said returns over the investment period, and (ii) actively manage the portfolio of properties, including through refurbishment and upgrading, in order to increase values and improve recurring returns, and implement value-adding strategies such as conversions in order to both achieve an improved financial performance as well as minimizing risks by targeting attractive and niche market segments, and (iii) benefit from the expected increase in real estate value over the medium term in order to generate capital appreciation for Investors upon exit.

Fees and Charges			
	Merging Sub-Fund I	Merging Sub-Fund II	Receiving Sub-Fund Class A Shares
Management Fee	1%	1%	1%
Performance Fee	20% above a hurdle rate of 9%	20% above a hurdle rate of 9%	10% in excess of the 10% Hurdle Rate per Investor Share upon exit.
Depository Fee	0.03% of the Compartment's NAV, subject to an annual minimum fixed fee of EUR 5,000.	0.03% of the Compartment's NAV, subject to an annual minimum fixed fee of EUR 5,000.	0.03% of the Compartment's NAV, subject to an annual minimum fixed fee of EUR 5,000.
Fund Administration Fee	Included in the Management Fee	Included in the Management Fee	0.08% of the Compartment's NAV up to the first EUR 20 million and 0.05% of the Compartment's NAV over EUR 20 million, subject to an annual minimum fixed fee of EUR 6,000 for the first year and EUR 10,000 thereafter.
Subscription Fee	1%	1%	NA
Redemption Fee	NA		NA

Merger Cost

Fortified Capital Ltd will bear the legal and administrative cost and expenses associated with the preparation and completion of the Merger.

Taxation

The Merger does not lead to taxation at the level of the Merging Sub-Funds or the Receiving Sub-Funds in Cyprus.

However, on personal level the tax consequences of the Merger will vary depending on the laws and regulations of your country of residence, citizenship or domicile. In particular, for Investors in some jurisdictions, a merger may be treated as involving a disposal of their shares in the Merging Sub-Fund under their domestic law, potentially triggering a tax liability.



If you are in any doubt about your potential liability to tax, you should consult a tax adviser. Please note that the Fund and/or the External Manager will not, however, be responsible for, or pay, any investor's personal tax liability that results from the Merger.

Additional Information

K. TREPPIDES & CO LIMITED, Treppides Tower 9 Kafkasou Street Aglantzia 2112 Nicosia, Cyprus the authorized auditor of the Umbrella AIF and effectively the Merging and Receiving Sub-Funds, will prepare reports on the Merger which shall include a validation of the following items:

- The criteria adopted for valuation of the assets and/or liabilities as at the date of the calculation of the exchange ratio;
- The method of calculation of the exchange ratio, as well as the calculation of the exchange ratio;

The merger report regarding items a) to c) above shall be made available at the offices of the Fund Administrator on request and free of charge to the Investors of the Merging Sub-Fund.

Additional Documents Available

The current version of the Offering Supplement and the KID of the Receiving Sub-Fund are enclosed herein this letter as **APPENDIX IV**.

Any material agreements as well as the Merging Sub-Fund's most recent annual and semi-annual reports may be obtained free of charge from the Fund Administrator.

If you are in any doubt as to the information included in this letter or require further information, please do not hesitate to contact the Fund Administrator at bdo@fundsolutions.com or the Fund Manager at mouflon@forticap.eu.

Sincerely,

Omeros Nishiotis
Executive Director/CEO
Fortified Capital Ltd



APPENDIX I

For the purpose of calculating the share exchange ratio, the rules laid down in the Offering Document and the Articles of the Fund for the valuation of assets and calculation of the net asset value will apply to determine the value of the assets and liabilities of the Merging Sub-Funds.

The number of Shares in the Receiving Sub-Fund to be issued will be calculated in accordance with the following formula:

$$A = B \times \frac{(C \times D \times F)}{E}$$

where:

A = the number of Shares of the Receiving Sub-Fund to be allotted;

B = the number of Shares of the Merging Sub-Fund to be converted;

C = the Price per Share of the Merging Sub-Fund in respect of the Valuation Point on the Final NAV Date being 02/04/2025;

D = 1 (No currency conversion factor will be applied. No exchange rate difference will result since the Denominated Currency of the Merging Sub-Funds and Receiving Sub-Fund is the same EUR)

F = 1 (Investors of Merging Sub-Funds will not be charged a switching fee)

E = EUR 10 per Share (the Class A Investor Shares of the Receiving Sub-Fund will be offered at the Initial Offering Price of EUR 10)

As a result, you may not hold the same number of Shares in the Receiving Sub-Fund as you did in the Merging Sub-Fund; however the total value of the shares you receive as part of the Merger will be the same as that of the shares you held in the Merging Fund on that date.

APPENDIX II

Investor Confirmation

IMPORTANT NOTE:

If you are not clear with any of the above statements or if you have any doubt about the content and purpose of this notice and actions and/or any possible effect or impact that it might have to your investment in the Merging Sub-Fund, please contact directly the External Manager and/or the Fund Administrator for clarification and/or consult independently your advisor prior to your actions and before completing or signing.

I hereby acknowledge receipt of the above notification from the Fund Manager with respect to the Merger;

And I hereby choose the below Option with respect to the Merger.

Option I ☐ (Agree with the Merger wish to Participate in the Merger)

Option II ☐ (Do not agree with the Merger wish Redemption)

I, _____, **Investor/authorized representative of the investor** holding Shares in Merging Sub-Fund, hereby state and confirm that I have the capacity and authority to complete and sign this statement.

Signature: _____

[Applicable to Legal Entities

Investor/Authorized Representative

Please affix company seal]

Name: _____

Date: _____

Investor/Authorized Representative

Please return the duly completed and signed Letter to:

BDO Fund Services Ltd
For: Mouflon Investment Fund AIF V.C.I.C. PLC
236 Strovolos Avenue, 2048 Strovolos
Nicosia, Cyprus
T: +357 22495707 E-mail: fundservices@bdo.com.cy

APPENDIX III

Comparison of Key Features and Characteristics of the Merging Sub-Funds and The Receiving Sub-Fund

Before making any decision in relation to the Merger Investors should carefully read the current version of the Offering Supplement and KID of the Receiving Sub-Fund which are enclosed in **APPENDIX IV**.

Particulars of the Compartments participating in the Merger - Investment Objective and policy

Merging Sub-Fund I	Merging Sub-Fund II	Receiving Sub-Fund
Investment Strategy Other Real Estate Fund (OTHR-REST)	Investment Strategy Other Real Estate Fund (OTHR-REST)	Investment Strategy Multi Strategy Real Estate – MULT_REST
Investment Objective to provide its Investors with rental returns over the medium-term and capital growth and total return in the long-term. The Investment Compartment will consist strictly of revenue generating properties in good locations and with quality tenants and will seek to minimize rental risks by acquiring properties, when possible, having existing rental contracts, in order to guarantee a minimum level of yield for the Investors. The Compartment will not limit itself to one specific city or area, in order to diversify the portfolio of assets, and therefore minimize the impact of any local factors which could negatively affect the	Investment Objective to provide its Investors with rental returns over the medium-term and capital growth and total return in the long-term. The Investment Compartment will consist strictly of revenue generating commercial and/or mix-use properties in good locations and with quality tenants, and will seek to minimize rental risks by acquiring properties, when possible, having existing rental contracts, in order to guarantee a minimum level of yield for the Investors. The Compartment will not limit itself to one specific city or area, in order to diversify the portfolio of assets, and therefore minimize the	Investment Objective The investment objective of the Compartment is to provide its Investors with a medium to long term return (which may combine both income and capital growth) by primarily investing in a portfolio of real estate assets located in Cyprus and Greece. It is anticipated that investors will benefit at medium to long term from the appreciation in the value of the assets during the investment time horizon as well as from the income generated from the lease of the properties acquired. The portfolio of assets will consist of revenue generating commercial, residential, industrial, and/or mixeduse properties in prime locations and with quality tenants, with strong income

performance of the Compartment. The Investment Compartment will benefit from the bottoming out of real estate values, as well as the favourable legislative environment and tax advantages currently implemented in Cyprus, in order to acquire real estate assets at attractive prices and in attractive locations. Given the current status of the market, the Board of Directors will have a high bargaining power when prospecting for and acquiring assets, and will therefore be able to select the assets that best achieve the objectives of the Investment Compartment with regards to return and tenant profiles, while at the same time minimize the risks associated with investment in the Compartment. The Investment Compartment will also leverage the acquisition of properties in order to increase Investor returns. The ratio of total indebtedness of the Investment Compartment (determined on a consolidated basis) to gross asset value shall not exceed fifty five per cent (55%) at the time of acquisition of the assets. The Investment Compartment will acquire and hold revenue generating assets for a period of five years, following which	impact of any local factors which could negatively affect the performance of the Compartment. The Investment Compartment will benefit from the bottoming out of real estate values, as well as the favourable legislative environment and tax advantages currently implemented in Cyprus, in order to acquire real estate assets at attractive prices and in attractive locations. Given the current status of the market, the Board of Directors will have a high bargaining power when prospecting for and acquiring assets, and will therefore be able to select the assets that best achieve the objectives of the Investment Compartment with regards to return and tenant profiles, while at the same time minimize the risks associated with investment in the Compartment. The Investment Compartment will also leverage the acquisition of properties in order to increase Investor returns. The ratio of total indebtedness of the Investment Compartment (determined on a consolidated basis) to gross asset value shall not exceed sixty percent (60%) of the	and potential for value creation. The Compartment will seek to minimize rental risks by acquiring properties, when possible, having existing rental contracts, in order to guarantee a minimum level of yield for the Investors. The Compartment will not limit itself to one specific city or area, in order to diversify the portfolio of assets, and therefore minimize the impact of any local factors which could negatively affect the performance of the Compartment in a specific location. However, should the Compartment identify opportunities to achieve attractive returns in a particular geographic location, then the Compartment shall benefit from such opportunities while abiding by its strategy and risk profile. The Compartment aims to achieve its investment objectives by identifying properties which have specific characteristics, including undervalued properties with potential for appreciation and high-yield income, performing properties with long term tenants, assets in location and with characteristics that attract constant and recurring demand, as well as turnaround assets which have the potential to generate improve performance in terms of yield and capital appreciation. The Investment
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the properties will be liquidated, and the profits generated will be distributed to its Investors. The Board of Directors has the right to extend the holding period of each asset by a maximum of two years, should it see fit. In that case, the duration of the Investment Compartment will also be extended. This provision gives the Directors the flexibility to seek the optimal acquirer, obtain the best value for each property, and benefit from better market conditions should real estate values keep growing following the liquidation timeframe.	acquisition values of the assets. The Investment Compartment will acquire and hold revenue generating assets for a period of four years, following which the properties will be liquidated, and the profits generated will be distributed to its Investors. The Board of Directors has the right to extend the holding period of each asset by a maximum of two times, one year per each extension time, leading to a maximum extension of two years, should it see fit. In that case, the duration of the Investment Compartment will also be extended. This provision gives the Directors the flexibility to seek the optimal acquirer, obtain the best value for each property, and benefit from better market conditions should real estate values keep growing following the liquidation timeframe.	Compartment will be actively managed on a total return basis. The Investment Compartment is benchmark unconstrained; i.e., it will be actively managed without reference to any specific benchmark, from an asset allocation perspective. The Compartment, either directly or indirectly through its special purpose vehicles (SPVs), expects to utilise leverage as part of its acquisition or development program or otherwise, as determined by the External Manager. The maximum ratio of leverage shall be decided on a case-by-case basis with respect to a particular project or property. In order to secure borrowings, the Compartment or its SPVs may pledge its assets subject to any applicable restrictions. The maximum permitted level of borrowing utilised on behalf of the Compartment taking into account collectively the borrowing on the SPVs level is equal to 50% of its Total Assets.
TYPICAL INVESTOR PROFILE The Investment Compartment is suitable for both Professional and Well-Informed investors who can afford to set aside the capital for the medium to long term. Each Investor subscribing for Shares in the Investment	TYPICAL INVESTOR PROFILE The Investment Compartment is suitable for both Professional and Well-Informed investors who can afford to set aside the capital for the medium to long term. Each Investor subscribing for	TYPICAL INVESTOR PROFILE Compartment is suitable for Professional and Well-Informed Investors. An investment in the Compartment is designated to be a long-term investment. Investors should not expect to obtain short-term gains from

