

SUMMARY

Summaries of prospectuses are made up of disclosure requirements known as ‘Elements’ as included in annex XXII of the prospectus regulation, as amended. These elements are numbered in Sections A - E (A.1 - E.7).

This summary contains all the Elements required to be included in a summary of a prospectus for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary together with an indication that such Element is ‘not applicable’.

Section A - Introduction and warnings

Element	Description	Disclosure requirement
A.1	Introduction and warnings	<p>This summary (the “Summary”), supplemented by a registration document (the “Registration Document”) and a securities note (the “Securities Note”) constitutes a prospectus (the “Prospectus”). The Summary should be read as an introduction to the Prospectus and relates to Arcona Property Fund N.V. (formerly named Palmer Capital Emerging Europe Property Fund N.V.) (the “Fund”). The Prospectus is published in connection with the offering of new ordinary shares in the capital of the Fund (the “New Shares”) pursuant to an offering of transferable subscription rights (the “Rights” and together with the New Shares, the “Offer Securities” and the offering of the Offer Securities, the “Offering”) and the admission to listing and trading of the Offer Securities on Euronext Amsterdam to fund part of the purchase price of the eleven neighbourhood retail centres located in Polish regional cities.</p> <p>Any decision to invest in the Offer Securities should be based on a consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the European Union, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Offer Securities.</p>
A.2	Consent by the Fund to the use of the Prospectus for subsequent resale or final placement of securities by financial intermediaries	Not applicable.

Section B - Issuer and any guarantor

Element	Description	Disclosure requirement
B.1	Legal and commercial name	Arcona Property Fund N.V.
B.2	Domicile, legal form, legislation and country of incorporation	The Fund is a Dutch public limited company structured as an investment company with variable capital (<i>beleggingsmaatschappij met veranderlijk kapitaal</i>), incorporated under the laws of and domiciled in the Netherlands. The Fund has its corporate seat in Amsterdam, the Netherlands.
B.3	Current operations and principal activities	The Fund offers institutional and private investors an opportunity to invest in a commercial real estate portfolio in the established and emerging markets of Central and Eastern Europe. It uses the expertise of in-company and external commercial real estate specialists, who operate in the local markets concerned. The Fund’s investment policy is to deliver a high income return from commercial real estate whilst preserving capital value. The Fund has entered into an agreement to purchase a portfolio of eleven neighbourhood retail centres located in Polish regional cities (the “ Target Portfolio ”). The purchase price for the Target Portfolio of €25.9 million is to be

		<p>funded by the proceeds of the convertible bonds in an aggregate principal amount of €3.5 million which were issued on 19 October 2016 by means of a private placement (the “2016 Convertible Bonds”), the proceeds of the Offering for an amount of €8.6 million, an amount of approximately €10.5 million borrowed from Raiffeisen Bank Polska S.A. under a senior loan agreement (the “Bank Loan”) and a loan of €4.7 million borrowed from the Sellers (the “Vendor Loan”). The Fund has a volume of €56.2 million and has invested in 14 commercial properties in the Czech Republic and Slovakia.</p>
<p>B.4a</p>	<p>Significant recent trends affecting the Fund and the industries in which it operates</p>	<p><i>The Czech real estate market</i></p> <p>In Prague, there is stable demand from both the IT and Professional services sectors which have been active throughout the economic crisis and these two sectors are expected to continue to lead demand in the coming years.</p> <p>Strong development activity continued through 2015. In 2015, approximately 190,600m² of offices were completed which represents the highest level since the record year of 2008. At the end of 2015, total office stock in Prague stood at 3.22 million m². However, the Fund notices new completions remain low and strong demand continues in 2016. JLL expects as of H1 2016 only 32,600m² of offices to be completed in 2016 and 91,000m² in 2017. The vacancy rate dropped to 14.6% by 2015 year end. The lowest vacancy, 11.1%, was recorded in Prague 8, where the Fund’s property Na Žertvách 34 is located. Prague 7 has the highest vacancy (32.7%). The total gross take-up in Q4 reached 160,919m², making it the busiest quarter in the history of the Prague office market. Gross annual office take-up reached 447,958m², which also makes it the busiest year in Prague’s history, exceeding the previous record set in 2014 by 35%. There have been further declines in the vacancy rate during the first half of 2016 to 12.3% and CBRE expects the trend to continue for the rest of the year.</p> <p>Modern office stock is concentrated predominantly in Prague. Outside Prague, larger concentrations of modern office stock can only be found in Brno and Ostrava.</p> <p>Blue chip companies usually consider Brno and Ostrava due to favourable rental conditions, a cheaper labour force and universities. During the first half of 2016, the vacancy rate in Brno reduced to 13.7%, down 2.6 percentage points compared to the first half of 2015.</p> <p><i>The Slovak real estate market</i></p> <p>While investor appetite has been gradually improving during the last two years, the pace really picked up in 2014 to drive home a record year in transaction volumes for Slovakia. In 2015, total investment volume was even higher compared to the previous year, accounting for approximately €575 million.</p> <p>Regarding income producing properties, although the investment market is expected to continue to be dominated by local investors, the Fund anticipates a rise in the number of institutional transactions in 2016 and 2017.</p> <p>Office development is still dominated by strong local groups and is largely focused on Bratislava. Regional cities such as Košice and Banská Bystrica are an attractive option for international companies seeking to move their non-core activities and this outsourcing model is expected to continue as an important demand driver for the office markets in these cities.</p> <p><i>The Polish retail real estate market</i></p> <p>At the end of H1 2016 modern retail stock in Poland totalled 13.01 million m² across the following retail formats: 9.28 million m² (71%) in shopping centres, 3.57 million m² (27%) in retail parks and warehouses, and 0.21 million m² (2%) in outlet centres. The Polish retail market gained 115,800 m² of new space in H1 2016, and only in Q2 2016 retail market grew by around 91,300 m² across all formats.</p> <p>The vacancy rate in Poland’s largest cities (Warsaw, Krakow, Poznań, Wrocław and Gdansk) ranges from low to moderate. For example, in Poznań and Wrocław, where new retail development has been extensive, vacant units account for 4% and 3.2% of existing gross lease area respectively. In contrast, Warsaw, where new supply has been relatively constrained, currently maintains a vacancy rate of 1.5%.</p> <p>Retailer demand stemming from domestic brands remains relatively buoyant, especially in terms of large market players, such as LPP Group (a leading distributor of lab, pilot and process</p>

