

PRELIOS SGR S.P.A. INFORMATION MEMORANDUM

prepared pursuant to Regulation on Intermediaries adopted by Consob with Resolution no. 20307/2018

I.- Introduction

Directive 2014/65/UE of the European Parliament and the Council of 15 May 2014 on markets in financial instruments (“MiFID”) has innovated, with effect from 1 January 2018 (hereinafter MiFID II), the investment service sector. This Directive does not include undertakings for collective investment. However, the Italian legislator, in transposing the EU legislation, has extended part of the policies provided for by MiFID II for investment services to collective management. Consequently, Consob introduced in the Consob regulation on intermediaries 20307 of 2018 (“Consob Regulation on Intermediaries”), Book V “Provision of collective management services and collective investment undertakings (CIUs) marketing”.

Based on the above regulation, Prelios SGR S.p.A. (“Prelios SGR”, the “SGR” or the “Company”) provides the information detailed below.

For the subscription of units of funds managed by the SGR, the interested investor must receive, by the latter, a copy of the Information Document (“Information Document”), pursuant to art. 28 of Consob Regulation on Issuers 11971, as amended in the implementation of Directive 2011/61 / EU on alternative investment fund managers.

The information hereinbelow apply also to the fixed capital investment companies (*società di investimento a capitale fisso* or “SICAF”) managed by Prelios SGR S.p.A. with the due adjustments consequent to the different governance structure that characterizes these CIUs.

II.- The Asset Management Company and its services

Prelios SGR S.p.A., with registered office in Milan, via Valtellina 15/17, tax code and VAT no. 13465930157, was authorised to carry out collective asset management services by the Bank of Italy in its provision of 27 December 2001 and is listed under no. 45, in the Register of alternative investment fund (AIF) management companies pursuant to article 35.1 of Legislative Decree no. 58/98 (formerly under no. 132 of the Register of the SGR “*Albo delle SGR*”).

The business object of Prelios SGR S.p.A. is to promote, set up and manage real estate mutual investment funds, including of a speculative nature. The Company has also adopted suitable procedures to directly market the funds it manages.

III.- Communication between the SGR and investors

Communication with customers

The investor and the Company usually communicate in writing in Italian. All correspondence should be sent to the following address: Via Valtellina, 15/17, 20159 Milan.

Investors may also reach the SGR by:

- telephone: 02 6281 1

- fax: 02 6281 6061

- e-mail: through the “contact” section of the website www.preliosgr.com

Communications shall be sent to investors in accordance with the provisions set out in the fund rules of each fund or in the by-laws of the SICAFs.

Processing of complaints

Complaints should be sent to Via Valtellina, 15/17, 20159 Milan, fax no. 02 62816061, e-mail: reclami@preliosgr.com.

The Company has adopted suitable procedures to ensure that investors' complaints are promptly processed. Specifically, complaints are processed by the Compliance department.

Complaints are processed no later than 90 days from their receipt and involve several parties, ensuring that the issue is adequately examined by all the relevant departments. Written replies shall be sent within the above deadlines.

Documentation to be provided to the investor as confirmation of the activities performed

The units of the funds managed by the Asset Management Company are subscribed in accordance with the provisions set out in the fund rules of each fund and, where applicable, in the prospectus.

For each subscription, the Company shall send the subscriber a letter to acknowledge payment thereof in accordance with the terms and conditions set out in the fund rules of each fund.

The Asset Management Company is responsible for issuing regular reports on the activities performed in accordance with the terms and conditions set out in the fund rules and, where applicable, in the prospectus, including by posting these reports on the Internet (www.preliosgr.com), where required. The Company also provides investors with further documents required by the fund rules and/or the prospectus of funds and sends the notices required by said documentation, as specified therein.

IV.- Customer classification with respect to direct marketing of own CIUs

A. Customer categories and relevant protections

Direct marketing by the Asset Management Company does not entail any advisory service.

In this respect, Prelios SGR adopted a specific procedure which provides for a preliminary classification of potential investors to check whether the investor is to be classified as retail or professional customers. According to the applicable legislation, a different level of protection applies to each of the two categories of investors.