Compartment will have to prove such a capacity for compliance as well as AML purposes. These investors should be individuals or companies who understand the risks associated with any investment. Investors should not expect to obtain short-term gains from such investment.	Shares in the Investment Compartment will have to prove such a capacity for compliance as well as AML purposes. These investors should be individuals or companies who understand the risks associated with any investment. Investors should not expect to obtain short-term gains from such investment.	such an investment. The Compartment is suitable for investors who can afford to set aside the capital for the long term and who seek an investment with a high risk profile.
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- Other Features/Characteristics of the Merging and Receiving Sub-Funds

	Merging Fund I	Merging Fund II	Receiving Fund
Type	Close Ended	Close Ended	Open Ended Lock-Up Period Share Class A 1 Year
Leverage/Borrowing	Up to 55%	Up to 60%	50%
Synthetic Risk Indicator as per KID	3	3	3
Reference Currency	EUR	EUR	EUR
Distribution Policy	At the discretion of the Board of Directors of the Fund	At the discretion of the Board of Directors of the Fund	Yearly, subject to the discretion and assessment of the Board of Directors.



APPENDIX IV

Offering Supplement & KID



Key Information Document (KID)

PURPOSE

This document provides you with key information about this Investment Compartment of the Umbrella Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Investment Compartment. You are advised to read it so you can make an informed decision about whether to invest.

PRODUCT

THE MOUFLO YIELD FUND II ("the Fund")

An Investment Compartment of **MOUFLO INVESTMENT FUND AIF V.C.I.C PLC** ("the Umbrella Fund")

Date of Production: 23/10/2023

LEI Number: 98450039170809C76536

This fund is managed by **FORTIFIED CAPITAL LTD** ("the Management Company")

The Investment Compartment is authorized in the Republic of Cyprus and regulated by the Cyprus supervisory authority, Cyprus Securities and Exchange Commission (CySEC), with License number AIF62_8 Fortified Capital Ltd, the external manager, is authorized in the Republic of Cyprus and regulated by the Cyprus supervisory authority, Cyprus Securities and Exchange Commission (CySEC). This key investor information is accurate as of 23/10/2023.

Website: www.forticap.eu Telephone: + 357 22 367 610

Fax: 357 22 027 200

Email: info@forticap.eu

INVESTMENT OBJECTIVES AND POLICY

The Investment Compartment's primary objectives are:

(i) to achieve attractive returns for Investors by investing directly and indirectly in revenue generating commercial, residential, and/or mixed-use properties with strong rental potential or existing contracts, in order to secure said returns over the investment period, and (ii) benefit from the expected increase in real estate value over the medium term in order to generate capital appreciation for Investors upon exit.

The investment's target is to generate average annual returns of 8% from low-risk rental yielding properties, and to distribute 4-6% cash yields on a yearly basis with an expected IRR of 10% on exit. The Fund is benchmark unconstrained; meaning, Investment Compartment will be actively managed without reference to any specific benchmark, from an asset allocation perspective.

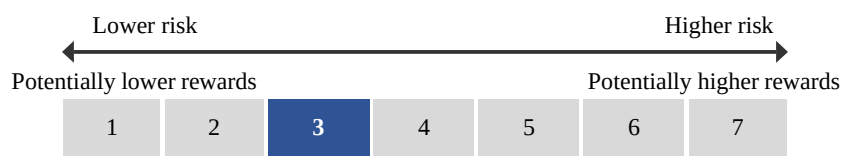
The Investment Compartment will also leverage the acquisition of properties in order to increase Investor returns. The maximum permitted level of borrowing utilised on behalf of the Compartment taking into account collectively the borrowing on the SPVs level is equal to 50% of its Total Assets.

The Investment Compartment is suitable for both Professional and Well-Informed investors in and outside the EEA/EU, with a medium to long term return by primarily investing in a portfolio of real estate assets located in Cyprus and Greece. The Investment Compartment may not be appropriate for investors who plan to withdraw their money before the Three-year Lock-up period of the Compartment. Prospective Investors will be approached directly by the Directors, as well as indirectly through third parties. The Investment Compartment, unless dissolved earlier or terminated pursuant to any specific cause set forth under the applicable Law as amended or its Articles of Association the Investment Compartment does not have a fixed term of existence, or maturity period. Termination will be subject to reasonable prior written notice to unitholders in compliance with the Investment Compartment's Articles of Association.

ESG Disclosure

For the time being, the External Manager does not consider adverse impacts of investment decisions on sustainability factors for this Investment Compartment. The main reason is the current lack of information and data available to adequately assess such principal adverse impacts. The External Manager has categorized this Investment Compartment as falling into Article 6 "opt-in" of the SFDR. The External Manager does not categorize this Investment Compartment as promoting, among other characteristics, environmental or social characteristics, or a combination of those characteristics, and by investing into companies following good governance practices (Article 8 SFDR). The External Manager also does not categorize this Investment Compartment as having sustainable investments as its objective and as having designated an index as a reference benchmark in this respect (Article 9 SFDR). The External Manager's position on this matter will be reviewed regularly. Unless stated otherwise, investments within the Investment Compartment do not take into account the EU Taxonomy Regulation criteria for environmentally sustainable economic activities. However, it cannot be excluded that some underlying investments may unintentionally aligned with the EU Taxonomy Regulation criteria for environmentally sustainable economic activities.

RISK AND REWARD PROFILE





This risk indicator is calculated using historical data, which cannot be used as a prediction for the future. The risk category shown is not guaranteed and may shift over time. The lowest category (1) does not mean risk-free. Even if an Investment Compartment is in the lowest risk class you may lose money, as no investments are entirely risk-free. The higher the Investment Compartment's position on this scale, the greater the possible reward, but also the greater risk of losing money. However, liability of each investor in the Investment Compartment is limited to the value of its units. Based on preliminary calculations, the level of the risk-reward profile is 3 = "medium - low".

The value of the Investment Compartment's Assets is linked to a portfolio of illiquid securities, whose price may rise and fall over time. Hence, investors should note that the value of their investment could fall as well as rise and they should accept that there cannot be any guarantee that they will recover their initial investment, because they could potentially lose part or all of their initial investment.

Credit Risk: An investment in the Investment Compartment involves a high degree of financial risk. Investors may lose all or part of their investment in the Investment Compartment.

Liquidity Risk: The real estate/property sector is relatively illiquid and investment in the Investment Compartment is meant to be long-term, and redemptions will not be possible prior the end of the Compartment's Lock-up period. It is also noted that the profitable sale of properties depends upon market demand, which is susceptible to a number of externalities that may not be foreseen.

Operational Risks: Although minimized by utilizing a depositary, many assets of the Investment Compartment are exposing to operational risks including political and regulatory risks that may arise.

Market Risk: The Investment Compartment could face also Market risk as the value of assets are dictated by a number of factors, such as general economic conditions, volatility of interest rates, national and international political and economic events in the country where the fund is invests.

The Investment Compartment also relies upon the performance of the External Management Company (and its key personnel) and the successful implementation of the strategy. The change of key personnel, termination of the investment management agreement with the Management Company, or poor performance of the Management Company could have a material adverse effect on the Investment Compartment.

For full details of the risks the Investment Compartment may be exposed to, please refer to the "Risk Factors" section of the Offering Memorandum which is available free of charge at www.forticap.eu.

PERFORMANCE SCENARIOS

Investment € 10,000 If you cash in after:		[1] Year	[3] Years	[5] Years (Recommended holding period)
Stress Scenario	What you might get back after costs	€9,517.99	€8,760.10	€7,992.99
	Average return each year	-4.82%	-4.13%	-4.01%
Unfavourable Scenario	What you might get back after costs	€10,192.27	€10,842.38	€11,642.61
	Average return each year	1.92%	2.81%	3.29%
Moderate Scenario	What you might get back after costs	€10,423.07	€11,303.05	€12,318.85
	Average return each year	4.23%	4.34%	4.64%
Favourable Scenario	What you might get back after costs	€10,686.06	€11,813.24	€13,066.05
	Average return each year	6.86%	6.04%	6.13%

The table above shows the money you could get back over the next 1, 3 and 5 years under different scenarios, assuming that you invest €10,000. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. You can compare them with the scenarios of other products.