		<p>equipment in Eastern Europe) or CCC (market leader in the Polish footwear retail), who continue to cautiously, yet gradually secure new locations across the country. The most popular international brands are still very selective, but at the same time continue their expansion in increasingly smaller markets.</p> <p>The highest demand still involves prime projects in particular markets, while secondary locations and assets face more challenges. Retail parks are gradually gaining recognition from both domestic and foreign retailers, however, apart from a number of budget brands such as Kik and Pepco this pool usually still does not include fashion, although this may change in the near future. This retail format is more often perceived as well suited to smaller towns, where shopping centres could prove unsustainable.</p> <p>Shopping centres are still the dominant format, encompassing over 0.5 million m2 of the newly developed retail space in 2015. In 2015, an additional 30,000 m2 was developed in retail park format and almost 100,000 m2 as single let retail warehouses. Shopping centres accounted also for over half of the new retail supply in H1 2016, whereas 36% of the total retail supply was related to standalone retail warehouses, the rest was related to retail park extensions. No new retail space was delivered in the sector of outlet centres in H1 2016. Currently more than 610,000 m2 is at the development stage, over half of which is expected to enter the market by the end of 2016. 65% of 2016 pipeline will be found in the major agglomerations, while the remaining 35% can be found in cities of below 100,000 inhabitants.</p> <p>Rent levels for prime locations in the biggest cities increased slightly over 2015. Smaller cities and secondary locations remained stable in that aspect.</p> <p>As at H1 2016 the most recently completed shopping centres and retail parks were leased at 90% and higher upon opening, which confirms investors' more cautious approach to new projects being carefully planned and tailored to the local market requirements.</p>																																																														
B.5	The group and the Fund's position within the group	<p>The Fund is a holding company with no material, direct business operations. The principal assets of the Fund are the equity interests it directly or indirectly holds in its operating subsidiaries in the Czech Republic and Slovakia (and in Poland on completion of the acquisition of the Target Portfolio). The Fund has three subsidiaries (together: the "Group"), which are all controlled by the Fund: Arcona Capital RE Bohemia, s.r.o., Arcona Capital RE Slovakia, s.r.o. and Arcona Capital RE Poland Sp. z o.o. In this context, control implies that the Fund is exposed or has rights to variable returns from its involvement with these subsidiaries and has the ability to affect those returns through its power over these subsidiaries.</p> <p>As a result, the Fund is dependent on loans, dividends and other payments from its subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of dividends to shareholders and management fee to the Fund Manager. The ability of the Fund's subsidiaries to make such distributions and other payments depends on their earnings and may be subject to statutory, legal or contractual limitations.</p>																																																														
B.6	Major shareholders of the Fund	<p>As far as the Fund can ascertain, based on information from the public register of the Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten, "AFM"</i>), the following shareholders have an actual or potential interest in the Fund's share capital/voting rights of more than the minimum notification threshold of 3%.</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Notification Date</th> <th colspan="2">Actual interest shares</th> <th colspan="2">Potential interest</th> <th colspan="2">Actual interest votes</th> </tr> <tr> <th>Number</th> <th>%</th> <th>shares</th> <th>in %</th> <th>Number</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Vereniging Beleggingsclub 't Stockpaert</td> <td>19-05-15</td> <td>100,000</td> <td>6.95</td> <td>0</td> <td>0.0</td> <td>100,000</td> <td>6.95</td> </tr> <tr> <td>St. Bewaarder Waardegroefondsen</td> <td>01-07-13</td> <td>58,500</td> <td>4.47</td> <td>0</td> <td>0.0</td> <td>58,500</td> <td>4.47</td> </tr> <tr> <td>T. Horak (indirect through Vinohrady Investments, a.s. and BLUE MOUNTAIN, s.r.o.)</td> <td>30-04-15</td> <td>60,800</td> <td>4.23</td> <td>0</td> <td>0.0</td> <td>60,800</td> <td>4.23</td> </tr> <tr> <td>R.E. de Rooy (indirect through RCM Consultancy B.V.)</td> <td>01-07-13</td> <td>52,391</td> <td>4.01</td> <td>0</td> <td>0.0</td> <td>52,391</td> <td>4.01</td> </tr> <tr> <td>A.F.A.J. Wigmans</td> <td>16-06-14</td> <td>50,030</td> <td>3.73</td> <td>0</td> <td>0.0</td> <td>50,030</td> <td>3.73</td> </tr> <tr> <td>H.M. van Heijst</td> <td>22-07-15</td> <td>50,000</td> <td>3.48</td> <td>242,000</td> <td>16.82</td> <td>50,000</td> <td>3.48</td> </tr> </tbody> </table> <p>(1) According to the Fund's records, Mr H.M. van Heijst ("Van Heijst") currently holds 67,551 Shares.</p>		Notification Date	Actual interest shares		Potential interest		Actual interest votes		Number	%	shares	in %	Number	%	Vereniging Beleggingsclub 't Stockpaert	19-05-15	100,000	6.95	0	0.0	100,000	6.95	St. Bewaarder Waardegroefondsen	01-07-13	58,500	4.47	0	0.0	58,500	4.47	T. Horak (indirect through Vinohrady Investments, a.s. and BLUE MOUNTAIN, s.r.o.)	30-04-15	60,800	4.23	0	0.0	60,800	4.23	R.E. de Rooy (indirect through RCM Consultancy B.V.)	01-07-13	52,391	4.01	0	0.0	52,391	4.01	A.F.A.J. Wigmans	16-06-14	50,030	3.73	0	0.0	50,030	3.73	H.M. van Heijst	22-07-15	50,000	3.48	242,000	16.82	50,000	3.48
	Notification Date	Actual interest shares			Potential interest		Actual interest votes																																																									
		Number	%	shares	in %	Number	%																																																									
Vereniging Beleggingsclub 't Stockpaert	19-05-15	100,000	6.95	0	0.0	100,000	6.95																																																									
St. Bewaarder Waardegroefondsen	01-07-13	58,500	4.47	0	0.0	58,500	4.47																																																									
T. Horak (indirect through Vinohrady Investments, a.s. and BLUE MOUNTAIN, s.r.o.)	30-04-15	60,800	4.23	0	0.0	60,800	4.23																																																									
R.E. de Rooy (indirect through RCM Consultancy B.V.)	01-07-13	52,391	4.01	0	0.0	52,391	4.01																																																									
A.F.A.J. Wigmans	16-06-14	50,030	3.73	0	0.0	50,030	3.73																																																									
H.M. van Heijst	22-07-15	50,000	3.48	242,000	16.82	50,000	3.48																																																									

