

KEY INFORMATION DOCUMENT

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Three Hills Capital Solutions III – TH Decalia III Class C

Identifier: LU1857231861

Manufacturer: Three Hills Capital Solutions III

<https://www.threehills.com/disclaimer/>

For more information, call phone number (+352) 24 52 77 89

Competent Authority: Luxembourg regulator "Commission de Surveillance du Secteur Financier"

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You are about to purchase a product that is not simple and may be difficult to understand.

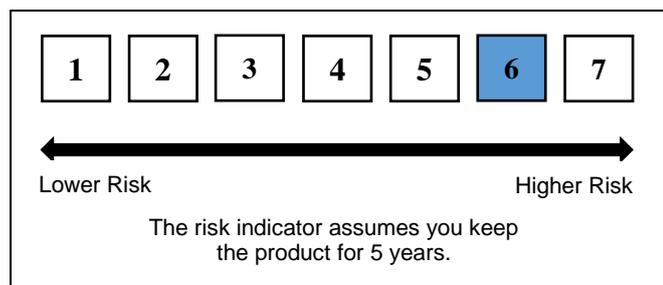
What is the product?

Type	<p>This product is an ordinary share denominated in EUR of the "société d'investissement à capital variable – fonds d'investissement spécialisé" denominated Three Hills Capital Solutions III (the "Fund"). The Fund is a closed-ended investment company with variable capital, organized as partnership limited by shares. The Fund is authorized under the Luxembourg law of 13 February 2007 related to specialized investment fund as amended from time to time and qualifies as an Alternative Investment Fund under the meaning of the Luxembourg law of 12 July 2013 related to Alternative Investment Fund Manager.</p>
Objectives	<p>The investment objective of the Fund is to achieve an attractive return from providing subordinated private debt and senior equity solutions to midmarket companies or portfolios of companies mainly having their registered seat or principal place of business in the EEA, the United Kingdom and Switzerland and are led by successful management teams and/or entrepreneurs, in order to provide to the Investors the benefit of the management of its assets while reducing investment risks through diversification across regions, sectors and investment styles.</p> <p>The Fund will target companies or portfolios of companies which exhibit certain financial characteristics, have an ability to repay the debt ranking in priority to the Fund's investment in order to meet their obligations, have an appropriate "value-cushion" of invested equity beneath the Fund's investment, other than in the case of ordinary equity investments (within the limit set out below), and which offer Investors opportunities for higher capital appreciation on the equity linked element of the investments.</p> <p>The Fund will principally seek to make investments of between Euro 15 million and Euro 60 million, in Portfolio Companies with an enterprise value that typically ranges between Euro 50 million and Euro 200 million. Most of the investments are expected to have an equity related return, achieved through equity linkage or through the taking of warrants. This equity component of the returns is additional to the interest rate charged to target companies. The Fund will not have a specific sectoral focus – rather, it will seek to invest in businesses which possess some or all of the following qualities that have been shown to enable businesses to withstand financial leverage:</p> <ul style="list-style-type: none">– operate in established markets, where historic performance is a reliable guide to future prospects;– clearly identifiable competitive position in the market;– a flexible costs structure which can withstand fluctuations in sales; and– strong sponsorship from an entrepreneur, a management team or corporate entity usually with a substantial equity participation and a proven track record of strong corporate direction. <p>The Fund intends to capture the unique opportunity arising from the mismatch between the capital needs of solid and successful European midmarket companies and the lack of credit in the banking system.</p> <p>The Fund may also invest in ordinary equity of companies or portfolios of companies for up to 20% of its Total Commitments, provided however that such ordinary equity investments may only be made in companies where the Fund has an existing subordinated private debt and/or senior equity investment.</p> <p>Given the above objectives, the recommended holding period is 5 years.</p>
Intended retail investor	<p>The Fund is suitable for well-informed investors within the meaning of Article 2 of the 2007 Law specifically accepted by the General Partner, who might qualified as "professional investors" in the sense of Directive 2014/65/EU (when marketed in the EEA) and, in case of a U.S. Person, a person that is (i) an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act and (ii) a "qualified purchaser" as defined in Section 2(a)(51) of the 1940 Act and the rules and regulations promulgated thereunder, and who are interested in investing in private equity. Due to the target investments, investors should be experienced and have a good understanding of the investment strategies and associated risks. The minimum commitment amount EUR 1 million, albeit that this minimum commitment may be waived by the General Partner in its sole discretion.</p>
Maturity date	<p>31 December 2030</p>

Please visit our website (<https://www.threehills.com/disclaimer/>) for further information.