These scenarios presented are an illustration of past performance and cannot be taken as an indicator of future performance. The figures shown include all the costs of the product itself but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. What you could receive can vary and will be impacted by how the market performs and how long you keep the investment. Benefits anticipated in the MOUFLON INVESTMENT FUND AIF V.C.I.C PLC may be affected by changes in Cyprus tax legislation.

WHAT HAPPENS IF THE INVESTMENT COMPARTMENT IS UNABLE TO PAY OUT?

In this case, you will not recover your investment. There is no compensation or guarantee scheme. No guarantee as to future performance of or future returns from the Investment Compartment can be given.

CHARGES OF THE INVESTMENT COMPARTMENT

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of (i) the product itself and for a holding period of 1, 3 and 5 years.



The figures assume you invest EUR 10,000. The figures are estimates and may change in the future.

Investment € 10,000 If you cash in after:	[1] Year	[3] Years	[5] Years (Recommended holding period)
Total costs	2.25%	7.89%	14.13%
The Reduction in Yield (RIY) per year	34.75%	37.72%	37.87%

The charges you pay are used to cover the costs of running the alternative investment fund, including marketing costs and distribution. Such charges reduce the potential growth of your investment. The ongoing charges figure is based on expenses anticipated for the year. This figure may vary from year to year. For more information about charges please refer to the "Fees and Expenses" section of the Investment Compartment's Offering Document which is available at www.forticap.eu.

COMPOSITION OF COSTS			
One –Off Costs	Entry Costs	Up to 1.00%	The impact of costs that we take, when you subscribe.
	Exit Costs	N/A	The impact of the costs of exiting your investment when you redeem.
Ongoing costs	Management Fee	1.00% per annum on Fund NAV calculated on each valuation day to an annual minimum fee of EUR 24,000 the first year and EUR 30,000 thereafter	The impact of the costs that we take each year for managing your investments.
	Depository Fee	0.03% of the Compartment's NAV, subject to an annual minimum fixed fee of EUR 5,000	The impact of costs that we take in order to pay the Depository for offering custodian services.
	Administration Fee	0.08% of NAV for the first 20ml, 0.05% for over 20ml with an annual minimum fixed fee of EUR 6,000 for the first year and EUR 10,000 thereafter	The impact of the costs that we take in order to pay for its day-to-day operations.
Incidental Costs	Performance Fees	10% in excess of the 10% Hurdle Rate per Investor Share upon exit	The impact of performance fees. We take these from your investments if the product outperforms hurdle rate.

HOW LONG SHOULD I HOLD IT AND CAN TAKE MONEY OUT EARLY?

The Investment Compartment is an open-ended fund. The required minimum holding period, in principle, is 3 years starting on the launch date of the Investment Compartment with two (2) consecutive one (1) year extension options by the sole decision of the board of directors.

HOW CAN I COMPLAIN?

In the event you wish to make a complaint please contact us via ordinary mail, email or fax.

Please include as much information as possible in the complaint, in order to assist us in our investigation.

Fortified Capital Ltd

36B Griva Dighenis Avenue, 1st Floor, Office 101-102,1066 - Nicosia, Cyprus

www.forticap.eu

Telephone: + 357 22 367 610

Fax: + 357 22 027 200

Email: complaints@forticap.eu

Complaints have to be addressed to the Complaints Handling in writing (via ordinary mail, email or fax).

PRACTICAL INFORMATION

The depository is T.C.R International Ltd. The Investment Compartment's Administrator is BDO Fund Services Limited.

Copies of the Offering Document, the latest annual reports and subsequent half-yearly reports as well as other information (including the latest share prices) are available free of charge at www.forticap.eu. The Offering Document and periodic reports are prepared for the MOUFLON INVESTMENT FUND AIF V.C.I.C PLC.

The Net Asset Value ("NAV") is calculated annually, on the last business day of each year, in the based currency being EUR and published on www.forticap.eu. The taxation regime applicable to the Investment Compartment in the Republic of Cyprus may affect the personal tax position of an investor. FORTIFIED CAPITAL LTD may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Investment Compartment Offering Document. MOUFLON INVESTMENT FUND AIF V.C.I.C PLC may have a number of different Investment Compartments. The assets and liabilities of each Investment Compartment are segregated by law and your investment in the Investment Compartment should not be available to pay the liabilities of any other Investment Compartment.



OFFERING SUPPLEMENT – MOUFLON YIELD FUND

in relation to the offer of Investor Shares in

MOUFLON YIELD FUND

a Compartment of

MOUFLON INVESTMENT FUND AIF V.C.I.C. PLC

MOUFLON INVESTMENT FUND AIF V.C.I.C. PLC (the "Company"), (previously Mouflon Real Estate Fund Limited), was incorporated in Cyprus under the Companies Law, Cap. 113, on 28/12/2016, with registration number HE364315 and was authorized by the Cyprus Securities and Exchange Commission (the "CySEC") on 05/12/2016 to operate as an Alternative Investment Fund with Limited Number of Persons (the "AIFLNP") in the form of a private company limited by shares of variable capital pursuant to the provisions of Part VI of the Alternative Investment Funds Law 131(I)/2014 with license number LPAIF60/2014. Following the submission of an application to be converted to an Alternative Investment Fund ("AIF") the Company granted authorization on 17/02/2020 by the CySEC to operate as an externally managed AIF in the form of a public company limited by shares of variable capital in accordance with Part II of the Alternative Investment Funds Law 124(I)/2018 with license number AIF62/2018. The Company is authorized to create multiple Investment Compartments under Its Umbrella.

Dated of the Offering Supplement 23 October, 2023

ADDRESSED TO PROFESSIONAL AND/OR WELL-INFORMED INVESTORS

This Offering Supplement is being issued pursuant to the offering of Investor Shares in **MOUFLON YIELD FUND** (the "Compartment") and contains supplemental information to that contained in the Offering Document dated **23/10/2023** issued by **MOUFLON INVESTMENT FUND AIF V.C.I.C. PLC** (the "Offering Document"). This Offering Supplement contains specific information in relation to the Compartment. It forms part of, and must be read in the context of and together with, the Offering Document. Distribution of this Offering Supplement, which forms part of the Offering Document, is not authorized unless accompanied by a copy of the Offering Document the current copies of the Memorandum and Articles, the latest annual report, if published, the latest half-yearly report, if published after the latest annual report, the latest Key Information Document (required only for Well-Informed Investors) information on the latest NAV Per Share and the historic performance (if any) of a Compartment.



FUND: MOUFLON INVESTMENT FUND AIF V.C.I.C. PLC
INVESTMENT COMPARTMENT: MOUFLON YIELD FUND

This Supplement forms part of the Offering Document dated 23/10/2023 (the “**Offering Document**”) in relation to MOUFLON INVESTMENT FUND AIF V.C.I.C. PLC (the “**Company**”) for the purposes of the AIF Regulations. This Supplement should be read in the context of, and together with, the Offering Document and contains information relating to the **MOUFLON YIELD FUND** (the “**Investment Compartment**” or “**Compartment**”) which is a separate Investment Compartment of the Company, represented by the MOUFLON YIELD FUND series of shares in the Compartment (the “**Shares**”). Please see the cover page of the Company’s Offering Document for a list of the other Investment Compartments of the Company.

The External Manager of MOUFLON INVESTMENT FUND AIF V.C.I.C. PLC, listed in the Offering Document under the section titled “**Directory**”, accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the External Manager and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the importance of such information.

All capitalized terms shall have the same definition/interpretation as in the Offering Document. In this Offering Supplement, the term Compartment shall refer to **MOUFLON YIELD FUND**, unless the context clearly indicates otherwise. To the extent of any inconsistency between the terms of this Offering Supplement and the Offering Document, this Offering Supplement shall prevail with respect to **MOUFLON YIELD FUND**.

Prospective investors should review this Supplement and the Offering Document carefully and in their entirety. Prospective investors should consult their lawyer, accountant or other financial adviser for independent advice in relation to:

- (a) the legal requirements within their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares;
- (b) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchanging, redeeming or disposing of Shares;
- (c) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares; and
- (d) the provisions of this Supplement and the Offering Document.

An investment in this Compartment should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all Investors. Potential Investors should consider the risk factors set out in the Offering Document and in this Offering Supplement before investing in this Compartment.

The Shares will not be admitted to the official list of any Listing Authority pursuant to any Listing Rules and will not be admitted to trading on the main market of any Stock Exchange.



SUMMARY INFORMATION TABLE – KEY FEATURES

MOUFLON YIELD FUND

Type	Open-Ended Alternative Investment Fund
Compartment Strategy	Multi-strategy real estate - MULT_REST
Investment Objective	The Investment Compartment's primary objectives are to: (i) achieve attractive returns for Investors by investing directly and indirectly in revenue generating commercial, residential, and/or mixed-use properties with strong rental potential or existing contracts, in order to secure said returns over the investment period, and (ii) actively manage the portfolio of properties, including through refurbishment and upgrading, in order to increase values and improve recurring returns, and implement value-adding strategies such as conversions in order to both achieve an improved financial performance as well as minimizing risks by targeting attractive and niche market segments, and (iii) benefit from the expected increase in real estate value over the medium term in order to generate capital appreciation for Investors upon exit.
Duration	The duration of the Compartment is indefinite and there is no restriction or limitation affecting the lifetime of the Compartment.
International Identification Number (ISIN)	TBD
Target Investors	Professional Investors and/or Well-Informed Investors in and outside the EEA/EU
Denominated Currency	EUR
Initial Offering Period	The Initial Offering Period shall commence on the day the Compartment obtains official authorization from CySEC and will close six (6) months following such date. <i>The Initial Offering Period may be shortened or prolonged (shall not exceed 12 months from the date of authorization) by the External Manager following the decision of the Board of Directors of the Company by written resolution.</i>
Lock-Up Period	<u>Applicable to Share Class A</u> One (1) years imposed on every Investor. Lock-Up period starts counting from the subscription date and where applicable subsequent subscription date of each respective Investor. Lock-Up period may be extended for a maximum of two one-year periods, if the Compartment does not have sufficient liquidity. <u>Applicable to Share Class B</u> Three (3) years imposed on every Investor. Lock-Up period starts counting from the subscription date and where applicable subsequent subscription date of each respective Investor. Lock-