Based on applicable legislation, Prelios SGR can classify its customers into the following categories in respect of direct marketing of own CIUs:

- private or public retail customers. This category includes all customers that are not a professional counterparty. Retail customers enjoy the highest degree of protection;
- private or public retail customers. This category includes those customers in possession of the experience, awareness and competence necessary to make their own informed decisions on investments and to correctly evaluate the risks assumed.

With respect to private professional customers, applicable regulations specify the customer categories which, because of their nature, shall be considered as private professional customers (the so-called "professional customers by law"): this category includes, inter alia, banks, investment firms, insurance companies, asset management companies, pension funds, institutional investors, stockbrokers, large companies (i.e., those which meet at least two of the following requirements: a) balance sheet total: Euro 20,000,000; b) net revenues: Euro 40,000,000; c) own funds: Euro 2,000,000.

Public professional customers by law are defined by article 2 of Decree no. 236 of the Ministry of Economic Affairs and Finance of 11 November 2011).

Retail customers, either private or public, that meet the requirements set out below (see section C of this paragraph), may request treatment as professional customers (the so-called "professional customers on request").

With respect to direct marketing by the Asset Management Company, classification in this category entails the disregard of the following rules governing the relations with retail customers:

- information request about the customer's awareness and experience in the relevant investment sector to evaluate the appropriateness necessary when providing investment services, receipt and transmission of orders, own account trading, execution of orders, placement (articles 41 and 42 of Consob Regulation on Intermediaries no. 20307/2018);
- door-to-door selling (articles 30 and 31 of Legislative Decree no. 58 of 24 February 1998 and article 124 of Consob Regulation on Intermediaries), with specific reference to the obligation to use financial advisors qualified for door-to-door selling.

B. Notifying the classification

The SGR notifies customers in hard copy of their classification based on the information provided by the relevant customer.

Retail customers can request that they be treated as professional customers on request and professional customers by law may request treatment as retail customers.

The decision to accept or deny the request to change customer classification is at the discretion of the SGR.

C. Upgrading customer classification from retail customer to professional customer

C.1. Upgrading customer classification from private retail customer to private professional customer

Particular attention shall be given when a retail customer requests treatment as a professional customer. Indeed, in this case, the customer waives application of a higher level of protection envisaged by applicable legislation.

The disregard for the rules of conduct envisaged for the professional customers on request shall be permitted when, after appropriate evaluation of the customer's competence, experience and awareness, the Asset Management Company can reasonably consider, given the nature of the planned transactions and services, that the customer is capable of making his own informed decisions on investments and of understanding the risks assumed.

Specifically, in order to classify a customer as a professional customer on request, the Asset Management Company shall check that the requirements set out in Annex 3, paragraph II of Consob Regulation on Intermediaries are satisfied and that at least two of the following requirements are met:

1. the customer has executed significant transactions on the market in question, averaging 10 transactions per quarter in the previous four quarters;
2. the value of the customer's financial instrument portfolio, including cash deposits, shall exceed Euro 500,000;
3. the customer worked or has worked in the financial sector for at least one year in a professional capacity which presumes awareness of the transactions and services envisaged.

In the case of legal persons, the above evaluation is conducted with regard to the relevant legal person to the extent of requirements 1 and 2, while satisfaction of requirement 3 is confirmed considering the person authorised to execute transactions on the behalf of said legal person.

Private retail customers can waive the protections envisaged in the rules of conduct above (see paragraph A) only after completing the procedure described in Annex 3, paragraph II.2. of Consob Regulation on Intermediaries.

C.2. Upgrading customer classification from public retail customer to public professional customer

When public retail customers request treatment as public professional customers on request, the Asset Management Company shall apply article 3 of Decree no. 236 of the Ministry of Economic Affairs and Finance of 11 November 2011.

Public retail customers can waive the protections envisaged in the rules of conduct above (see paragraph A) only after completing the procedure described in Annex 3, paragraph II.2. of Consob Regulation on Intermediaries.

D. Upgrading customer classification from retail customer to professional customer

Professional customers by law, either private or public, may request treatment as retail customers.