		In addition, Stichting Prioriteit MERE (the “ Priority ”) has notified the holding of the priority share to the AFM. Save for the Priority, the shareholders listed above have the same voting rights as the other shareholders. Each Share entitles the holder to one vote at the general meeting of shareholders of the Fund (the “ General Meeting of Shareholders ”). The priority share (the “ Priority Share ”) held by the Priority carries various special rights (for more information, see Chapter 13 “Share Capital and Shareholders Meetings”, section 13.2 “Summary of the Articles of Association” of the Registration Document).																																																																																																																																																																								
B.7	Selected historical key financial information	<p>The audited consolidated financial information for the Fund set forth below as of and for the years ended 31 December 2015, 2014 and 2013 and the unaudited consolidated interim financial information for the Fund as of and for the six months ended 30 June 2016 and 2015 has been derived from, should be read in conjunction with, and is qualified in its entirety by, the consolidated (interim) financial statements, including the notes thereto, incorporated by reference in the Registration Document.</p> <p><i>Consolidated income statement</i></p> <p>(in €1,000)</p> <table border="1"> <thead> <tr> <th></th> <th>30-06-2016</th> <th>30-06-2015</th> <th>31-12-2015</th> <th>31-12-2014</th> <th>31-12-2013</th> </tr> <tr> <th></th> <th>Unaudited</th> <th>Unaudited</th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Gross rental income</td> <td>2,942</td> <td>2,847</td> <td>5,688</td> <td>6,105</td> <td>6,553</td> </tr> <tr> <td>Service charge income</td> <td>386</td> <td>337</td> <td>743</td> <td>855</td> <td>1,010</td> </tr> <tr> <td>Total revenues</td> <td>3,328</td> <td>3,184</td> <td>6,431</td> <td>6,960</td> <td>7,563</td> </tr> <tr> <td>Service charge expenses</td> <td>-988</td> <td>-959</td> <td>-1,946</td> <td>-2,224</td> <td>-2,397</td> </tr> <tr> <td>Property operating expenses]</td> <td>-792</td> <td>-758</td> <td>-1,563</td> <td>-1,709</td> <td>-1,851</td> </tr> <tr> <td>Total expenses</td> <td>-1,780</td> <td>-1,717</td> <td>-3,509</td> <td>-3,933</td> <td>-4,248</td> </tr> <tr> <td>Net rental and related income</td> <td>1,548</td> <td>1,467</td> <td>2,922</td> <td>3,027</td> <td>3,315</td> </tr> <tr> <td>Valuation gains on investment property</td> <td>-</td> <td>4,129</td> <td>4,458</td> <td>1,447</td> <td>859</td> </tr> <tr> <td>Valuation losses on investment property</td> <td>-</td> <td>-4,412</td> <td>-4,464</td> <td>-1,543</td> <td>-2,305</td> </tr> <tr> <td>Net valuation gains on investment property</td> <td>-</td> <td>-283</td> <td>-6</td> <td>-96</td> <td>-1,446</td> </tr> <tr> <td>Financial income</td> <td>64</td> <td>15</td> <td>99</td> <td>111</td> <td>75</td> </tr> <tr> <td>Other operating income</td> <td>11</td> <td>1</td> <td>5</td> <td>22</td> <td>28</td> </tr> <tr> <td>Other income</td> <td>75</td> <td>16</td> <td>104</td> <td>133</td> <td>103</td> </tr> <tr> <td>Total income</td> <td>1,623</td> <td>1,226</td> <td>3,020</td> <td>3,064</td> <td>1,972</td> </tr> <tr> <td>Administrative expenses</td> <td>193</td> <td>210</td> <td>400</td> <td>352</td> <td>554</td> </tr> <tr> <td>Other operating expenses</td> <td>746</td> <td>200</td> <td>940</td> <td>932</td> <td>454</td> </tr> <tr> <td>Total operating expenses</td> <td>939</td> <td>410</td> <td>1,340</td> <td>1,284</td> <td>1,008</td> </tr> <tr> <td>Net operating result before financial exp.</td> <td>684</td> <td>816</td> <td>1,680</td> <td>1,780</td> <td>964</td> </tr> <tr> <td>Financial expenses</td> <td>454</td> <td>511</td> <td>-979</td> <td>1,075</td> <td>960</td> </tr> <tr> <td>Result before income tax</td> <td>230</td> <td>305</td> <td>701</td> <td>705</td> <td>4</td> </tr> <tr> <td>Income tax expense</td> <td>-111</td> <td>-112</td> <td>-263</td> <td>419</td> <td>-137</td> </tr> <tr> <td>Result for the period</td> <td>119</td> <td>193</td> <td>438</td> <td>1,124</td> <td>-133</td> </tr> <tr> <td>Attributable to:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Parent company shareholders</td> <td>119</td> <td>193</td> <td>438</td> <td>1,124</td> <td>-133</td> </tr> <tr> <td>Non-controlling interest</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Result for the period</td> <td>119</td> <td>193</td> <td>438</td> <td>1,124</td> <td>-133</td> </tr> </tbody> </table>		30-06-2016	30-06-2015	31-12-2015	31-12-2014	31-12-2013		Unaudited	Unaudited				Gross rental income	2,942	2,847	5,688	6,105	6,553	Service charge income	386	337	743	855	1,010	Total revenues	3,328	3,184	6,431	6,960	7,563	Service charge expenses	-988	-959	-1,946	-2,224	-2,397	Property operating expenses]	-792	-758	-1,563	-1,709	-1,851	Total expenses	-1,780	-1,717	-3,509	-3,933	-4,248	Net rental and related income	1,548	1,467	2,922	3,027	3,315	Valuation gains on investment property	-	4,129	4,458	1,447	859	Valuation losses on investment property	-	-4,412	-4,464	-1,543	-2,305	Net valuation gains on investment property	-	-283	-6	-96	-1,446	Financial income	64	15	99	111	75	Other operating income	11	1	5	22	28	Other income	75	16	104	133	103	Total income	1,623	1,226	3,020	3,064	1,972	Administrative expenses	193	210	400	352	554	Other operating expenses	746	200	940	932	454	Total operating expenses	939	410	1,340	1,284	1,008	Net operating result before financial exp.	684	816	1,680	1,780	964	Financial expenses	454	511	-979	1,075	960	Result before income tax	230	305	701	705	4	Income tax expense	-111	-112	-263	419	-137	Result for the period	119	193	438	1,124	-133	Attributable to:						Parent company shareholders	119	193	438	1,124	-133	Non-controlling interest	-	-	-	-	-	Result for the period	119	193	438	1,124	-133
	30-06-2016	30-06-2015	31-12-2015	31-12-2014	31-12-2013																																																																																																																																																																					
	Unaudited	Unaudited																																																																																																																																																																								
Gross rental income	2,942	2,847	5,688	6,105	6,553																																																																																																																																																																					
Service charge income	386	337	743	855	1,010																																																																																																																																																																					
Total revenues	3,328	3,184	6,431	6,960	7,563																																																																																																																																																																					
Service charge expenses	-988	-959	-1,946	-2,224	-2,397																																																																																																																																																																					
Property operating expenses]	-792	-758	-1,563	-1,709	-1,851																																																																																																																																																																					
Total expenses	-1,780	-1,717	-3,509	-3,933	-4,248																																																																																																																																																																					
Net rental and related income	1,548	1,467	2,922	3,027	3,315																																																																																																																																																																					
Valuation gains on investment property	-	4,129	4,458	1,447	859																																																																																																																																																																					
Valuation losses on investment property	-	-4,412	-4,464	-1,543	-2,305																																																																																																																																																																					
Net valuation gains on investment property	-	-283	-6	-96	-1,446																																																																																																																																																																					
Financial income	64	15	99	111	75																																																																																																																																																																					
Other operating income	11	1	5	22	28																																																																																																																																																																					
Other income	75	16	104	133	103																																																																																																																																																																					
Total income	1,623	1,226	3,020	3,064	1,972																																																																																																																																																																					
Administrative expenses	193	210	400	352	554																																																																																																																																																																					
Other operating expenses	746	200	940	932	454																																																																																																																																																																					
Total operating expenses	939	410	1,340	1,284	1,008																																																																																																																																																																					
Net operating result before financial exp.	684	816	1,680	1,780	964																																																																																																																																																																					
Financial expenses	454	511	-979	1,075	960																																																																																																																																																																					
Result before income tax	230	305	701	705	4																																																																																																																																																																					
Income tax expense	-111	-112	-263	419	-137																																																																																																																																																																					
Result for the period	119	193	438	1,124	-133																																																																																																																																																																					
Attributable to:																																																																																																																																																																										
Parent company shareholders	119	193	438	1,124	-133																																																																																																																																																																					
Non-controlling interest	-	-	-	-	-																																																																																																																																																																					
Result for the period	119	193	438	1,124	-133																																																																																																																																																																					