	Up period may be extended for a maximum of two one-year periods, if the Compartment does not have sufficient liquidity.
Initial Offering Price	EUR 10 per Investor Share
Minimum Subscription Amount	<u>Applicable only to Well-Informed Investors</u> 125,000 EUR <u>Applicable only to Professional Investors</u> 50,000 EUR
Minimum Subsequent Subscription Amount	N/A
Minimum Redemption Amount	EUR 10,000
Maximum Redemption Amount	N/A
Targeted returns	to generate average annual returns of 8% from low-risk rental yielding properties, and to distribute 4-6% cash yields on a yearly basis with an expected IRR of 10% on exit.
Contribution In Kind	Allowed subject to the discretion of the Board of Directors of the Company and the approval of the External Manager.
Minimum Holding Requirement	Applicable only to Well-Informed Investors • 125,000 EUR Applicable only to Professional Investors • 50,000 EUR
Frequency of Investor Redemptions/Subscriptions	Half Yearly subject to the applicable Lock-Up period.
Subscription Day	1st January and 1st July of each calendar year, but in any event at all times the business day following any Valuation Day. At the discretion of the Board of Directors and subject to the approval of the External Manager, ad-hoc Subscriptions may be permitted.
Redemption Day	1 st January and 1 st July of each calendar year, but in any event at all times the business day following any Valuation Day.
Dealing Day	The first Business Day following the Valuation Day
Valuation Day	• Half Yearly and shall be the last Business Day of December and June of each calendar year; and • On an Ad-hoc basis, upon request subject to the approval of the External Manager.
NAV Release Day	Within 90 calendar days following each relevant Valuation Day
Cut-off Time for Subscriptions	17:00 (Cyprus time, GMT +2) 15 Calendar days before the relevant Subscription Day.
Cut-off Time for Redemptions	17:00 (Cyprus time, GMT +2) 90 Calendar Days before the relevant Valuation Day subject to the Lock-up period restriction.
Cut-off Time for Transfers	17:00 (Cyprus time, GMT +2) 15 Calendar Days before the relevant Valuation Day



Cut-off Time for Subscription money	17:00 (Cyprus time, GMT +2) 1 Business Day before the relevant Valuation Day.
Authorised Payment Currency	EUR or <i>any other currency as the Board of Directors may approve upon request from time to time. The costs for any currency conversion will be borne by the Investor.</i>
Management Fee	1% of the Compartment's NAV, subject to an annual minimum fee of EUR 24,000 the first year and EUR 30,000 thereafter. <i>Management Fees are accrued and paid quarterly in arrears.</i>
Performance Fee	The Performance Fee is calculated based on the achieved performance at the time of exit of each individual Investor, when realized returns are above the Hurdle Rate. 10% in excess of the 10% Hurdle Rate per Investor Share upon exit. <i>Performance Fees are accrued monthly and paid upon realization at the time of Investor exit.</i>
Hurdle Rate	10%
Depository Fee	0.03% of the Compartment's NAV, subject to an annual minimum fixed fee of EUR 5,000. <i>Depository Fees are accrued and paid quarterly in arrears.</i>
Fund Administration Fee	0.08% of the Compartment's NAV up to the first EUR 20 million and 0.05% of the Compartment's NAV over EUR 20 million, subject to an annual minimum fixed fee of EUR 6,000 for the first year and EUR 10,000 thereafter. <i>Fund Administration Fees are accrued and paid quarterly in arrears.</i>
Subscription Fee	0 to 1% <i>Subscription Fee may be waived subject to the discretion of the Board of Directors of the Company.</i>
Redemption Fee	N/A
Geographical Region of Operations	Cyprus and Greece
Leverage/Borrowing	Up to 50% of the Compartment's Total Assets taking into account collectively the borrowing on the SPVs level.
Distribution Policy	Yearly, subject to the discretion and assessment of the Board of Directors. The level of dividend distribution will depend on the performance of the Investment Compartment and the availability of cash flow after all fees, expenses, and redemptions have been paid.
Transfers of Investor Shares	Freely transferable
Launch date	TBA
Pledging of Shares	Allowed subject to the prior approval of the External Manager



Risk Factors	See specific risk section (Section 18) in the main Offering Document and the risks outlined in this Supplement.
Investment Restrictions	For the Investment Restrictions applicable to this Investment Compartment please refer to the Section of this Supplement titled “Investment Restrictions” .

OFFERING / SHARE CLASSES

As at the date of the present Offering Supplement, the following Classes of Investor Shares are issued by the Company in respect to the Compartment:

MOUFLON YIELD FUND	Class A – Investor Shares	Class B – Investor Shares
Denominated Currency	<u>EUR</u>	<u>EUR</u>
Initial Subscription Price per Share	<u>EUR 10</u>	<u>EUR 10</u>
Minimum Subscription Amount	<u>Applicable to Well-Informed Investors</u> 125,000 EUR – not subject to a maximum <u>Applicable only to Professional Investors</u> 50,000 EUR – not subject to a maximum	<u>Applicable to Well-Informed Investors</u> 125,000 EUR – not subject to a maximum <u>Applicable only to Professional Investors</u> 50,000 EUR – not subject to a maximum
Type of Investors	Exclusively reserved for Investors of Mouflon Fun I & Mouflon Fund II	Any Eligible Investors qualifying as Professional or Well-Informed Investor

At a later stage, additional Classes of Investor Shares may be issued subject to the prior notification to CySEC and the existing Investors. In such case, this Offering Supplement will be updated accordingly. The Compartment will issue Investor Shares of no nominal value with no voting rights in a registered form. Each Investor Share is, upon issue, entitled to participate equally in the profits, dividends and other distributions of the Investment Compartment attributable to the relevant Class to which such Share belongs, as well as in the liquidation proceeds of the Investment Compartment.

The Net Asset Value of Investor Shares of the Compartment will be calculated by dividing the Net Asset Value attributable to that Share Class in the Compartment, being the proportionate value of its assets less its liabilities, by the total number of Shares in the relevant Class outstanding in the Compartment.

The Net Asset Value of a Class of Share of the Compartment will be issued with four decimal places.

Title to registered Investor Shares is evidenced by entries in the Company’s Share register. Investors will receive confirmation notes of their shareholdings. In principle, registered share certificates are not issued. However, at the request of the Investor, the External Manager may decide to issue share certificates for registered Investor Shares. The cost of issue will be borne by the Investor who has requested the certificate.



INVESTMENT OBJECTIVE

The investment objective of the Compartment is to provide its Investors with a medium to long term return (which may combine both income and capital growth) by primarily investing in a portfolio of real estate assets located in Cyprus and Greece.

It is anticipated that investors will benefit at medium to long term from the appreciation in the value of the assets during the investment time horizon as well as from the income generated from the lease of the properties acquired.

The portfolio of assets will consist of revenue generating commercial, residential, industrial, and/or mixed-use properties in prime locations and with quality tenants, with strong income and potential for value creation. The Compartment will seek to minimize rental risks by acquiring properties, when possible, having existing rental contracts, in order to guarantee a minimum level of yield for the Investors. The Compartment will not limit itself to one specific city or area, in order to diversify the portfolio of assets, and therefore minimize the impact of any local factors which could negatively affect the performance of the Compartment in a specific location. However, should the Compartment identify opportunities to achieve attractive returns in a particular geographic location, then the Compartment shall benefit from such opportunities while abiding by its strategy and risk profile.

The Compartment will also implement an active portfolio management strategy, by acquiring strategic assets which can achieve higher performance due to specific underlying factors, including location, need for refurbishment, upgrade and change of use potential in order to meet market demand, as well as opportunistic investment which can meet or exceed the targeted returns while maintaining an appropriate level of risk. This strategy will also aim to generate higher capital appreciation for individual assets, as well as to improve the tenant profile, by meeting market demand and targeting segments of the market which have the highest potential for growth and expansion.

Given the flexibility of the strategy, the Board of Directors be able to select the assets that best achieve the objectives of the Investment Compartment with regards to return and tenant profiles, while at the same time minimize the risks associated with investment in the Compartment.

The Compartment may also hold on an ancillary basis and primarily for liquidity purposes, cash reserves and/or other permitted assets with short-term maturities (bonds, equities etc.).

INVESTMENT STRATEGY

The Compartment aims to achieve its investment objectives by identifying properties which have specific characteristics, including undervalued properties with potential for appreciation and high-yield income, performing properties with long term tenants, assets in location and with characteristics that attract constant and recurring demand, as well as turnaround assets which have the potential to generate improve performance in terms of yield and capital appreciation.

The Investment Compartment will be actively managed on a total return basis. The Investment Compartment is benchmark unconstrained; i.e., it will be actively managed without reference to any specific benchmark, from an asset allocation perspective. However, its performance will be benchmarked against a 10% hurdle rate. Also, for performance comparison purposes, the External Manager might compare the Investment Compartment's periodic performance with the most commonly quoted indices of real estate industry, or the relevant industry in the relevant jurisdiction as it may deem fit.

The strategy is based on growth rather than speculation, since both the macro and micro economic factors in Cyprus and Greece are favourable and encouraging, and all elements point to a reinvigoration and sustainable growth in real estate values in the upcoming years. As such, the majority of the acquisitions will be geared towards revenue generating assets, which provide both security and cash flow to the Investment Compartment.



The Investment Compartment will seek to minimise the use of leverage due to the prevailing conditions in terms of interest rates. However, leverage can be used, at the discretion of the External Manager in agreement with the Directors, where said leverage is determined to be required in order to improve Investor returns. The ratio of total indebtedness of the Investment Compartment (determined on a consolidated basis) to gross asset value shall not exceed fifty percent (50%) of the acquisition values of the assets.

The Investment Compartment will invest either directly or through special purpose vehicles ('SPVs') and intermediary holding companies, depending on the requirements of Local Law, tax considerations and commercial requirements. The External Manager takes a hands-on management approach towards all investments and works with its partners to create maximum value throughout the realization process by utilizing its financial skills and access to an extended network of professionals.