V.- Safeguarding of financial instruments and sums of money of the customer

Custodian bank

The Consolidated Law on Finance (TUF) entrusts the custodian bank with the fundamental task of safeguarding the investors in undertakings for collective investment in transferable securities (CIUs). Specifically, the custodian bank shall safeguard the assets of the CIUs, check the legitimacy of the issue and redemption of units of the undertaking; check that the value of the CIUs units has been calculated correctly or, upon the Asset Management Company's request,

calculate it; check that the allocation of the proceeds from the CIUs complies with the law, the regulation and the provisions of the supervisory body; convert, split or group the certificates representing CIUs units; with respect to fund transactions, check that the consideration is remitted within the relevant time-limits; implement the Asset Management Company's instructions, where these are not in contrast with the law, the regulation or the provisions of the supervisory body. Should it fail to perform its tasks, the custodian bank shall be responsible to the CIUs and the investors for any loss they may incur.

Separate assets

Each mutual investment fund, or each sub-fund, represents separate assets, to all effects, from the Asset Management Company's assets and those of each investor, as well as any other assets managed by the Company; the mutual investment fund is accountable for the obligations it assumed on its behalf only to the extent of its assets. The assets are exempted from actions by creditors of the Asset Management Company or actions taken in its interest, as well as from actions taken by the depositary's or sub-depositary's creditors or in their interest. Actions taken by the creditors of individual investors are permitted only in respect of their units. In no way can the Asset Management Company use the assets of funds managed in its interest or that of third parties.

VI.- Nature and risks of investments funds managed by the SGR

VI.1 Introduction

The SGR manages closed-end investment funds that can be classified as real estate funds ("*fondi immobiliari*") and loan investment funds ("*fondi mobiliari di credito*"). The SGR can manage both reserved funds to professional investors and non-reserved funds.

The funds enable investors to invest in the sector in which each fund invest (in accordance with the fund rules) by participating in a collective investment undertaking managed by a qualified party. More specifically, by investing in an investment fund, investors participate - proportionally to their investment - in the financial results which arise from the asset management carried out by the Asset Management Company.

The investor who subscribes to units in a closed-end fund must be aware of the risks that this investment - like any other investment in financial instruments - can entail. The investment risks relate, first of all, to the possible decrease in the value of the units/shares subscribed, as a consequence of the change of the financial or real estate in which the fund is invested, or by the possible reduction in the profitability of the fund determined by the decrease in the yield of the assets in which the fund invests or by the increase in the costs borne by the fund.

VI.2 Ordinary and contribution funds

The fund units can be subscribed through a cash payment. In this case, the fund rules of the fund may provide that the subscription amount be paid in instalments as periodically requested by the Asset Management Company (the so-called "recall of undertakings").

In addition to the foregoing:

- (i) real estate funds (*infra*) where allowed by the fund rules, can be subscribed simultaneously or after the fund set-up, including by contributing real estate, real property rights and equity investments in real estate companies. Should the subscriber intend to invest in the real estate fund by contributing an asset, the SGR shall:
 - a) obtain, where the contribution relates to assets which are not traded on regulated markets, a specific valuation report prepared by independent experts and dated not earlier than thirty days of the signing of the contribution deed. The amount set out in the valuation report shall not be lower than that of the units issued in respect of the contribution;
 - b) obtain the valuation of a financial intermediary engaged to check the compatibility and profitability of contributions with the management strategy in respect of the activities carried out by the fund to solicit investment.
- (ii) reserved funds (*infra*), where allowed by the fund rules, can be subscribed through the contribution of assets in kind or loans/credits.

VI.3 Loans

Closed-end funds can take out loans up to the limits set out by the fund rules in relation to the net asset value within the rules issued by Banca d'Italia in its provision dated 19 January 2015 as later modified (named "*Regolamento sulla Gestione del risparmio*"). Those limits are expressed in the relation between the exposition and the net asset value of the fund according to the following two methods to calculate of the exposition: "gross method" and "commitment method". Real estate non reserved funds shall respect a threshold of 2 taking into account also of the investment in derivatives. Within such global threshold, the real estate funds, which are not listed in a ruled market or in a multilateral exchange system may lend money within a limit of 10 % of the total net asset value to reimburse equity when new units are issued.

