

# 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.

## TH IV Class C (R)

Identifier: LU2410490358

Manufacturer: Three Hills Capital Solutions Feeder

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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?

|                                 |   |
|---------------------------------|---|
| <b>Type</b>                     | This product is a distributive class of shares denominated in EUR of the sub-fund THCS Feeder IV (the " <b>Sub-Fund</b> ") of the Luxembourg " <i>société d'investissement à capital variable – fonds d'investissement alternatif réservé</i> " denominated <b>Three Hills Capital Solutions Feeder</b> (the " <b>Fund</b> "). The Fund is closed-ended with variable capital, organized as partnership limited by shares. The Fund is authorized under the Luxembourg law of 23 July 2016 related to reserved alternative investment funds as amended from time to time and qualifies as Alternative Investment Fund under the meaning of the Luxembourg law of 12 July 2013 relating to alternative investment fund managers.   |
| <b>Objectives</b>               | The investment objective of the Sub-Fund is to invest substantially all of, and at least 85% of, its assets in Three Hills Capital Solutions IV, a special limited partnership, established under and governed by Luxembourg law (the " <b>Master Fund</b> "). The Master Fund's objective is to achieve an attractive, risk-adjusted return from providing preferred structured capital solutions of at least EUR 40 million over time to mid-market companies, portfolios of companies or platforms primarily across Europe led by successful management teams and/or entrepreneurs. The aim of such investment objective is to provide to investors the benefit of the management of its assets while reducing investment risks through diversification across regions, sectors and investment styles and mitigating negative effects and contributing positively to people and the environment. The Master Fund will take into consideration environmental and/or social characteristics as further set-out in its SFDR related disclosure document. The Master Fund's portfolio companies shall optimise performance against material environmental, social and corporate governance factors (" <b>ESG Factors</b> ") within the bounds of what is commercially possible. The Master Fund may invest in ordinary equity of companies or portfolios of companies for up to 20% of commitments, provided however (i) that such ordinary equity investments may only be made in companies where the Master Fund has an existing preferred structured capital investment and (ii) that such threshold is considered at the time the relevant investment is made.<br><br>Given the above objectives, the recommended holding period is 5 years. |
| <b>Intended retail investor</b> | The Sub-Fund is suitable for retail investor, including connected investor (jointly) as defined in the Placement Memorandum, who has committed less than EUR 5 million and who fulfils one of the following conditions: (i) declares in writing that he adheres to the status of well-informed investor and invests a minimum of EUR 125,000 in the Sub-Fund, or any equivalent amount in another currency; or (ii) declares in writing that he adheres to the status of well-informed investor and provides an assessment made by a credit institution within the meaning of the Directive 2006/48/EC, by an investment firm within the meaning of Directive 2014/65/EU or by a management company within the meaning of Directive 2009/65/EC, certifying their expertise, their experience and their knowledge in adequately appraising an investment in the Sub-Fund. For the sake of clarity, we note that, as far as Italy is concerned, the Fund will only be marketed to professional investors and to non-professional investors in accordance with, and within the limits of, Art. 43 of the Italian Financial Act (Legislative Decree no. 58/1998 as amended), Art. 14 of the Ministerial Decree no. 30/2015 (as amended) and Consob second-level regulations. Compulsory redemptions for distribution purposes, if any, will be processed at the latest available net asset value per ordinary share, as defined in the Placement Memorandum, in accordance with article 10 of the articles of incorporation of the Fund.  |
| <b>Maturity date</b>            | The Sub-Fund has an unlimited duration. However, the attention of the investors is drawn to the fact that the Master-Fund will automatically come to term on 31 December 2033.  |

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

|   |  |
|---|--|
| <p><b>Risk Indicator</b></p> <p>Lower Risk <span style="float: right;">Higher Risk</span></p> <p>The risk indicator assumes you keep the product for 5 years.</p> | <p>The risk of the Sub-Fund 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.</p> <p>The Sub-Fund's risks relate to general economic and market conditions, such as credit risk, interest rate, inflation rates, operational 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.</p> <p>In addition to the fact that the Sub-Fund is closed-ended, liquidity risks must be considered given the illiquid nature of the investments made by the Sub-Fund and which may, depending on the market situation, either not be liquidated immediately or only be incurring losses. Consequently, Sub-Fund's investments may represent a low</p> |
|---|--|

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.