The Investment Compartment may also co-invest with other parties by acquiring shareholding in companies whose main object are aligned with those of the Investment Compartment, or through joint ventures or consortiums. These co-investments should generate similar or better returns than the returns generated by the assets in which the Investment Compartment has invested on its own, and the risk profile of these co-investment should be similar or better than the risk profile of the portfolio of assets held by the Investment Compartment. Should the Investment Compartment co-invest in any third parties, it will do so in a manner to retain a sufficient level of control of the underlying asset, in order to ensure both proper management throughout the investment period as well as an optimal exit value at the time of liquidation.

INVESTMENT PROCESS

The Portfolio Manager has the overall responsibility of identifying, analyzing and sufficiently proposing to the Investment Committee the target markets and sectors that the Compartment may invest within the parameters of the Investment Policy and Strategy of the Compartment. In this process, the Company may receive recommendations for consideration from the Investment Consultants and its network of associates and to identify properties that are being marketed for sale that will then analyze, evaluate, and present to the Investment Committee.

For the overall development stage and management of the projects, the External Manager intends to utilize the expertise of the Investment Consultant and other third-party professionals with a proven track record in the markets the Compartment will invest in.

The External Manager investment approach is summarized below and will be applied within the Stages of the investment process:

1. Identification of Investment Opportunities (Stage One)
 - a. Location;
 - b. Price;
 - c. Potential to maximize profitability; and
 - d. Maintain the Value-Add risk profile.
2. Due Diligence and Evaluation (Stage Two)
3. Negotiation and Transaction Execution (Stage Three)

Stage one is the pre-selection process, which is focused on identifying and screening investment opportunities. Stage two refers to the project evaluation process and the final stage is the execution of the transaction.

Stage 1 (pre-selection Stage):

1. *Screening* – a first stage evaluation is completed by the Investment Committee and/or the External Consultant. This is based on a risk/reward ratio and on the added value the potential project will provide to the Compartment's existing property portfolio.



2. *Evaluation* – This involves verification of the Investment Consultant, whilst also analysing all aspects of legal and market frameworks. Also included with the evaluation process is the investment life cycle risk, considering key aspects such as land assembly, zoning approvals, construction, financing, marketing, exit and disposal.
3. *Feasibility Study* – If all aspects of the above criteria are completed successfully, then a full feasibility study of the project is conducted and forms a vital part of the overall investment proposal.

Stage 2 (project evaluation):

The Investment Committee will submit an investment proposal to the Portfolio Management Department of the External Manager. The latter in collaboration with the Risk Management Function of the External Manager will perform the second stage of the process performing an internal transaction assessment and carry out its own separate due diligence, obtain a valuation from an independent external valuer appointed by the External Manager and evaluate the investment proposal ensuring that it meets the investment objective, returns and risk profile of the Compartment.

Stage 3 (execution):

After an approval from the Portfolio Management the third stage of the due diligence process is the final review of the Depositary before any funds are released and any investments can be made.

The Investment Compartment will acquire real estate properties either directly or through special purpose vehicles ('SPVs') depending on the requirements of Local Law, tax considerations and commercial requirements. The External Manager takes a hands-on management approach towards all investments and works with its partners to create maximum value throughout the realization process by utilizing its financial skills and access to an extended network of professionals.

Property Physical Upgrade / Renovation

When investing in real estate properties which involve renovation and construction, the External Manager shall appoint investment consultants (hereinafter the "Investment Consultant") including third party service providers with local presence and expertise in the Compartment's targeted geographic region, to carry out and/or consult and/or assist the External Manager with any of the below:

- handling real estate sale/purchase transactions,
- assist with the performance of the required property due diligence on the target property and the respective seller,
- ensuring that the Compartment obtains the necessary approvals and licenses to conduct its business and activities from the relevant government authorities and bodies,
- managing the construction/development of the projects – project management, and
- where applicable, the Consultant shall be responsible for all services related to property management, including, but not limited to, property management and maintenance, leasing services and rent collection.

The External Manager shall ensure that Investment Consultant and any third-party service provider possesses many years of a successful track record within the Compartment's targeted geographic region and real estate sector and has the necessary expertise in the field of real estate and its management.



INVESTMENT RESTRICTIONS

Scale: the Investment Compartment shall not invest in a single property whereby the value of said property exceeds 50% of its AuM, in order to minimize concentration risks.

Sector: the Compartment shall not invest exclusively in one sector of the real estate market (residential, commercial, touristic, etc), and shall ensure proper diversification of its portfolio in order to reduce exposure to a particular sector of the market.

Leverage: The maximum permitted level of borrowing utilised on behalf of the Compartment taking into account collectively the borrowing on the SPVs level is equal to 50% of its Total Assets.

The Compartment is subject to all applicable restrictions and limitations set forth in Directive D131-2014-03 regarding the Classification of the AIFs of the Republic.

TARGET MARKET – MARKET OPPORTUNITY

The Investment Compartment will exclusively concentrate its investments geographically in Cyprus and Greece. Both countries have witness similar effects following the financial crisis of 2008, which had a great impact on the economies of both countries in 2012 and 2013.

Although one of the smallest member states of the European Union, Cyprus has proven remarkably resilient, and has achieved economic recovery after implementing tough austerity measures to restructure its economy and its banking sector. The economic adjustment program has been completed successfully, with progress being made in all key objectives set out by the country's international lenders, and with positive feedback being received from all of the international institutions monitoring the performance of the island.

Likewise, Greece has been heavily weighed down by its own crisis, which shrank its economy by over 45% since the peak of 2008, and induced years of austerity and fiscal tightening, with multiple interventions from the EU to rescue the economy a put it back on track. The success of this long-winded process started to appear in the past few years, with Greece achieving its way back towards a healthy and growing economy, with increasing confidence from the market reflected by falling bond yield, and tourism numbers reaching 90% of pre-pandemic levels.

Both countries suffered from the effects of the COVID pandemic, which hit them particularly hard as their economies are highly dependent on the tourism sector, a sector that was totally shut down during the pandemic. However, both countries witnessed a strong recovery, and are currently witnessing GDP growth rates, at 5.6% and 5.9% respectively, which are higher than the EU average of 3.5% for the year 2022. In addition, both countries were affected by high inflation and the increases in interest rates during 2023, but have also both had their levels of inflation fall back more than the EU average.

It has been assessed that the real estate sector in Cyprus and Greece offers major investment opportunities. The industry in both countries has suffered from the economic and financial crisis that they had to face, which has created great opportunities for the future. Property prices in Cyprus are 10% above their pre-pandemic levels according to the Central Bank of Cyprus, while in Greece the same period saw a 26% rise in prices based on the Central Bank of Greece figures. Despite these increases, prices per square meter in Athens and Nicosia are still far below other EU capitals, even when compared with Eastern European cities, as they have come back from a lower base. Furthermore, the Greek market is witnessing renewed foreign demand, particularly due to the golden visa scheme, which allows foreign buyers of residential real estate to obtain a residency permit in Greece which enables them visa free travel in the EU zone.

The outlook for GDP growth in both Greece and Cyprus also exceeds the EU average, with both destination offering political stability, growing tourism industries, greater energy connectivity between each other as



well as neighbouring countries, as well as great potential for renewable energy growth due to their sunny climates.

All of the above constitute an excellent opportunity for Investors to benefit from all of the advantages and potential growth that the real estate sector in Cyprus and Greece have to offer.

INVESTMENT MANAGEMENT

The Investment Compartment will be managed by the External Manager of the Fund. The Board of Directors of the Fund is responsible for the setting of the investment policy, objectives and oversight of the Investment Compartment. The Investment Management has been delegated to the External Manager as per the AIF regulatory guidelines. Accordingly, the External Manager will be responsible for the management and the monitoring of the Investment Compartment's activities. Subject to its overall responsibility, control, and supervision, the External Manager may appoint Investment Advisors to provide day-to-day investment recommendations, relating to the investment strategy of the Investment Compartment.

LIQUIDITY MANAGEMENT

Selling property can be a lengthy process so Investors in the Compartment should be aware that, in certain circumstances, they may not be able to sell all or part of their investment whenever they want to. There is also a heightened risk of valuation uncertainty during periods of market stress. The External Manager seeks to mitigate and manage these risks by maintaining adequate policies and procedures, and by using a number of liquidity mechanisms/tools outlined below.

The liquidity management policies and procedures include the management, implementation and maintaining of appropriate liquidity thresholds/ limits for the Compartment to ensure, where possible, that appropriate levels of liquidity are held within the fund on a day-to-day basis with any unusual trends or areas of high risk being escalated for further investigation and analysis, including appropriate stress testing. On a half yearly basis, the External Manager undertakes a detailed review of the policies and procedure with an assessment being presented to the External Manager's board of directors.

The Compartment is managed in such a way so that the liquidity profile of the Compartment is aligned with the requirement to meet redemption requests from Shareholders on each Dealing Day. In normal circumstances, redemption requests will be processed as set out above ("Redemption of Shares"). However, in exceptional circumstances, the External Manager has established liquidity contingency plans to ensure that any applicable liquidity management tools can be utilized where necessary, and deployed in a prompt and orderly manner.

To deal with temporary liquidity constraints in relation to the Compartment may (i) borrow cash to meet redemptions within the limits set out below, (ii) defer redemption requests in accordance with the provisions below ("GATE"), and (iii) apply valuation adjustments particularly when looking to sell a property quickly in response to high levels of redemption requests ("Valuation").

In the event there is insufficient liquidity to meet redemption requests, the External Manager, in agreement with the Board of Directors of the Fund, may ultimately need to temporarily suspend dealing in the Compartment. The circumstances under which suspension of dealing may occur include, for example, those where the External Manager cannot reasonably ascertain the value of the assets or realise assets of the Compartment, or if the Independent Valuer of the has expressed material uncertainty about the value of one or more immovables, and that material uncertainty applies to least 20% of the value of the property. Unless, in such a case of material uncertainty, the External Manager in communication with the Board of Directors have a reasonable basis for determining that a temporary suspension is not in the best interests of the Shareholders.



If our policies and procedures for managing liquidity should change, unitholders will be notified appropriately depending on the change.

LEVERAGE

Leverage may be utilised as and when considered appropriate, primarily when certain expanding opportunities arise.

Specifically, the External Manager may leverage the position of the Compartment in order to increase investment positions and make additional investments.