Consolidated balance sheet

(in €1,000)	30-06-2016	30-06-2015	31-12-2015	31-12-2014	31-12-2013
	Unaudited	Unaudited			
Assets					
Investment property	53,333	52,385	53,272	52,080	57,068
Other investments	59	90	76	89	555
Deferred tax assets	638	709	710	748	1,054
Total non-current assets	54,030	53,184	54,058	52,917	58,677
Trade and other receivables	728	985	485	854	1,371
Cash and cash equivalents	1,327	1,844	1,660	1,692	659
Assets held for sale	-	-	-	3,173	-
Total current assets	2,055	2,829	2,145	5,719	2,030
Total assets	56,085	56,013	56,203	58,636	60,707
Shareholders' equity					
Issued capital	7,194	7,194	7,194	7,194	6,699
Share premium	16,426	16,929	16,786	17,361	17,219
Revaluation reserve	4,143	4,004	4,157	4,004	4,191
Reserve for currency translation differences	2,163	2,259	2,245	2,135	2,205
Equity component convertible bonds	91	91	91	49	-
Retained earnings	-1,771	-1,996	-1,904	-2,189	-3,500
Total shareholders' equity	28,246	28,481	28,569	28,554	26,814
Liabilities					
Interest-bearing loans and borrowings	20,401	21,465	21,010	22,183	9,023
Deferred tax liabilities	4,310	4,095	4,271	4,004	4,709
Total non-current liabilities	24,711	25,560	25,281	26,187	13,732
Interest-bearing loans and borrowings	1,228	1,127	1,154	2,499	18,076
Trade and other payables	1,900	845	1,195	1,393	2,073
Income tax payable	-	-	4	3	12
Total current liabilities	3,128	1,972	2,353	3,895	20,161
Total shareholders' equity and liabilities	56,085	56,013	56,203	58,636	60,707

Consolidated cash flow statement

(in €1,000)	For the 6 month period ended 30 June		For the years ended 31 December		
	2016	2015	2015	2014	2013
	Unaudited	Unaudited			
Cash flow from operations	372	-333	215	819	1,600
Cash flow from investment activities	-114	3,143	3,050	1,822	-174
Cash flow from financing activities	-588	-2,645	-3,318	-1,596	-1,925
Net increase in cash and bank	-330	165	-53	1,045	-499
Cash and bank balances at 1 January	1,660	1,692	1,692	659	1,107
Foreign exchange differences	-3	-13	21	-12	51
Cash & cash equivalents at end of period	1,327	1,844	1,660	1,692	659

Direct and indirect investment result for the period ending 30 June 2016 and 2015 and for the years ending 31 December 2015, 2014 and 2013

The Fund Manager measures the Fund's operating performance utilising certain direct and indirect investment result measures. These are supplemental measures of the Fund's performance which are used for management purposes and should not be considered in isolation or as an alternative to net result or any other performance measure derived in accordance with IFRS. In addition, such measures, as defined by the Fund, may not be comparable to other similarly titled measures used by other funds. For a discussion of how the Fund calculates direct and indirect investment results, see Chapter 9 "Operating and Financial Review", section 9.5 "Other key performance indicators: direct and indirect investment result"

of the Registration Document.

(in € 1,000)	For the 6 month period ended 30 June		For the years ended 31 December		
	2016	2015	2015	2014	2013
	Unaudited	Unaudited			
Gross rental income	2,942	2,912	5,688	6,105	6,553
Service costs not recharged	-602	-637	-1,203	-1,369	-1,387
Property operating expenses	-792	-782	-1,563	-1,709	-1,851
Net rental income	1,548	1,493	2,922	3,027	3,315
Financial income	64	15	99	111	75
Other operating income	11	1	5	22	28
Financial expenses	-454	-511	-979	-1,075	-960
Administrative expenses	-193	-210	-400	-352	-554
Other operating expenses	-746	-200	-940	-932	-454
Direct investment result before tax	230	588	707	801	1,450
Corporate income tax	-111	-112	-263	419	-137
Direct investment result	119	476	444	1,220	1,313
Valuation gains on investment property	-	4,129	4,458	1,946	859
Valuation losses on investment property	-	-4,412	-4,464	-2,042	-2,305
Indirect investment result before tax	-	-283	-6	-96	-1,446
Corporate income tax	-	-	-	-	-
Indirect investment result	-	-283	-6	-96	-1,446
Total investment result	119	193	438	1,124	-133
Direct investment result at the end of period	0.08	0.32	0.30	0.88	1.01
Indirect investment result at the end of	0.00	-0.19	0.00	-0.07	-1.11
Total investment result at end of period	0.08	0.13	0.30	0.82	-0.10
Weighted average number of outstanding	1,438,704	1,438,704	1,438,704	1,378,725	1,303,388