For reserved loan funds, is set up a limit of 1.5.

The other reserved funds shall not respect a threshold. The Asset Management Company shall in any case justify the method adopted and shall take into account the following items to fine the maximum financial leverage: (i) investment strategies of the fund; (ii) sources of the financing of the leverage; (iii) any other connection or link with other financial institutions which may entail a systemic risk; (iv) the need to limit the exposure towards one counterpart; (v) the level of guarantees granted to assist the debt; (vi) the ratio among profit and losses; (vii) the relevance (entity, nature and scope) of the activity carried out by the Asset Management Company in the relevant trading market. The Asset Management Company shall be able to justify that the thresholds of any managed fund is reasonable and respect such threshold in every moment.

The Asset Management Company shall report in the financial report of each fund the chosen method and the level of leverage applied.

VI.4 Timeframeline of the investment

The closed-end funds, qualify as long-term investments, considering both the nature of the assets in which fund assets are invested, and the provisions underlying them. Specifically, under article 1.1.lett. l) of the TUF, a closed-end fund is a mutual fund in which the right to redeem units may be exercised by participants only at predetermined maturities.

Consequently, investments in closed-end investment funds address investors who are interested in long-term returns and are willing to:

- invest amounts in the long-term, subject to the possibility of divesting them by transferring the relevant units to third-party investors;
- tolerate, similarly to all potential investments in financial instruments, the possibility of negative results, including of a significant amount.

VI.5 Retail funds and listing

With respect to retail funds listed on regulated markets, the solicitation to subscribe and/or sell units is preceded by a prospectus which describes the transaction.

VI.6 Reserved funds

Pursuant to Ministerial Decree no. 30/2015, reserved funds are those real estate funds that can be subscribed or purchased exclusively by professional investors or by non-professional investors provided that the fund rules authorise such subscription and the non-professional investor underwrite units for an initial global amount of 500.000 which can not be split.

VI.7 Real estate funds

Closed-end funds qualify as real estate funds if the assets are invested in real estate rights and equity investments in real estate companies and other real estate UCIs to an extent of not less than two thirds of the total value of the fund. This percentage is reduced to 51% if the fund's assets are also invested not less than 20% of its value in financial instruments representing securitization transactions involving real estate, real estate rights or loans secured by a real estate mortgage. It should be emphasized that investment in real estate fund units cannot constitute a form of investment with a guarantee of return and / or reimbursement of the invested capital. Investors who subscribe the units of a real estate fund shall be aware of the risks posed by the investment, similarly to any other investment in financial instruments. Investment risks relate, above all, to the possible decrease in the value of subscribed units, triggered, in turn, by changes

in the value of the real estate and the financial assets in which fund assets are invested, or the possible reduction in the profitability of the fund caused by lower revenues from lease payments or by the increase in the costs to be borne by the fund.

However, investments in real estate funds shall not be considered a type of investment with guaranteed return and/or repayment of invested capital.

VI.8 Investment funds

The SGR also manages investment funds that invest in credits or securities representing credits, including loans issued by the fund's assets, in accordance with the fund rules.

VII.9 Risks in investment funds and real estate managed by the SGR

Considering the types of assets in which the funds managed by the SGR invest directly and / or indirectly - real estate, real estate rights and equity investments in real estate companies, credits, securities representing credits - the following risk factors can be highlighted

a) Difficulties in selling the assets in which the fund assets are invested

The sale of assets held directly or indirectly by the funds may not be immediate and it could also take medium-long times or encounter difficulties in finding a buyer. Should they last over a considerably long period of time, these difficulties may delay the redemption of units over the duration of the real estate fund set out in the offer document. Consequently, the Asset Management Company may need to ask the Bank of Italy for an authorisation to extend the fund duration, holding participants' investments for a further maximum period of three years. Moreover, these difficulties may have a negative effect on the sale price of the asset and, consequently, the value of units.

b) Investments with a long-term time horizon and difficulties in selling units - Illiquidity of the fund

When assessing an investment in closed-end fund units, investors shall consider, given the fund's long-term nature, the possibility of assuming all the risks typical of this type of investments, including the possible changes over time of the financial factors considered when the units were subscribed. In all types of closed-end mutual investment funds, units are redeemed only at the expiry date of the funds, except for proportional partial redemption and/or early redemption, where set out in the fund rules.