The Compartment, either directly or indirectly through its special purpose vehicles (SPVs), expects to utilise leverage as part of its acquisition or development program or otherwise, as determined by the External Manager. The maximum ratio of leverage shall be decided on a case-by-case basis with respect to a particular project or property. In order to secure borrowings, the Compartment or its SPVs may pledge its assets subject to any applicable restrictions. The maximum permitted level of borrowing utilised on behalf of the Compartment taking into account collectively the borrowing on the SPVs level is equal to 50% of its Total Assets.

The Compartment may borrow up to an additional ten percent (10%) of the Gross Asset Value via a short-term facility which may be used, inter alia, to help manage the Compartment's cashflow needs. This additional borrowing is excluded from the borrowing limit.

Borrowing will be obtained inter alia, by entering into private loan agreements with reputable banking or financial institutions or private companies or from other sources, including but not limited, from existing Shareholders.

The maximum level of leverage is expressed as a percentage of "exposure" compared to the net asset value of the fund, with "exposure" being calculated in accordance with a "gross" and "commitment" method. The "gross" method, takes account of the absolute exposure of the Compartment while the "commitment" method takes into account netting or hedging arrangements put in place.

The use of financial leverage for investment purposes can increase the risk and volatility of the Compartment's Portfolio.

DISTRIBUTION POLICY

The Investment Compartment shall make best efforts to distribute to Investors, during the lifetime of the investment and on a yearly basis, and subject to the full discretion of the Directors, dividends which may be received from the underlying asset. Said dividends can vary from year to year, depending on the achieved performance of the underlying assets, as well as the timing of acquisition and sale of assets. The Investment Compartment will seek to distribute between 4% and 6% in cash yields, while abiding by its liquidity procedures and requirements, out of expected 8% to 10% total annual returns. At the time of redemption, the Compartment will seek to achieve an IRR of 10% for Investors over their investment period following the Lock-up Period for each Investor. It is inherent to the strategy of the Compartment that the longer the holding period of the Investor in the Compartment, the higher the yield, distribution, and IRR can be achieved.

The Directors will ensure to distribute any dividends in compliance with the applicable laws as at the time and in accordance with the provisions of the Articles.



RISK FACTORS

THE SPECIFIC RISK FACTORS HIGHLIGHTED BELOW SHOULD BE READ IN CONJUNCTION WITH THE RISK FACTORS OUTLINED IN SECTION 18 “RISK FACORS” OF THE OFFERING DOCUMENT

Risk Profile of Typical Investor

An investment in the Compartment is designated to be a long-term investment. Investors should not expect to obtain short-term gains from such an investment. The Compartment is suitable for investors who can afford to set aside the capital for the long term and who seek an investment with a high risk profile.

Each Investor in the Compartment shall:

- have the knowledge and the investment experience to understand the specific investments of the Compartment and the financial markets in general;
- understand and evaluate the strategy, characteristics and risks of the Compartment in order to make an informed investment decision.

GENERAL RISK WARNING

The value of the Compartment’s Assets is linked to a portfolio of assets that consist of real estate assets, securities and/or fixed and/or variable income, whose price may rise and fall over time. Hence, Investors should note that the value of their investment could fall as well as rise and they should accept that there cannot be any guarantee that they will recover their initial investment, because they could potentially lose part of their initial investment.

Risk Specific to the Compartment

Real Estate Risks: The performance of the Compartment will be affected by specific property risks including, amongst other matters, changes in property market conditions leading to an oversupply of space or a reduction in tenant demand for a particular type of property in a given market; the quality of property available; the ability of the Compartment to maintain the recoverability of service charges and other expenditure and to control the cost of these items; the risk that one or more tenants may be unable to meet their obligations to the Compartment or the Compartment may not be able to lease existing or new properties on favourable terms and the potential illiquidity of property investments, particularly in times of economic downturn. The Investment Compartment portfolio will be affected risks related to local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in zoning laws, the availability of financing and changes in interest rates and leverage. Other specific real estate risks include:

- **Liquidity and Valuation Risk:** As the Compartment may have significant exposure to real estate there is a risk that the price at which an asset is valued may not be realizable in the event of sale. This could be due to a mis-estimation of the asset’s value or due to a lack of liquidity in the relevant market. Investments in immovable property are relatively illiquid and more difficult to realize than most equities or bonds. If an asset cannot be liquidated in a timely manner then it may be harder to attain a reasonable price. As a result, at times, the authorized directors of the Company may have to delay acting on instructions to sell investments which may have a materially adverse impact on the value of the shares in the Compartment. Furthermore, real estate assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty and are a matter of an independent valuer’s opinion. There is no assurance that the estimates resulting from the valuation process will reflect the actual sale price even where a sale occurs shortly after the valuation date.



- **Development Risk:** The Compartment may invest in property developments associated assets. To the extent that the Compartment does so, it will be subject to the risks normally associated with property development. These risks include, without limitation, risks relating to the availability and timely receipt of planning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the Compartment, such as weather or labour conditions or material shortages), general market and letting risk, and the availability of both construction and permanent financing on favourable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of the Compartment and on the amount of Investment Compartment available for distribution to the Compartment shareholders and, thus, the Unit holders.
- **Tenant Risk:** The distributions payable by the Compartment are dependent on the income from the underlying property owned. The receipt of any rental income due and payable in respect of the underlying property, and the possibility that tenants may default on their rental obligations, creates a consequential risk of the Compartment in that it could cause a decline in the Compartment's income available for distribution to the Compartment shareholders and, thus, the Unitholders.
- **Depreciation and obsolescence Risk:** An important risk in real estate is the potential depreciation and obsolescence of a property. Real estate is a tangible, real asset that needs expenditure to keep it in good condition, as well as being subject to the vagaries of fashion, location and sectoral influences.
- **Geographic Risk:** A number of factors influence the risks associated with investing beyond one's home country. Exposure to differing economies can produce higher or lower risk, similar to a listed equity investment, but a key risk specific to real estate is a country's track record in terms of title (of the land and property) and how those rights are registered and enforced.
- **Construction Risk:** This relates to the risk that a building is not built well or may have construction issues over time.
- **Contamination Risk:** Contamination in real estate is where a site or land contains substances in or under the land that are potentially hazardous to health and/or the environment.
- **Leasing Risks:** Where the Investment Compartments' Real Estate Investments involve the construction of or rehabilitation and re-tenanting of rental property, the projected returns for such Real Estate Investments will depend in part on the length of time required for a project to achieve stabilization and whether the sponsor can lease the space at the projected rental rates. Delays in anticipated letting-up could result in lower returns to the Investment Compartment and the Investors
- **Redevelopment and Repositioning Risks:** The redevelopment or the repositioning of real estate is subject to numerous risks of delays in work, cost overruns, bad workmanship or force majeure that may increase project costs. In addition, there may be planning risks arising from difficulties in obtaining planning consents and licenses which delay the construction timetable of a redevelopment or repositioning timetable.
- **Supply Risk:** Supply risk is worthy of a special mention. Some markets have restricted land availability, either through geographical circumstances or through the planning/zoning process.
- **Inflation Risk:** Inflation is the risk that a Compartment's assets or income from a Compartment's investments may be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of a Compartment's portfolio could decline. Deflation risk is the risk that prices throughout the economy may decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a Compartment's portfolio.



- **Taxation Risk:** The returns of the Compartment could be affected by changes in the tax treatment or interpretation of the Compartment and/or by changes in the law relating to the taxation of property and property transaction taxes.
- **Sector Risk:** There are also special risks associated with particular sectors, or real estate operations, including, but not limited to the following:
 - Retail Properties are affected by shifts in consumer demand due to demographic changes, changes in spending patterns and lease terminations.
 - Office Properties. Office properties are affected by a downturn in the businesses operated by their tenants.
 - Hospitality Properties. Hotel properties and other properties in the hospitality real estate sector, such as motels and extended-stay properties, are affected by declines in business and leisure travel
 - Healthcare Properties. Healthcare properties are affected by potential federal, state and local laws governing licenses, certification, adequacy of care, pharmaceutical distribution, rates, equipment, personnel and other factors regarding operations, and the continued availability of revenue from government reimbursement programs.
 - Industrial Properties. Industrial properties are affected by downturns in the manufacture, processing and shipping of goods. Multifamily Properties.
 - Shopping Centres. Shopping centre properties are affected by changes in the local markets where their properties are located and dependent upon the successful operations and financial condition of their major tenants.
 - Self-Storage Properties. Self-storage properties are affected by changes to competing local properties, consumer and small business demand.
- **Reliance on third party's due diligence:** Prior to entering into any agreement to acquire any property, the Compartment will perform or procure the performance of due diligence on the proposed acquisition target. In so doing, it would typically rely, in part, on third parties to conduct a significant portion of this due diligence (such as surveyors' reports and legal reports on title and property valuations). To the extent the Compartment, or other third parties underestimate or fail to identify risks and liabilities associated with the investment in question, the Sub-Fund may incur, directly or indirectly, unexpected liabilities, such as defects in title, an inability to obtain permits, or environmental, structural or operational defects requiring remediation. In addition, if there is a failure of due diligence, there may be a risk that properties are acquired which are not consistent with the Investment Objective and the Investment Policy, that properties are acquired that fail to perform in accordance with projections or that material defects or liabilities are not covered by insurance proceeds. This may, in turn, have a material adverse effect on the Fund's performance, financial condition and business prospects.

THE RISKS DESCRIBED IN THIS SUPPLEMENT ARE NOT EXHAUSTIVE AND YOU SHOULD BE AWARE THAT THE COMPARTMENT MAY BE EXPOSED TO OTHER RISKS OF AN EXCEPTIONAL NATURE FROM TIME TO TIME.

NET ASSET VALUE AND VALUATION DAY

The Investment Compartment's assets will, together with any cash or cash equivalents and any fees and expenses, be valued on each Valuation Day, defined as 31 December and 30 June of each calendar year, and on any other date the Directors of the Company, at their sole discretion, determine, in the valuation currency of the Compartment, being EURO. The Administrator shall on, or with respect to, each Valuation Day, determine the Net Asset Value (NAV) of the Investment Compartment and the NAV per Share in accordance with the provisions set out in Section 11 of the Offering Document.