Key performance indicators for the Fund's portfolio

	For the 6 month period ended 30 June		For the years ended 31 December		
	2016	2015	2015	2014	2013
	Unaudited	Unaudited			
Net rental income (in €1,000)	1,548	1,493	2,922	3,027	3,315
Occupancy (in %)	78.2	79.9	78.0	75.0	73.7
Properties in operation	14	14	14	15	17

B.8

Selected key pro forma financial information

The unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) represents information prepared based on estimates and assumptions deemed appropriate by the Fund. The Unaudited Pro Forma Financial Information is provided for illustrative purposes only in accordance with Annex II of the Commission Regulation 809/2004/EC. It does not purport to represent what the actual results of operations or financial position of the Fund would have been had the acquisition of the Target Portfolio occurred on 31 December 2015, nor is it necessarily indicative of the results or financial position of the Fund for any future periods. Because of its nature, the Unaudited Pro Forma Financial Information is based on a hypothetical situation and, therefore, does not represent the actual financial position or results of operations of the Fund. The assumptions used in the preparation of the Unaudited Pro Forma Financial Information may prove not to be correct.

Unaudited pro forma income statement for the twelve months ended 31 December 2015

	Group ⁽¹⁾	Target ⁽²⁾	Acquisition and Offering	Pro forma Income statement	Notes
<i>(in € 1,000)</i>					
Gross rental income	5,688	2,624	0	8,312	
Service costs charged	743	1,167	0	1,910	
Total revenues	6,431	3,791	0	10,222	
Service costs paid	-1,946	-1,114	0	-3,060	
Property expenses	-1,563	-646	0	-2,209	
Net rental income	2,922	2,031	0	4,953	
Valuation results	-6	0	1,303	1,297	A
Results on disposals	0	0	0	0	
General costs	-1,340	-211	-772	-2,323	B
Other income and expense	5	0	0	5	
Operational result	1,581	1,820	531	3,932	
Interest charges	-979	0	-847	-1,826	C
Interest income	99	0	0	99	
Net interest	-880	0	-847	-1,727	
Other financial income and expense	0	0	0	0	
Result before tax	701	1,820	-316	2,205	
Taxes on result	-263	-346	-137	-746	
Result from continuing operations	438	1,474	-453	1,459	
Results from discontinued operations	0	0	0	0	
Result	438	1,474	-453	1,459	

(1) The financial information for the Group has been extracted from the audited consolidated financial statements of the Group as of 31 December 2015.

(2) The financial information on the Target Portfolio consists of gross rental income, service costs charged and paid, property expenses and rental income information for the twelve months ended 31 December 2015, derived from the Sellers' information memorandum and the internal management accounts.

Reference is made to Chapter 7 "Unaudited Pro Forma Financial Information", section 7.3 "Basis of preparation" of the Registration Document for the notes to the pro forma income statement.

			<i>Unaudited pro forma balance sheet as of 31 December 2015</i>				
			Group ⁽¹⁾	Target ⁽²⁾	Acquisition and Offering	Pro forma balance sheet	Notes
			<i>(in € 1,000)</i>				
			Assets				
			Non-current assets				
			53,272	25,900	1,303	80,475	A
			<u>53,272</u>	<u>25,900</u>	<u>1,303</u>	<u>80,475</u>	
			76	-	-	76	
			710	-	-	710	
			<u>786</u>	<u>0</u>	<u>0</u>	<u>786</u>	
			<u>54,058</u>	<u>25,900</u>	<u>1,303</u>	<u>81,261</u>	
			Current assets				
			485	-	-	485	
			1,660	1,820	125	3,605	B
			<u>2,145</u>	<u>1,820</u>	<u>125</u>	<u>4,090</u>	
			<u>56,203</u>	<u>27,720</u>	<u>1,428</u>	<u>85,351</u>	
			Equity and liabilities				
			Equity				
			7,194	-	8,632	15,826	
			16,786	-	-	16,786	
			91	-	144	235	
			4,498	1,474	-453	5,519	
			<u>28,569</u>	<u>1,474</u>	<u>8,323</u>	<u>38,366</u>	C
			Long term liabilities				
			21,010	-	17,626	38,636	D
			4,271	346	137	4,754	
			0	-	0	0	
			<u>25,281</u>	<u>346</u>	<u>17,762</u>	<u>43,389</u>	
			Short-term liabilities				
			1,199	-	772	1,971	E
			1,154	-	470	1,624	D
			<u>2,353</u>	<u>0</u>	<u>1,242</u>	<u>3,595</u>	
			<u>56,203</u>	<u>1,820</u>	<u>27,328</u>	<u>85,351</u>	
			<p>(1) The financial information for the Group has been extracted from the audited consolidated financial statements of the Group as of 31 December 2015.</p> <p>(2) The financial information on the Target Portfolio consist of the aggregate fair value of the assets comprising in the Target Portfolio, as set out in the Target Portfolio Valuation Report prepared by CBRE in combination with the acquisition costs for the Target Portfolio.</p>				
			Reference is made to Chapter 7 “Unaudited Pro Forma Financial Information”, section 7.3 “Basis of preparation” of the Registration Document for the notes to the pro forma balance sheet.				
B.9	Profit forecast or estimate	Not applicable.					
B.10	Qualifications in the auditor’s report	Not applicable.					
B.11	Working capital	The Fund is of the opinion that its working capital is sufficient for the present requirements of the Fund and its subsidiaries, that is, for at least the next 12 months following the date of the Securities Note.					
B.33	Information from Annex 1	Included where applicable.					
B.34	Investment objective and policy, investment restrictions	The Fund’s objective is to offer institutional and private investors the opportunity to invest in a commercial real estate portfolio in the established and emerging markets of Central and Eastern Europe (“CEE”). It uses the expertise of in-company and external commercial real estate specialists, who operate in the local markets concerned. The Fund’s investment policy is					