However, before the fund expires, investors can transfer their units to third parties in accordance with that set out in the fund rules. This transfer may take place:

- on the listing market of the fund, where this is listed;
- outside of a regulated market.

Specifically, if the fund is listed, investors may mobilise invested capital by selling the units on the listing market, in line with the liquidity level of this market (see *infra* text). In this respect, it should be noted that investors' sale of units on the market necessarily entails the research of a party that is willing to purchase. In this case, it cannot be excluded that the sale price of units on the listing market be affected by domestic and international unfavourable events which are not necessarily related to the economic performance of funds. Moreover, the trading price of units on the listing market may differ, also considerably, from the implicit unit value of the fund arising from the periodic valuation carried out in accordance with the relevant legislation and the fund rules. The price of real estate funds in the relevant markets, i.e., the "Market for investment vehicles" (MIV), is generally lower than the net asset value (NAV) of units. Moreover, with respect to the MIV, the average value of the traded units is usually modest. Consequently, the MIV can be considered as a relatively illiquid market; therefore, investors that decide to sell their units on the market may be unable to find willing buyers on the same market.

Should the fund be unlisted, early liquidation of the investment is permitted only by transferring units to third parties under the terms and procedures set out in the fund rules, which may make the transfer difficult (indeed, compliance with these terms and procedures is a condition for the completion of the transfer). Moreover, investors may not be able to find a buyer for the subscribed and/or purchased units.

c) Indebtedness

In managing funds, the Asset Management Company may take out loans to the extent indicated in the paragraph “Loans”, which depends on the type of fund. Where the return of the fund assets is greater than the cost of the financial debts of the fund, financial indebtedness increases the return of the own funds of the fund and, hence, enhances the investment of participants. Moreover, the charges related to servicing/remunerating the financial debts taken on by the fund are a cost which may erode the remunerated profits and proceeds from the fund and, consequently, distributable to participants. Specifically, should the profitability of the fund assets fall below the cost of financial indebtedness, recourse to indebtedness would increase the fund's losses. Recourse to financial indebtedness has the same magnifying effect on the value of the fund and the related units as that arising from a value change in its assets. When a real estate fund is indebted, an increase in the value of the assets would more than proportionally increase the value of the fund and, consequently, of units. Likewise, a decrease in the value of the assets would trigger a more than proportional decrease in the value of the fund and its units.

d) Costs and expenses

The return of each fund can be negatively affected by the relevant costs and expenses; indeed, the fund shall bear all the costs and expenses set out in the fund rules. In this respect, with reference to real estate funds, it is noted that the conditions of the real estate in which funds invest may need unexpected, extraordinary maintenance, regularisation, rehabilitation and safeguarding and the related expenses may have an impact on the profitability of real estate and, hence, of funds. Moreover, in addition to assessing the conditions of the real estate upon purchase/contribution, the Asset Management Company shall apply the measures necessary to preserve the profitability and the value of the real estate after the purchase/contribution. The real estate purchased as part of fund management could include shared ownership of units and be subject to disputes.

e) Investment concentration risk

The Asset Management Company assesses the investments to be made on behalf of the fund in line with the risk concentration limits set by the Bank of Italy which, as mentioned earlier, may be waived in respect of reserved funds. A greater concentration of the fund's assets, however, could occur more frequently for reserved funds, by virtue of the possibility granted to the SGR, in compliance with the fund rules of each fund, to derogate from the limits on risk concentration set out by the Bank of Italy. Furthermore, it should be noted that, if the SGR does not find adequate investment opportunities on the market for the fund's assets, the same could be concentrated on a limited number of investments of a significant amount, with a consequent limited diversification of the real estate portfolio held. With reference to real estate funds, their assets can be invested directly or through subsidiaries only up to one third of its assets in one property with unitary urban and functional characteristics. With reference to investment funds that invest in loans, the concentration limit set by the provisions of the Bank of Italy (also applicable to reserved funds) is equal to 10% of the fund's assets (including the payment commitments undertaken by the subscribers) and referred to receivables from the same counterparty. There is also a risk deriving from the concentration of exposures to single counterparties or groups of counterparties economically or legally connected, or to counterparties in the same economic sector or carrying out the same activity, or located in the same geographical area. This risk also derives from the geographic location of the guarantees supporting the receivables in which the fund invests, which can negatively affect the realization values.