VALUATION AND PRICING METHODOLOGY

The property of the Compartment will be valued on the following basis:

The immovable properties of the Compartment are valued by the Independent Valuers appointed by the External Manager on the basis of a full valuation with physical inspection (including, where the property is a building, internal inspection) at least once a year. The Independent Valuers also value each immovable on the basis of a review of the last full valuation, at least half yearly. The figure arrived at under that valuation is used as part of the valuation for the whole Compartment calculated on each Dealing Day. As at the date of this Supplement, the determination of the fair value of immovable property by Independent Valuer must be undertaken in accordance with IFRS accounting standards, the RICS Valuation – Global Standards (the RICS Red Book) and where required adjusted based on the applicable European Acceptable Best Practice Standards and Guidelines. Where the External Manager, the Board of Directors or the Independent Valuer have reasonable grounds to believe that the most recent valuation of an immovable property does not reflect the current value of that immovable property, the External Manager should consult and agree with the Independent Valuer a fair and reasonable value for the property. However, in the event an immovable property has to be sold quickly to satisfy redemption requests as they fall due, the External Manager will consult and agree with the Independent Valuer a fair and reasonable price for the immovable to reflect such a fast sale. The appointment of the Independent Valuer is not a delegation for the purposes of the Fund by the External Manager of any responsibilities for valuing the Compartment's property and consequently the External Manager remains ultimately responsible for the valuation the immovable property. For each asset a new designated independent qualified RICS accredited appraiser will be appointed every three years.

The valuation methods can include, among others:

- market approach - based on market comparables;
- income approach - based on income capitalisation;
- other valuation models based on earnings multiples or discounted cash flow methodology;
- replacement cost less depreciation (cost approach) should only be used in specific and rare circumstances when other valuation methods cannot be applied.

The valuation of property under renovation/construction can be based upon:

- fair value at completion less costs to complete (residual approach);
- cost approach should only be used in specific and rare circumstances when other valuation methods cannot be applied.

During the initial phases of the construction of a property, the level of uncertainty surrounding the fair value of the property is high. In this context, the fair value as determined using the residual approach may be equal to the consideration paid for the property plus subsequent construction costs. The information regarding applicable market assumptions could, for example, include sensitivity analysis of rent movements and yield changes.

SUBSCRIPTION OF SHARES

During the Initial Offering Period

The MOUFLON YIELD FUND Class A & B Investor Shares are offered for Subscription during the Initial Offering Period at the Initial Subscription Price of EUR 10 each.

Investor Shares will be issued one (1) Business Day following the closing of the Initial Offering Period.

Following the Initial Offering Period, Investor Shares may be subscribed for on each Dealing Day at the prevailing Net Asset Value plus, if applicable, Subscription Fee payable to the External Manager or any Distributor involved.

Subscription Process



Subscription application package (with original documents) must be received by the Fund Administrator no later than 15 calendar days by 17:00 (Cyprus time, GMT +2) prior to the relevant Subscription Day so that the subscribed Shares are valued at the Subscription Price of the scheduled Valuation Day following the submission of the application. Subscription application package received after this deadline shall be deemed to be received on the next Business Day and Subscription will take effect on the next scheduled Dealing Day.

The Subscription Price will be communicated to the Investors in electronic form via email and at the request of the investor in hard copy original via post.

The Directors and the Manager reserve the right from time to time to resolve to close, suspend or restrict the Fund or any Compartment or a Class to new subscriptions, either for a specific period or until they otherwise determine and either in respect of all Investors or new investors only.

No Investors Shares of any Sub-Fund will be issued during any period when the calculation of the NAV in such Compartment is suspended by the External Manager as described under section 11 “*Net Asset Value*”.

Subscription Money

Subscription money shall include the total Subscription Amount plus the applicable Subscription Fee net of all bank charges (i.e. at the Investor’s expense) which has to be deposited before the **Cut-Off Time for Subscription money** being 17:00 (Cyprus time, GMT +2) one (1) Business Day before the relevant Valuation Day. Subscription money credited to the Compartment’s subscription account after this deadline shall be deemed to be received on the next Business Day and Subscription will take effect at the Net Asset Value on the next Valuation Day after the Dealing Day in question.

The applicable Minimum Initial Subscription Amount and the Minimum Subsequent Subscription Amount is provided within the table “**Summary Information Table**” above.

Contribution in Kind

The Directors and the External Manager may from time to time accept the issue of Investor Shares for a consideration of a contribution in kind of assets, provided that such assets correspond to the Investment Policy and permitted Investments of the Compartment and any such action is in compliance with the provisions set forth by the AIF Law and the Articles provided that:

- no Investor Shares will be issued until the assets or property have been vested or arrangements are made to vest the assets or property with the Depositary or its sub-custodian to the Depositary’s satisfaction;
- any such exchange will be effected on terms that the number of Investor Shares to be issued will be the number that would have been issued at the subscription price per Investor Share for a cash amount equal to the value of the assets or property as calculated in accordance with Net Asset Value provisions of the Fund including such sum as the Directors may consider represents an appropriate provision for Duties and Charges arising in connection with the vesting of the assets or property;
- the assets or property to be transferred to the Fund will be valued by applying the valuation methods described under the section “Valuation”; and
- the Depositary will be satisfied that the terms of such exchange will not be such as are likely to result in any material prejudice to the existing Investors.

Unless otherwise specified, the costs of such a transaction will be borne by the Investor. The value of the capital contribution shall not be less than the applicable Minimum Initial and Subsequent Subscription Amounts.



REDEMPTION OF SHARES

The Minimum Redemption Amount for Investor Shares in **MOUFLON YIELD FUND** is provided within the table “**Summary Information Table**” above.

Investor Shares in this Investment Compartment may be redeemed on each **Dealing Day (subject to the applicable Lock-up and notice period)** on the basis of the Net Asset Value per Investor Share determined with respect to such Redemption Day following the submission of the redemption request. If applicable, from the Redemption Price the Fund will deduct any Duties and Charges not accounted for in the calculation of the NAV and the Redemption Fees payable. Redemption requests must be received, by register post or electronic mail, by the Administrator no later than **90 calendar days** by 17:00 (Cyprus time, GMT +2) prior to the relevant Valuation Day so that the redeemed Shares are valued at the Redemption Price of the following scheduled Valuation Day after the submission of the redemption application. Redemption requests received after this deadline shall be deemed to be received on the next Business Day and will take effect on the next Dealing Day. Original Redemption Request must be received by the Administrator no later than 3 calendar days by 17:00 (Cyprus time, GMT +2) prior to the relevant Redemption Day.

The Redemption Price will be communicated to the Investors, within 60 Calendar Days, by electronic mail and at the request of the Investor in hard copy original via post.

Payment of redemption proceeds will be made by wire transfer to the account of the registered Investor at the Remitting Bank/Financial Institution from which the original subscription was made. Payment of redemption proceeds will normally be made within **60 Calendar Days** following the relevant Dealing Day.

Gate

With respect to each Redemption Day and subject to other limitations on redemptions set forth herein, if the result of the total redemption of Investor Shares pursuant to the Redemption Requests for such Redemption Date would be the payment to the Investors of an aggregate amount that would exceed twenty five percent (25%) of the AuM of the Investment Compartment on the Redemption Day (“Gate”), the External Manager in agreement with the Board of Directors, taking into consideration the market conditions and the liquidity of the markets in which the Compartment are located on such date, shall have the discretion to reduce pro rata the number of Investor Shares to be redeemed pursuant to each request for redemption so that the aggregate amount that shall be payable on the Redemption Day to all Investors who made requests for redemption of Investor Shares as regards that Redemption Day does not exceed the Gate. In such event the External Manager shall proceed to affect the redemption of the residual Investor Shares, to which such Redemption Requests relate and which have not been redeemed on the Redemption Day, gradually over a period from the Redemption Day at the Net Asset Value per Share on the date of each redemption of the residual Investor Shares. Every time redemptions take place within such period, they shall be effected on a pro rata basis ensuring that no discrimination shall take place between any of the Investors who made Redemption Requests relating to the same Redemption Day.

Suspension of Redemptions

The right to receive Redemption Proceeds in respect of all or part of Investor Shares tendered for redemption is contingent upon the respective Compartment having sufficient liquidity to discharge its liabilities on the relevant Redemption Day. The Company may defer payment of the Redemption Proceeds if the External Manager consider in good faith that liquidating positions in order to raise sufficient funds to pay said proceeds will be unduly burdensome to the Compartment, not realising an adequate market-price for the Compartment and/or would be detrimental to the interests of the Investors as a whole.

Early Exit Procedure

Redemption requests in some designated classes may be subject to a Redemption Fee of such percentage of the Redemption Proceeds as set out in the supplements.

The Directors in their sole and absolute discretion may renounce any such Redemption Fees.



INVESTMENT CONSULTANT / THIRD PARTY EXPERTS

Investment Consultant

The External Manager shall appointed investment consultant(s) in respect of the Compartment.

The rights and duties of the Investment Consultant are set forth in the investment consultancy agreement (the “Consultancy Agreement”) and made under Cyprus law. The Consultancy Agreement may be terminated by any of the Fund, the Manager, or the Investment Consultant by notice in writing, delivered or dispatched by registered mail to the other party, not less than three (3) months prior to the date upon which such termination becomes effective. The services, which are performed by the Investment Consultant within the parameters of the Consultancy Agreement and subject to the overall responsibility of the Manager, include, without limitation:

- To be appointed and act as a member of the Investment Committees assigned to the Investment Compartment;
- To understand and analyze the investment goals of the Investment Compartment and how the set objectives support the Investment Compartment’s mission;
- To offer specialist knowledge and recommendations on the Investment Compartment’s strategic positioning on an on-going basis;
- To locate and compile value investments that comply with the investment objectives and strategies of the Investment Compartment through utilization of his accumulated know how and niche expertise in target industries and target investments;
- To offer proposals on the investment philosophy, guideline and constraints to be adhered to by the Investment Compartment;
- To attend and participate in all physical and virtual meetings convened by the Investment Committees as a member of as requested by the Company from time to time and at a minimum of one (1) time per annum. Attendance shall be considered to have been achieved either through physical attendance or via virtual attendance through the use of any electronic means approved in advance of the meeting by the Company;
- To comply and act in accordance with the Fund’s Offering Document, Supplement Offering Documents, Memorandum and Articles of Association and the Investment Policy Statement of the Investment Compartment;
- To provide any such other services which are incidental to the Services;
- To provide any such other services requested by the Company which fall within the broad meaning of services relating to the Services.