		<p>to deliver a high income return from commercial real estate whilst preserving capital value.</p> <p>The Fund solely invests in commercial real estate in the CEE region. No other investment restrictions apply to the Fund. In the event of a breach of an investment restriction, Arcona Capital Fund Management B.V. (the “Fund Manager”) will announce the actions it will take to remedy the breach in a press release.</p> <p>The Fund Manager applies the following investment policy with respect to the Fund:</p> <ul style="list-style-type: none"> • The Fund will directly and indirectly invest in commercial real estate in Central and Eastern Europe. • No more than 60% of the book value of the Fund’s real estate portfolio will be financed with borrowed capital (provided that if the value of de real estate decreases, this percentage could exceed 60%). • The Fund is allowed to invest in securities or places funds in a deposit account in order to preserve cash and liquidity. • Investments will be diversified across: <ul style="list-style-type: none"> ○ Countries, regions and cities in Central and Eastern Europe. ○ Commercial sectors, including offices, retail, industrial and logistics. ○ Property classes: A-/ B-/ C-class. ○ Sizes of individual projects. <p>The Fund Manager may use financial instruments to hedge interest risk and currency risks, though has opted not to do so at present. The Fund Manager actively manages the Fund’s portfolio by using its thorough knowledge of the local real estate markets and its experience in various CEE countries to identify new investment opportunities. Assets held will be assessed regularly to determine whether they should be retained in the portfolio or sold.</p>
B.35	Borrowing and/or leverage limits	No more than 60% of the book value of the Fund’s real estate portfolio will be financed with borrowed capital (provided that if the value of de real estate decreases, this percentage could exceed 60%).
B.36	Regulatory status	On 24 January 2006 the Fund Manager obtained a licence from the AFM under the Act on the Supervision of Investment Institutions. Since 1 January 2007 the Fund has operated under the Financial Supervision Act (<i>Wet op het financieel toezicht</i>). The Fund is supervised by the Dutch Central Bank (<i>De Nederlandsche Bank N.V.</i>) and the AFM.
B.37	Investor profile	The Fund’s investments are diversified in asset classes (offices, retail and others) and geographically over various regions and cities in Central and Eastern Europe. The Fund is attractive for institutional and private investors who wish to invest in a closed-end investment company whose objective is to provide investors with high relative income return and the potential for long-term capital appreciation from investing in offices and retail properties in Central and Eastern Europe.
B.38	Disclosure requirement	Not applicable.
B.39	Disclosure requirement	Not applicable.
B.40	Applicant’s service providers	<p>The Fund Manager cooperates with a number of internal and external service providers for the asset and property management of the Fund’s investment properties:</p> <ul style="list-style-type: none"> - Arcona Capital Czech Republic, s.r.o., a Czech legal entity with its office in Prague, is responsible for the asset management of the Fund’s investment properties in the Czech Republic and Slovakia; - Arcona Capital Poland Sp. z o.o., a Polish legal entity with its office in Warsaw, will be responsible for the asset management of the Fund’s investment properties in Poland; - International real estate advisory firm Knight Frank is responsible for the property management of the Fund’s investment properties in the Czech Republic; and - Zbereko, spol. s.r.o. is responsible for the property management of the Fund’s investment properties in Slovakia. -
B.41	Identity and regulatory status of any investment	See under B.36.

	manager, investment advisor, custodian, trustee or fiduciary	
B.42	Frequency of determining net asset value of the collective investment undertaking and means of communication	The Fund Manager is responsible for the determination and calculation of the net asset value of the Fund. The Fund's administrator (KroeseWevers Accountants B.V.) periodically verifies the calculated net asset value of the Fund. The net asset value per Share is calculated and published on the Fund's website every trading day.
B.43	Umbrella collective investment undertaking	Not applicable.
B.44	No commenced operations	Not applicable.
B.45	The Fund's portfolio	<p>In the Czech Republic the Fund has invested in office properties in Prague and Brno. As of the date of the Registration Document, the Fund's Czech portfolio comprised 5 offices. As of 30 June 2016, the Fund's Czech portfolio of offices had a total value of €15.66 million, representing 29.4% of the total Fund portfolio.</p> <p>In Slovakia, the Fund has invested in properties in the capital Bratislava and the regional cities of Košice and Žilina. As of the date of the Registration Document, the Fund's portfolio in Slovakia comprised 9 properties. These properties are predominantly in office use, but also provide retail and residential space. As of 30 June 2016, the Slovak Portfolio had a total value of €37.67 million, representing 70.6% of the total value of the total Fund portfolio.</p> <p>The Fund has entered into an agreement to purchase the Target Portfolio.</p>
B.46	Most recent net asset value per security	The net asset value per Share is €20.25, as per 26 October 2016.
Section C – Securities		
Element	Description	Disclosure requirement
C.1	Type of security and security codes	<p>The Shares are ordinary shares in the capital of the Fund. The address of Euroclear Netherlands is: Herengracht 459-469, 1017 BS Amsterdam.</p> <p>The New Shares will be traded under the following characteristics:</p> <ul style="list-style-type: none"> - ISIN Code: NL0006311706 - Euronext Amsterdam Symbol: "ARCPF" <p>The Rights will be traded under the following characteristics:</p> <ul style="list-style-type: none"> -ISIN Code: NL0012061022 -Euronext Amsterdam Symbol: "ARCRI"
C.2	Currency of the securities issue	The Offer Securities are priced in euro.
C.3	Number of shares issued, par value per share	<p>At the date of this Summary, the Fund's authorised capital amounts to €25,000,000 and is divided into 4,999,999 ordinary shares (elsewhere in this Securities Note referred to as Shares), with a nominal value of €5 and 1 Priority Share, with a nominal value of €5.</p> <p>At the date of this Summary, the Fund's issued share capital amounts to €7,193,525. The issued share capital is divided into 1,438,704 ordinary Shares and 1 Priority Share.</p>
C.4	Rights attached to the securities	<p>Each Share confers the right to cast one vote. Except where the law or the Articles of Association of the Fund (the "Articles of Association") require a qualified majority, all resolutions shall be adopted by absolute majority of the votes cast.</p> <p>The Priority Share carries various special rights (for more information, see Chapter 13 "Share Capital and Shareholders Meetings", section 13.2 "Summary of the Articles of Association" of the Registration Document).</p>

