

## KEY INFORMATION DOCUMENT

### Purpose

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.

### Product

Name: Arcona Property Fund N.V., ISIN code NL006311706

Manager: Arcona Capital Fund Management B.V. ["ACFM"]

Website: www.arconacapital.com and www.arconapropertyfund.com

Call 0031 (0)20 - 820 47 20 for more information

The Dutch Authority for the Financial Markets ["AFM"] is the competent authority for ACFM in relation to this key information document.

Date: 31 October 2018

### Alert

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

### What is this product?

**Type:** Arcona Property Fund N.V. ["the Fund"] is a stock exchange listed closed-end investment fund under Netherlands law. The duration of the fund is not prescribed. You can buy and sell the shares daily via Euronext Amsterdam and Prague Stock Exchange (PSE).

**Objectives:** The objective of the Fund is to offer investors a stable investment in a real estate fund with a focus on Central Europe. The dividend policy is stated as the distribution of circa 35% of the operational result each year as a dividend. The objective is, within a period of three to five years from end 2016, to distribute an annual dividend at a level of 8% of the prevailing stock price. The Fund invests in commercial property in Central Europe. By the generation of rental income from these investments the Fund can distribute dividend income to its shareholders. The intrinsic value per share is publicised on a quarterly basis on the website of the Fund. Shares of the Fund are tradeable on Euronext Amsterdam and PSE and have no prescribed duration. The share price on Euronext Amsterdam and PSE is determined by supply and demand. This can create a divergence between the intrinsic value per share and the stock exchange price (per share).

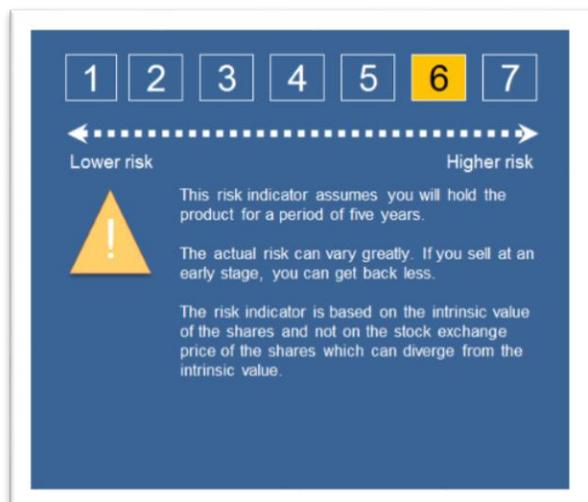
**Potential Retail investors in the Arcona Property Fund:** Arcona Property Fund N.V. is an investment targeted at qualified investors and experienced retail investors with an investment horizon of at least 5 years who are seeking a stable investment with regular dividends and who see the potential in the current discount between the share price and the intrinsic value. Because the Fund has a limited number of shares in issue (3,165,149 outstanding shares) the liquidity on Euronext Amsterdam and PSE can also be limited. In event of a falling market it could therefore be difficult to sell shares in the Fund.

### Duration

The fund has no prescribed end date. ACFM cannot unilaterally decide to bring the Fund to an end.

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

Risk indicator



The summary risk-indicator gives a guide to the risk level of this product in comparison to other products. The indicator shows how great the chance is that investors lose out on this product due to negative

market developments or the lack of available cash for distributions.

ACFM has classified this product as Class 6 out of a possible 7; that is one level below the highest risk class.

This indicates that the potential losses from future market volatility have been estimated as high and the chance that the Fund cannot make distributions in poor market conditions is also high. As this product is not protected from future market volatility, you risk losing all or part of your investment.

Maximum possible loss: you can, as an investor in this fund, lose the entire sum you have.