fund rules

f) Performance objectives

When the Asset Management Company discloses in the prospectus the performance objectives of each fund managed, this information is based on many assumptions which are not absolute, rather hypothetical. Consequently, achieving the investment objectives of individual funds is uncertain and, for many reasons, totally independent of the Asset Management Company's willingness.

Therefore, although the Asset Management Company considers the assumptions underlying any forecasts as reasonable, there is no certainty that these assumptions shall actually take place during the duration of the relevant fund. Consequently, the Asset Management Company's actual

results from the management of individual funds may differ, including significantly, from forecasts and performance objectives.

g) Breach of contract by real estate tenants

The breach of contract by the tenants of the real estate in which the fund assets are invested may have an effect on the profitability of the leased real estate. Moreover, in the case of lease termination, regardless of the cause, there is the risk that no lease be signed in the short-term and at the same financial conditions.

h) Risks associated with transferable funds investing in loans

- Credit risk: risk that the revenues deriving from the management of the credits in which the fund invests are lower than the purchase value.
- Counterparty risk: risk that the counterparty of a transaction involving hedging derivatives and bank deposits for the investment of the fund's liquidity is in default in the settlement of the transaction itself.
- Residual risk: risk deriving from the loss of the expected security value of the guarantees that back the loans in which the fund invests.
- Securitization risk: risk that the economic substance of the securitization transaction is not fully reflected in the risk assessment and management decisions. This risk derives, mainly, from the inadequate application of the "look-through" approach aimed at ensuring the correct assessment and management of the risk of the receivables underlying the ABS securities possibly held by the funds.
- Liquidity risk: risk that the Fund is unable to meet its payment obligations, including those deriving from debt service, as a result of the inability to raise funds on the market and the inability to sell its assets. This risk is mainly related to credit risk, which can significantly affect the Fund's cash flow profile and its ability to fulfil its obligations.
- Interest rate risk: risk deriving from adverse changes in interest rates. These changes, taking into account the characteristics and structure of the assets and liabilities (in relation to the presence of debt), may have potential impacts both on the economic value of the assets and liabilities and on the interest margin and expected return of the Fund. These changes can be mitigated by the presence of risk hedging instruments (e.g., derivatives).

i) Risks associated with real estate funds

The real estate market is the reference market for the activities of real estate funds and can be influenced by contingent and prospective factors, also of a sectoral nature, due to the type of properties and their geographical location, such as the trend of the economy and employment. This market is also likely to be conditioned by other factors, such as interest rate dynamics, expected demographic growth and investments in infrastructures. To these factors may be added, with specific reference to the individual properties present in the real estate fund, related risks: (i) to the possible occurrence of natural and / or accidental and / or emulative events that are likely to produce consequences on the structure and / or on the consistency of the properties themselves; (ii) their state of conservation; and (iii) the change in their value and / or their profitability (due, for example, to natural events, to changes in land use policies and urban plans and to events affecting leases). In addition, the real estate market can be affected by regulatory changes of a civil, administrative or fiscal nature. The occurrence of the risks described above could have negative consequences both on the profitability generated by the properties and on the value of the same, and therefore on their sale price.

VII.- Costs and charges related to funds

The investment in the funds managed by the Asset Management Company can be made by:

- contributing a cash amount the size of which changes for each fund, to be paid by bank transfer or in accordance with the conditions agreed in the fund rules and/or the prospectus; or,
- with respect to contribution funds, also by contributing one or more properties to the fund.

Each fund bears only closely-related costs or costs that are strictly functional to its ordinary operations or set out by legislative provisions or regulations, as indicated in the fund rules.