		<p>Among others, the following special rights are attached to the Priority Share: the right to propose to suspend or dismiss members of the management board and the supervisory board of the Fund, to determine the number and make binding nominations for appointments of members of the management board and supervisory board and to propose to amend the articles of association of the Fund.</p> <p>All Shares have equal ranking rights and claims to the Fund's profits and assets. However, from the profit earned in a financial year in so far as possible a dividend is first distributed on the Priority Share (held by the Priority), the amount of which is equal to 7% on an annual basis, calculated on the nominal amount of the Priority Share of €5. No further distributions are made on the Priority Share.</p>
C.5	Restrictions on the free transferability of the securities	The Offer Securities are freely transferable (subject to selling and transfer restrictions pursuant to applicable securities laws).
C.6	Listing and admission to trading	The Shares are listed. Application has been made to admit the Rights and New Shares to trading on Euronext Amsterdam.
C.7	Dividend policy	<p>The dividend policy for the Fund is to increase dividend payments to a level of 8% per annum based on the prevailing Share price within 3 – 5 years. In deciding whether to propose a dividend, the Management Board will take into consideration contractual, legal and regulatory restrictions on the payment of dividends and such other factors as it may deem relevant. The Priority determines each year which part of the profits remaining after payment of dividend on the Priority Share (see Chapter 3 "Dividends and dividend policy", section 3.1 "Dividend policy" of the Registration Document), shall be added to the Fund's reserves.</p> <p>The Fund may only make distributions to its shareholders in so far as its equity after the dividend payment does not fall below the sum of the paid-in and called-up share capital plus the reserves as required to be maintained by Dutch law and the Articles of Association. On the date of the Prospectus there are no contractual and regulatory restrictions on the payment of dividends by the Fund and its subsidiaries, save for the restrictions provided for in the financing agreements with Slovenska Sportelňa and Sberbank and, following completion of the acquisition of the Target Portfolio, with Raiffeisen Bank Polska S.A. in respect of the Fund's subsidiaries in case of a breach of any covenants (see Chapter 9 "Operating and Financial Review", section 9.6 "Liquidity and capital resources" under "Limitations on borrowings, restrictions and covenants" of the Registration Document).</p> <p>There can be no assurance that the Fund will generate sufficient earnings to allow it to pay dividends and if it does, the General Meeting of Shareholders may elect to reinvest the entire profit instead of paying dividends.</p>
Section D – Risks		
Element	Description	Disclosure requirement
D.1	Key risks relating to the Fund's business and industry	<p>Investors should carefully consider the risks described in "Risk Factors" and all of the other information set forth in the Prospectus before deciding to invest in any of the Offer Securities. The summary of risks listed below do not necessarily comprise all risks associated with investments in the Offer Securities, but take into account those which are known to the Fund and which the Fund considers material. A more detailed discussion can be found in Chapter 1 "Risk Factors" in the Registration Document.</p> <p>Risks specific to the Fund and the sector in which it operates:</p> <ol style="list-style-type: none"> 1. The Fund is exposed to certain risks relating to real estate investments; 2. Since 2012 the markets in which the Fund is active have stabilised and are now showing robust levels of growth, but should the recovery not be sustained this will have a negative impact on Fund performance; 3. A competitive property market may adversely affect the Fund's revenue and profitability; 4. The Fund operates at the moment in two Central European countries and may be unable to manage risks associated with its international operations. With the Target

		<p>Portfolio the Fund will be active in one more county in Central Europe;</p> <ol style="list-style-type: none"> 5. The Fund is exposed to the risk of revaluations with respect to its properties; 6. Property valuation is inherently subjective and uncertain and based on assumptions which may prove to be inaccurate or affected by factors outside of the Fund's control; 7. The Fund may not be able to successfully engage in acquisitions, disposals, refurbishments or expansions of properties; 8. Increased maintenance and redevelopment costs could adversely affect the Fund's results; 9. Loss of its managerial staff and other key personnel could hamper the ability of the Fund to fulfil its business strategies; 10. The Fund may be liable for environmental issues on or in its properties; 11. The Fund is exposed to risks related to the acquisition and ownership of real estate properties; 12. The Fund is moving ahead with its plans to grow its assets under management, but may not be able to successfully execute planned acquisitions, disposals, refurbishments or expansions of properties; 13. The Fund is exposed to credit risk on rent payments from its tenants; 14. The Fund is exposed to risks related to the safety of tenants, including acts of terrorism and violence; 15. The Fund could be exposed to catastrophic events, such as flooding and landslides; 16. The Fund may suffer losses not covered by insurance; 17. If the Fund and/or the Fund Manager and/or any of the other funds managed by the Fund Manager loses or is unable to obtain licences necessary for its operations or expansion, it may not be able to carry on its business or parts of its current or planned businesses; 18. A material change in the laws and regulations to which the Fund is subject, or in their interpretation or enforcement, could materially adversely affect the business, results of operations and financial conditions of the Fund; 19. The real estate sector is susceptible to fraud; 20. The Fund could decide to concentrate the real estate investments of the Fund, which would limit the diversification of the asset portfolio; 21. A substantial part of the Fund's costs are relatively fixed and as a result any shortfall in revenues could have an adverse effect on the Fund's profit. <p>Risks relating to the financing of the Fund's activities:</p> <ol style="list-style-type: none"> 1. A breach of covenants under the Fund's financing agreements could entail increased interest payments, a forced sale of assets or a suspension of dividend payments, and cross-default provisions may exacerbate existing risks; 2. Accessing capital on satisfactory terms is necessary for maintaining, growing and developing the Fund's business and portfolio; 3. Changing capital market conditions could have negative consequences for the business and results of operations of the Fund; 4. The Fund is exposed to interest rate risks; 5. The Fund is exposed to risks arising from the illiquidity of its portfolio. <p>Risks relating to structure of the Fund</p> <ol style="list-style-type: none"> 1. The Fund is a holding company with no operations and relies on its operating subsidiaries to provide it with funds necessary to meet its financial obligations; 2. Shareholders may have difficulties protecting their interests as shareholders as the Fund is a Dutch limited liability company; and 3. Certain controlling arrangements could prevent shareholders from selling their Shares at a premium. <p>Risks relating to the Acquisition</p> <ol style="list-style-type: none"> 1. The Fund may be subject to unknown liabilities of the Target Portfolio; 2. The Fund may not be able to successfully and efficiently integrate the Target Portfolio into its operations or to realise the intended benefits of the Acquisition;
--	--	---