Performance scenarios	<table border="1"> <thead> <tr> <th colspan="2">Investment (10,000 EUR)</th> <th>1 year</th> <th>3 years</th> <th>5 years (recommended minimum hold period)</th> </tr> <tr> <th>Scenarios</th> <th></th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td><b>Stress scenario</b></td> <td><b>What you may receive after deduction of costs</b></td> <td><b>2,500</b></td> <td><b>2,500</b></td> <td><b>2,500</b></td> </tr> <tr> <td></td> <td>Average return per year</td> <td>-75.00%</td> <td>-75.00%</td> <td>-75.00%</td> </tr> <tr> <td><b>Negative scenario</b></td> <td><b>What you may receive after deduction of costs</b></td> <td><b>9,600</b></td> <td><b>8,847</b></td> <td><b>8,154</b></td> </tr> <tr> <td></td> <td>Average return per year</td> <td>-4.00%</td> <td>-3.84%</td> <td>-3.69%</td> </tr> <tr> <td><b>Average scenario</b></td> <td><b>What you may receive after deduction of costs</b></td> <td><b>10,400</b></td> <td><b>11,249</b></td> <td><b>12,167</b></td> </tr> <tr> <td></td> <td>Average return per year</td> <td>4.00%</td> <td>4.16%</td> <td>4.33%</td> </tr> <tr> <td><b>Positive scenario</b></td> <td><b>What you may receive after deduction of costs</b></td> <td><b>10,800</b></td> <td><b>12,597</b></td> <td><b>14,693</b></td> </tr> <tr> <td></td> <td>Average return per year</td> <td>8.00%</td> <td>8.66%</td> <td>9.39%</td> </tr> </tbody> </table>					Investment (10,000 EUR)		1 year	3 years	5 years (recommended minimum hold period)	Scenarios					<b>Stress scenario</b>	<b>What you may receive after deduction of costs</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>		Average return per year	-75.00%	-75.00%	-75.00%	<b>Negative scenario</b>	<b>What you may receive after deduction of costs</b>	<b>9,600</b>	<b>8,847</b>	<b>8,154</b>		Average return per year	-4.00%	-3.84%	-3.69%	<b>Average scenario</b>	<b>What you may receive after deduction of costs</b>	<b>10,400</b>	<b>11,249</b>	<b>12,167</b>		Average return per year	4.00%	4.16%	4.33%	<b>Positive scenario</b>	<b>What you may receive after deduction of costs</b>	<b>10,800</b>	<b>12,597</b>	<b>14,693</b>		Average return per year	8.00%	8.66%	9.39%
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	<p>The above table shows how much money you could receive back over the coming 5 years, under different scenarios, from an initial investment of € 10,000.</p> <p>The scenario's displayed show the possible returns from your investment. You can compare these returns with those of other products.</p> <p>The scenarios displayed are estimates of future performance derived from historical data on how the value of this investment fluctuates. They are not exact indications. What you may receive will depend on specific market performance and how long you have held the investment.</p> <p>The stress scenario indicates what you may get back in a situation of extreme market volatility not a situation where we are unable to pay you back anything at all.</p> <p>The scenarios displayed show forecast returns inclusive of all product costs, but not of costs that you may have paid to advisors or intermediaries. No allowance has been made in the calculations for your individual tax circumstances, which can also influence the amount you may get back.</p>																																																						

**What happens if Arcona Property Fund is unable to make distributions?**

The Fund has no legal requirement to make distributions to its shareholders. It is an investment fund. The maximum risk that a shareholder in the Fund runs is the loss of his/her entire investment in the Fund. Investors in the Fund have no recourse to a guarantee or compensation scheme.

**What are the costs?**

Costs over time	The person who is selling you this product or advising you on the product will possibly add other costs to your account. In such cases this person should provide you with full information on these additional costs and show you the effect the total costs will have on your investment return over the course of time.
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Composi tion of costs	<b>This table shows the effect on returns per year</b>			
	One-off costs	Entry costs	0.00%	There are no extra costs at fund level for new investors. However, intermediaries could well charge additional costs.
		Exit costs	0.00%	There are no extra costs at fund level for exiting investors. However, intermediaries could well charge additional costs.
	Running costs:	Portfolio transaction costs	1.04%	The effect of the costs from the purchase or sale of underlying investments in the Fund.
		Other running costs	5.95%	The effect of the costs that are incurred each year for the management of your investments and the overall costs that are incurred each year in the operation of the Fund.
	Incidental costs	Performance-related remuneration	0.00%	The effect of performance-related remuneration. We deduct these costs from your investment in the event that the product achieves a total performance over the course of a year in excess of 12%.
		Carried interests	0.00%	Not applicable for this product.

**How long must I hold the investment and can I get out earlier? (Recommended minimum hold period is 5 years).**

There is no minimum or fixed holding period for an investment in the Fund. In view of the nature of real investments and the exchange listing, however, it is recommended to hold the Fund in your portfolio for a longer period, at least for 5 years. Investors can sell their shares at any time for the prevailing quoted price on Euronext Amsterdam and PSE. Ultimately the price at which any holding can be sold is determined by demand and supply.

Investment Scenarios	€ 10,000	In the event of sale after 1 year	In the event of sale after 3 years	In the event of sale at the end of Year 5
<b>Total Costs</b>		6.99%	18.21%	30.96%
<b>Effect on return (RIY) per year</b>		2.05%	1.56%	1.56%

**How can I make a complaint?**

You can make a complaint by writing to the manager of the Fund at the following address:

Arcona Capital Fund Management B.V.

Attn: Compliance Officer

Kollenbergweg 56, 1101 AR AMSTERDAM, The Netherlands

**Further relevant information**

In addition to this Key Information Document the following legal documentation is available for investors:

- Prospectus, Securities note, Summary and Annual and half-yearly accounts

This information is available free of charge from the company or it can be downloaded from the website of Arcona Property Fund N.V. ([www.arconapropertyfund.com](http://www.arconapropertyfund.com)).