What are the risks and what could I get in return?

Risk indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

If the product is denominated in a currency other than the official currency of the Member State where the product is being marketed, the return, when expressed in that official currency, may change depending on currency fluctuations.

In compliance with the provisions of the Commission Delegated Regulation (EU) 2017/653 of 8 March 2017, this product falls within category 1. Therefore, the risk indicator of this product shall be 6 out of 7, which is the second highest risk class as per the above regulation.

The risk of the product may however be significantly higher where the product is not held for the recommended holding period and poor market conditions are likely to impact the capacity of this product to pay you.

The product's risks relate to general economic and market conditions, such as liquidity risk, currency risk, concentration risk, private equity and financing transactions risk, investment and repatriation restriction risk, economic uncertainty, and changes in national and international political circumstances. These factors will affect the level and volatility of asset prices and liquidity of the investments held.

Liquidity risk relates to the risk of loss resulting from the fact that the Fund may invest in illiquid assets. Consequently, the relevant investment may represent a low level of liquidity.

This product does not include any protection from future market performance so you could lose some or all of your investment.

If the product is not able to pay you what is owed, you could lose some or all of your investment.

Please refer to the below section "How long should I hold it and can I take my money out early?" for information on early exit penalties.

Performance Scenarios

Investment: EUR 10,000

Scenarios		1 Year	3 Years	5 Years (Recommended Holding Period)
Unfavourable scenario	What you might get back after costs	10,825	12,684	14,864
	Average return each year	8.25%	8.95%	9.73%
Moderate scenario	What you might get back after costs	11,325	14,525	18,629
	Average return each year	13.25%	15.08%	17.26%
Favorable scenario	What you might get back after costs	11,825	16,535	23,121
	Average return each year	18.25%	21.78%	26.24%

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest EUR 10,000 and dividends are reinvested. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this product varies and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment/product. 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 happens if the Fund is unable to pay out?

You may face a financial loss (equal to some or all of your investments) due to the default of the Fund. Such a potential loss is not covered by any investor compensation or guarantee scheme.

What are the costs?

Presentation of costs

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get based on the moderate scenario. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest EUR 10,000. The figures are estimates and may change in the future.

Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Scenarios Investment: EUR 10,000	If you cash in after 1 Year	If you cash in after 3 Years	If you cash in after 5 Years (Recommended Holding Period)
Total costs	478	1,633	3,114
Impact on return (RYI) per year	4.78%	4.59%	4.42%

Composition of costs

The table below shows the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period and the meaning of the different cost categories.

This table shows the impact on return per year based on the moderate scenario.

One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment. This is the most you will pay, and you could pay less.
	Exit costs	0.00%	The impact of the costs of exiting your investment at the end of the recommended holding period.
Ongoing costs	Portfolio transaction costs	0.00%	The impact of the costs related to the purchase and selling underlying investments for the product.
	Other ongoing costs	1.95%	The maximum impact of the costs, charged each year for managing your investments.
Incidental costs	Performance fees	0.00%	There is no performance fee.
	Carried interests	2.50%	The impact of carried interests, charged after the reimbursement of investors and the payment of a 7% preferred return.

How long should I hold it and can I take my money out early?

This product being a sophisticated alternative fund, the recommended holding period is 5 years

This product is a closed-ended fund. You are not entitled to request the redemption of your ordinary shares.

The Fund will automatically come to term on 31 December 2030. However, the General Partner:

- shall, at the occasion of the 5th anniversary of the Investment Period End Date, be entitled to propose to convene an extraordinary general meeting of Shareholders to resolve on the liquidation of the Fund;
- shall shortly before the 6th and the 7th anniversary of the Investment Period convene an extraordinary general meeting of Shareholders to resolve on the liquidation of the Fund, unless the Investor Advisory Committee dispenses the General Partner of such obligation.

This product may however be transferred to other eligible investors subject however to the provisions and conditions set forth in the Private Placement Memorandum of the Fund.

How can I complain?

Complaints can be submitted directly to the management company Alter Domus Management Company S.A. by:

- email to complaints@manco.alterdomus.com
- letter to 15, Boulevard Friedrich Wilhelm Raiffeisen, L-2411 Luxembourg

More information is available on the website <http://www.alterdomus.com/services/management-company/management-company-policies>.

Other relevant information

Please see <https://www.threehills.com/disclaimer/> for further details and all documentation related to this product.