The Investment Consultant will be entitled to an advisory fee paid out of the Management Fee. Any further details on the duties, rights and obligations of the Investment Consultants are outlined in the Consultancy Agreement.

Third Party Service Providers

Although the External Manager will monitor and oversee the performance of the Investments, in some cases the External Manager may appoint third party Experts and/or Services Providers including property managers to manage certain properties on a day-to-day basis and, where applicable, project managers to be responsible to direct and organize each part of the project life cycle, from initiation to completion.



Such Consultants and third party Services Providers will be entitled to a fee paid directly by the Compartment.

INVESTMENT COMMITTEE

The Investment Committee is appointed by the External Manager based upon prior approval by the Board of Directors of the Fund. The Committee shall have direct access to and complete and open communications with senior management of the External Manager and shall obtain advice and assistance from the investment adviser(s).

The committee main role is to:

- Assist the External Manager to formulate the portfolio statement and the investment strategy.
- Prepare the Investment Policy Statement which will clearly communicate to all relevant parties the procedures, the investment philosophy, guideline and constraints to be adhered to.
- review the investment and divestment proposals made by the Investment Adviser and make investment and divestment decisions based solely on these proposals.
- periodically review, and revise Investment Policy Statement.
- Monitor the performance of investment portfolio in accordance with Investment Policy Statement and evaluate the portfolio performance.
- Review the backgrounds of Investment Committee members and stakeholders involved in the selection process to ensure no conflicts of interest exist.
- Maintaining records for the actions of the Committee and reporting those to the Board of Directors of the External Manager and of the Compartment.

As at the date of this Offering Supplement the External Manager has established an Investment Committee which is composed by the following members:

- Dr. Samir Nasr
- Mr. Jad Wakil
- Mr. George Mouskides
- Mrs. Marilynn Khoury

DISTRIBUTOR

The Investment Compartment will be promoted by the External Manager as a Global Distributor. The External Manager retains the right to delegate distribution to approved delegates as per the AIFM Law.

FEES AND OTHER EXPENSES

The Investment Compartment shall bear its attributable portion of the operating expenses and service provider fees of the Company. A summary of such fees and expenses is set out in Section 17 of the Offering Document.

Setup and Operating Costs

The Investment Compartment shall bear its attributable portion of the set up and operating costs of the Company. The Compartment shall also bear any set up costs relating to its own launching, as well as all of the operating costs pertaining to its own operations.



Property Expenses

The Investment Compartment shall bear all of the expenses directly attributable to the investments undertaken and properties acquired within the Compartment, including but not limited to insurance fees, maintenance expenses, property taxes and fees, refurbishment and other property improvement expenses (if any), as well as acquisition and disposal of property expenses.

Management Fee

The Investment Compartment will pay to the External Manager a Management Fee of 1% per annum of the Net Asset Value of the Investment Compartment. The Management fee will be accrued and payable to the External Manager quarterly.

Performance Fee

The External Manager and its delegated Investment Consultant and/or advisors selected shall be entitled to receive out of the assets of each Class of Shares of the Compartment a performance fee ('the Performance Fee'). The interests of the External Manager and Investors are aligned in that a performance fee is only paid when delivering absolute returns.

The External Manager shall be entitled to receive a Performance Fee equal to 10% above the Hurdle Rate of 10%. The Performance Fee will be accrued and payable to the External Manager and or assigned advisors by the External Manager. Performance Fees are accrued and paid upon realisation.

When a performance fee is paid, the NAV is reset to the NAV of the relevant valuation day upon which the Performance Fee is paid.

In order to ensure that all shareholders bear their proportionate amount of Performance Fee, the Equalization per Share approach is applied in the calculation of the NAV per share.

An Investor who subscribes into the Fund will receive an equalization credit/debit depending on the subscription price. At the end of the financial period, the performance fee is attributed to each shareholder on a pro-rata basis. However, the fee is equalized by converting a portion or all the credit/debit in shares for each shareholder. The portion of unused equalization credit/debit remains for the next financial period and is payable to Investors upon redemption.

The Performance Fee shall be calculated by the Administrator where applicable (subject to verification by the Depositary) based on the finalized Net Asset Value per Share of the relevant Class of Shares of the Investment Compartment as at the relevant Valuation Day.

Subscription and Redemption Fees

On the discretion of the Board of Directors, investors may be subject to subscription and redemption fees as per below:

Subscription Fee:	up to 1% on the Subscription Amount (charged over the Subscription Amount i.e. if applicable the prospective Investor shall add the applicable Subscription Fee to the Subscription Amount as indicated in the Subscription Application Form)
Redemption Fee:	N/A

The Board of Directors of the Fund in their sole and absolute discretion may renounce any such Subscription and/or Redemption Fees.



Depository Fee

The Compartment will be liable to pay Depository Fees to the Depository as specified in the table “**Summary Information**” above. The Depository Fee shall be calculated and accrued as an expense of the Investor Shares and shall be payable monthly in arrears.

Service Providers Fees

The Investment Compartment shall bear its attributable portion of the External Audit, and any ad hoc required Compliance, Legal Consultants, and any other similar fee payable by the Compartments to the various service providers. The aforementioned fees will be accrued and payable on each Valuation Day.

Other Expenses

The External Manager is entitled to be reimbursed any expenses properly incurred by it on behalf of the Investment Compartment. Such expenses shall include but shall not be limited to: expenses for legal, auditing and consulting services incurred; expenses in the supply of information to Investors; and expenses properly incurred by External Manager and the Board of Directors in carrying out any duties.

The Investment Compartment shall also bear the following expenses:

- All taxes and expenses which may be incurred in connection with the acquisition and disposal of the assets of the Investment Compartment;
- All taxes which may be payable on the assets, income and expenses chargeable to the Investment Compartment;
- Any third party brokerage, bank and other charges incurred by the Investment Compartment in relation to its business transactions;
- All fees and expenses due to any third party valuer, dealer, distributor or other third party supplier of services to the Fund;
- All expenses incurred in connection with the publication and supply of information to the Investors of the Investment Compartment, and in particular, without prejudice to the generality of the foregoing, the cost of printing and distributing any reports specific to the Investment Compartment, any report to CySEC or any other regulatory authority that is specific to the Fund, any marketing or promotional material specific to the Investment Compartment, any costs of publishing quotations of prices and notices in the press specific to the Fund, and any costs of all stationery, printing and postage in connection with the preparation and distribution of cheques, warrants, tax certificates and statements specific to the Investment Compartment;
- All expenses arising in respect of legal or administrative proceedings specific to the Investment Compartment;
- All expenses related to valuations of assets, special valuers of business types the Fund may hold investments of and other valuation or analysis fees as may be deemed necessary;
- All legal advisory and revision expenses for regulatory updates and any legal revisions required, as practically may be required for the specific Investment Compartment;
- To the extent not already covered above, all expense incurred in connection with the operation, promotion and management of the Investment Compartment, including, without limitation to the generality of the foregoing, all costs connected to the organisation of meetings, costs incurred in keeping the register of Investors of the Fund, costs of any translations, insurance premiums, association membership dues, and all non-recurring and qualified items of expenditure as may arise specific to the Investment Compartment.



Value Added Tax

Some fees and charges may be subject to value added tax ("VAT"). Such VAT will be paid by the Fund (as and where it may appropriate) and recovered to the extent possible. Fund Management Fees for services offered to a fund licensed by the Cyprus Securities & Exchange Commission as an AIF are not subject to VAT charges.

To the extent not already covered above, all expenses incurred in connection with the operation, promotion and management of the Compartment, including, without limitation to the generality of the foregoing, all costs connected to the organisation of meetings, costs incurred in keeping the register of Investors of the Fund, costs of any translations, insurance premiums, association membership dues, and all non-recurring and qualified items of expenditure as may arise specific to the Compartment.

DEPOSITARY

T.C.R. INTERNATIONAL LTD has been appointed to act as the Depositary of the Fund within the meaning of section 26(3) of the Alternative Investment Funds Law 124(I)/2018 pursuant to the Depositary Agreement.

FUND ADMINISTRATOR

The External Manager has delegated the Fund Administration services to BDO FUND SERVICES LTD to act as the Fund Administrator pursuant to the Fund Administration Agreement carrying out all the administration duties and tasks in relation to the Compartment.

DISTRIBUTOR

The Compartment will be promoted by its External Manager as a Global Distributor.

LISTING OF SHARES

Investor Shares are not listed, quoted or dealt in on any stock exchange, or market nor have any application been made to any stock exchange or market for a listing or for a quotation or for a permission to deal in any Class of Investor Shares proposed to be issued.

SUSTAINABILITY DISCLOSURES UNDER SFDR

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended (SFDR), governs the transparency requirements regarding the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of Environment, Social, and Governance ("ESG") and sustainability-related information. Sustainability risk means the occurrence of an ESG event or condition that could potentially or actually cause a material negative impact on the value of a Compartment's investment. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks.

In accordance with SFDR, the Fund shall include in this Offering Supplement, in relation to this Compartment, a description of the manner in which Sustainability Risks are integrated into their investment decisions and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the financial products they make available. Therefore, the External Manager has categorised this Compartment in accordance with SFDR, as further specified below.

For the time being, the External Manager does not consider adverse impacts of investment decisions on sustainability factors for this Compartments. The main reason is the current lack of information and data available to adequately assess such principal adverse impacts. The External Manager has categorised this Compartment as falling into Article 6 "opt-in" of the SFDR. Accordingly, for this Compartment the External Manager assesses the results of the likely impacts of Sustainability Risks on the returns of the relevant Sub-Fund made available. The External Manager does not categorise this Compartments as



promoting, among other characteristics, environmental or social characteristics, or a combination of those characteristics, and by investing into companies following good governance practices (Article 8 SFDR).

The External Manager also does not categorise this Compartments as having sustainable investments as its objective and as having designated an index as a reference benchmark in this respect (Article 9 SFDR). The External Manager's position on this matter will be reviewed regularly. Unless stated otherwise, investments within the Compartment do not take into account the EU Taxonomy Regulation criteria for environmentally sustainable economic activities. However, it cannot be excluded that some underlying investments may unintentionally aligned with the EU Taxonomy Regulation criteria for environmentally sustainable economic activities.