		<ol style="list-style-type: none"> 3. The Fund's proposed diversification into retail centres in Poland will increase its exposure to changes in consumer behaviour, including competition from alternative shopping channels such as the still growing internet shopping trend; and 4. The Target Portfolio holds three properties on ground leases, which may impact the value of these properties.
D.2	Key risks relating to the Fund's business	See under D.1.
D.3	Key information on the key risks that are specific to the securities	<p>Risks relating to the Shares and the Offering</p> <ol style="list-style-type: none"> 1. The market price of the Shares may fluctuate and may decline and trading in the Shares may be limited, which might lead to shareholders not being able to sell their Shares at a reasonable price or at all; 2. Risk associated with an active trading market; 3. Liquidity risks; 4. Risks for shareholders in certain jurisdictions; 5. Risks of not exercising Rights in full; 6. Risk of dilution by converting bonds into Shares; 7. The Fund may not be able to pay or maintain cash dividends and the failure to do so would adversely affect the price of the Shares; and 8. One of the major Shareholders may acquire control in the General Meeting of Shareholders.
Section E – Offer		
Element	Description	Disclosure requirement
E.1	Net proceeds and estimated expenses	The Acquisition will be funded by the proceeds of the 2016 Convertible Bonds in an aggregate principal amount of €3.5 million, the proceeds of the Offering for an amount of €8.6 million, a Bank Loan of approximately €10.5 million and a Vendor Loan of €4.7 million. After deduction of the estimated expenses related to the Offering of €1,141,000, the Fund expects to receive approximately €7.5 million in net proceeds from the Offering.
E.2a	Reasons for the Offering, use of proceeds	<p>The purpose of the Offering is to enable the Fund to finance part of the purchase price of the Target Portfolio. The purchase price of the Freehold Assets is to be further financed with the proceeds of the 2016 Convertible Bonds and the Bank Loan; the purchase price of the Leasehold Assets is to be further financed with the Vendor Loan.</p> <p>In order to close the Bank Loan, a final agreement has to be signed by the parties involved and various customary conditions have to be fulfilled (see Chapter 4 "Reasons for the Offering and use of proceeds" of the Securities Note). In case the Bank Loan would not close, the Acquisition will not be completed. It will not be possible to reverse the closing of the Offering and return the proceeds to the investors who have paid for the New Shares. In that case the net proceeds of the Offering and the 2016 Convertible Bonds will be used to buy any Shares which "RECE Poland" Sp. Z o.o. ("RECE") may have acquired pursuant to its underwriting commitment at the Offer Price (see Chapter 5 "The Offering", section 5.1 "Underwriting Agreement" of the Securities Note) and for other potential acquisitions and/or general corporate purposes or returned to Shareholders, such at the discretion of the Fund.</p>
E.3	Terms and conditions of the Offering	<p>Offering</p> <p>Subject to certain exceptions and applicable securities laws, and provided the Fund has established to its satisfaction that such action would not result in the contravention of any registration requirement or other legal regulations in any jurisdiction, the shareholders as of the Record Date are being granted Rights that entitle such shareholders to subscribe for New Shares at the Offer Price. Each Share that a shareholder holds immediately after the close of trading on Euronext Amsterdam at 17:40 (CET) on 31 October 2016 (the "Record Date") will entitle it to one Right. Every 10 Rights will entitle an Eligible Person to subscribe for 12 New Shares at the Offer Price.</p> <p><i>Record Date</i></p> <p>The Record Date for determining the holders of the Shares whose securities accounts will be credited with Rights, subject to applicable securities laws, is immediately after the close of trading on Euronext Amsterdam at 17:40 (CET) on 31 October 2016.</p>

		<p>Until the close of trading in Shares on Euronext Amsterdam on the Record Date, the Shares will trade with Rights (cum-Rights). As from 9:00 hours CET on 1 November 2016, the Shares will trade without the Rights.</p> <p><i>Trading of Rights</i> Trading in the Rights on Euronext Amsterdam is expected to commence at 09:00 (CET) on 1 November 2016 and will continue until 13:00 (CET) on 9 November 2016, barring unforeseen circumstances. The Rights will be admitted to trading under the symbol "ARCRI". The transfer of Rights will take place through the book-entry systems of Euroclear Netherlands.</p> <p><i>Exercise Period</i> Subject to applicable restrictions, any shareholder and any subsequent transferee of Rights may subscribe for New Shares by exercising its Rights from 09:00 (CET) on 1 November 2016 up to 15:00 (CET) on 11 November 2016 (the "Exercise Period"). The last date and/or time before which notification of exercise instructions may be validly given may be earlier, depending on the financial institution through which the Rights are held.</p> <p><i>Payment and delivery</i> Payment for and delivery of the New Shares which are registered with Euroclear Netherlands is expected to take place on 15 November 2016 (the "Settlement Date"). Delivery of the New Shares will take place through the book-entry systems of Euroclear Netherlands.</p> <p><i>Admission of the New Shares to listing and trading</i> Application has been made to admit the New Shares to listing and trading on Euronext Amsterdam. The Fund expects that the New Shares will be admitted to listing and trading on Euronext Amsterdam on 15 November 2016.</p> <p><i>Remaining New Shares</i> Any New Shares that were issuable upon the exercise of Rights, but have not been subscribed for during the Exercise Period will be subscribed for by several Underwriters at the Offer Price pursuant to an underwriting agreement dated 7 October 2016 (the "Underwriting Agreement") (see hereunder).</p> <p>Underwriting In connection with the Offering, the Fund entered into the Underwriting Agreement with Stichting Value Partners Family Office ("Stichting Value Partners"), Mr C.J. Bogerd ("Bogerd"), RECE (one of the sellers of the Target Portfolio) and Mr G. St. John Barker (one of the board members of the Fund Manager, as underwriters (the "Underwriters") and Bogerd, Van Heijst and Vereniging Beleggingsclub 't Stockpaert as parties committed to exercise the Rights granted to them on the Shares held by them pursuant to which the issue of 1,726,445 New Shares in the aggregate amount of €8,632,225 is secured.</p> <p>The Underwriters may revoke their obligations under the Underwriting Agreement in case of an (imminent) armed conflict between a NATO member state and the Russian Federation prior to the start of the Exercise Period.</p> <p>Mr. B. Vos, supervisory board member of the Fund, has expressed his desire to exercise all Rights granted to him by the Fund in respect of his holding of Shares. Mr. Vos is the (in)direct holder of 4.074 Shares.</p>
E.4	Interest material to the Offering (including conflicting interests)	<p>Stichting Value Partners, acting as main Underwriter in the Offering, is affiliated with Van Heijst who is a major Shareholder of the Fund and Van Heijst may (through Stichting Value Partners) acquire a significant part of the Shares if Rights remain unexercised and as a result, control the voting at the General Meeting of Shareholders and be in a position to exert substantial influence over matters decided by the General Meeting of Shareholders (see Chapter 5 "The Offering", section 5.1 "Underwriting Agreement" of the Securities Note).</p> <p>RECE is one of the Sellers of the Target Portfolio, resulting in a direct economic interest in the success of the Offering, as well as one of the lenders under the Vendor Loan.</p>
E.5	Selling shareholders and lock-up	<p>Each Underwriter has agreed that the New Shares acquired by it are subject to a 180-day lock-up from the end of the Exercise Period. An exception exists in respect of the transfer of New Shares by RECE to the Fund at the Offer Price in case the Acquisition is not completed. The</p>

	arrangements	Underwriting Agreement does not provide for a waiver of the lock-up.
E.6	Dilution	A Shareholder who does not or, subject to applicable securities laws, is not permitted to exercise Rights under the Offering will suffer a dilution of 54.5% as a result of the Offering.
E.7	Estimated expenses	After deduction of the estimated expenses related to the Offering of €1,141,000, the Fund expects to receive approximately €7.5 million in net proceeds from the Offering, which, together with the proceeds of the 2016 Convertible Bonds, the Bank Loan and the Vendor Loan, will be utilised to finance the purchase price of the Target Portfolio.

Summary dated 28 October 2016