In compliance with the provisions of the Commission Delegated Regulation (EU) 2017/653 of 8 March 2017, this Sub-Fund falls within category 1. Such category covers products which are priced on a less regular basis than monthly and having no appropriate benchmark or proxy. This Sub-Fund is classified as 6 out of 7, which is the second highest risk class.

level of liquidity and marketability, which may result in a discount to your investment

This Sub-Fund 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.

## Performance Scenarios

Investment: EUR 10,000

| Scenarios            |  | 1 Year        | 3 Years       | 5 Years<br>(Recommended Holding Period) |
|----------------------|--|---------------|---------------|---|
| Unfavorable scenario | <b>What you might get back after costs</b> | <b>10,800</b> | <b>12,597</b> | <b>14,693</b>                           |
|                      | Average return each year                   | 8.00%         | 8.66%         | 9.39%                                   |
| Moderate scenario    | <b>What you might get back after costs</b> | <b>11,300</b> | <b>14,429</b> | <b>18,424</b>                           |
|                      | Average return each year                   | 13.00%        | 14.76%        | 16.85%                                  |
| Favorable scenario   | <b>What you might get back after costs</b> | <b>11,800</b> | <b>16,430</b> | <b>22,878</b>                           |
|                      | Average return each year                   | 18.00%        | 21.43%        | 25.76%                                  |

This table shows the money you could get back over the next 5 years under different scenarios, assuming that you invest EUR 10,000, including dividends and distributions. 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 reasonable and conservative best estimate of the expected values of the product. 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?

The investor may face a financial loss (equal to some or all of the investor's 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.

Investment: EUR 10,000

| Scenarios                              | If you cash in after 1 Year | If you cash in after 3 Years | If you cash in after 5 Years<br>(Recommended Holding Period) |
|--|-----------------------------|------------------------------|--|
| <b>Total costs</b>                     | 545                         | 1,767                        | 3,206  |
| <b>Impact on return (RYI) per year</b> | 4.60%                       | 3.64%                        | 2.96%  |

### 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

|                  |                                    |       |  |
|------------------|------------------------------------|-------|--|
| One-off costs    | <b>Entry costs</b>                 | None  | The impact of the costs you pay to the product when entering your investment. This is the most you will pay, and you could pay less.                         |
|                  | <b>Exit costs</b>                  | None  | The impact of the costs you pay to the product when exiting your investment at the end of the recommended holding period.                                    |
| Ongoing costs    | <b>Portfolio transaction costs</b> | None  | The average impact of the costs related to the purchase and selling underlying investments for the product over the last 3 years (when applicable).          |
|                  | <b>Other ongoing costs</b>         | 2.20% | The impact of the costs charged each year for managing your investments.   |
| Incidental costs | <b>Performance fees</b>            | None  | The impact of the performance fee (if any).  |
|                  | <b>Carried interests</b>           | 2.22% | The impact of carried interests, charged after the reimbursement of investors and the payment of a Preferred Return, as defined in the Placement Memorandum. |

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

The recommended holding period is 5 years. The Sub-Fund has an unlimited duration; however, the General Partner may decide to liquidate the Sub-Fund subject or in accordance with the provisions of the Placement Memorandum.

The Fund is a closed-ended fund so shares may not be redeemed at the Limited Shareholders' request. This product may however be transferred to other eligible investors subject however to the provisions and restrictions set forth in the Placement Memorandum of the Fund.

The attention of the investors is however drawn to the fact that their shares may be compulsorily redeemed, on a pro rata basis among existing Limited Shareholders, in order to distribute to the Limited Shareholders distributable cash and notwithstanding any other distribution mentioned into the Placement Memorandum.

### How can I complain?

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

- email to [complaints@alterDomus.com](mailto:complaints@alterDomus.com);
- letter to 15, Boulevard Friedrich Wilhelm Raiffeisen, L-2411 Luxembourg.

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

### Other relevant information

This Key Information Document does not contain all information relating to the Fund and Sub-Fund. Further information about the Fund and Sub-Fund may be found in the Placement Memorandum.

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