Consequently, funds generally bear:

- the fees to be paid to the Asset Management Company, to be calculated as instructed in the fund rules;
- the fees to be paid to the custodian bank;
- the costs related to the acquisition and sale of the fund assets (e.g.: intermediation costs related to the purchase and sale of securities, notary fees related to investments in the assets in which the fund invests, costs related to the preliminary negotiations to acquire the fund's assets);
- the charges, if any, to list the certificates representing units;
- the costs to publish the unit value of units and the periodic reports on the fund, the costs to print documents for the public and those arising from the obligation to report to investors, as a whole, provided that they do not pertain to promotion or advertising or placement of units;
- the costs to send notices of changes to regulations due to amendments to the law, supervisory regulations or decisions approved by the meeting of the fund investors;
- the audit fees of the accounting records and the financial statements of the fund (including the liquidation financial statements);
- the financial charges related to the liabilities taken on by the fund and related charges (e.g.: preliminary costs);
- the legal and judicial fees incurred in the exclusive interest of the fund;
- the tax charges pertaining to the fund;
- the supervisory fee the Asset Management Company is required to pay annually to Consob in respect of the fund;
- the fees of independent experts and the financial intermediary set by article 12-bis.3.lett. b) of Ministerial Decree no. 228/99;
- the administration, maintenance and restructuring costs pertaining to the assets in which the fund invests;
- the insurance policy premium on the fund's real estate.

The Asset Management Company does not receive any additional fee from the marketing of the units of its own funds. Indeed, the remuneration for the collective asset management service it receives to the extent and under the conditions set out in the fund rules of each fund (to which reference should therefore be made) is comprehensive.

For additional information about the costs and charges related to the funds managed by the Asset Management Company reference should be made to the relevant prospectus and/or fund rules. The fund rules of the retail funds managed by the Asset Management Company are available at the company's office, the offices of the custodian banks and the following website: www.preliosgr.com.

Finally, the subscription and/or purchase and sale of fund units:

- when it involves third parties, may entail payment of variable fees directly to operators. Potential subscribers may obtain information on the calculation of the above fees directly from the operators/dealers;
- may entail payment of taxes, due in relation to the transaction, not paid through the Asset Management Company.

The information on the costs and charges associated with the investment in the funds is provided by the SGR in accordance with the provisions of the Consob Intermediaries Regulation. The SGR may agree with professional clients to provide information on costs and charges in aggregate form, within the Offer Documents and fund rules, as well as, periodically, within the accounting documents made available to the investors in accordance with the fund rules.

Information on costs and charges of the Fund [●]

The following table summarizes the information on costs and charges due pursuant to Article 36 of Consob Regulation no. 20307/2018. These are the costs and charges estimated on an annual basis in relation to a predefined amount of investment in both absolute and percentage terms, following the indications (as far as applicable) given by the European Working Group (EWG) in the document "European MiFID Template" (EMT).

	Costs	Percentage costs
Recurring live costs (07100_Financial_Instrument_Ongoing_costs)		
Operating costs (Management Company fee) (07110_Financial_Instrument_Management_fee)		

VIII.- Summary of the policy for management of conflicts of interest

The Board of Directors of Prelios SGR S.p.A. adopted a specific “Policy for management of conflicts of interest”.

The aim of this procedure is to identify potential or effective conflicts of interest which may occur during collective investment management services and manage such risks by adopting preliminarily identified specific measures.

According to the Asset Management Company, the following situations are among those which may give rise to a conflict with:

a) the interests of the company, also deriving from group relations and the joint provision of several services, of one or more customers and the duties of the company with regards to the CIUs;

b) the interests of two or more CIUs managed.

In considering the situations of conflict of interest, the Asset Management Company shall at least consider if the Company, a relevant party, a person with a direct or indirect control connection with the Company:

a) may realise a financial gain or avoid a financial loss, at the expense of the CIUs;

b) have, in the result of the collective management service or operation arranged on behalf of the CIUS, an interest that differs from that of the CIUS;

c) have a financial or other reason to privilege the interests of customers or other CIUS over those of the CIUS concerned;

c-bis) carry out the same activities on their own behalf or for third parties as for the CIUS;

d) receive or may receive, from parties other than investors or the CIUS, incentives in connection with the provision of the collective management service, in the form of cash, goods or services, other and over and above the fees normally received for the service.

Generally speaking, for any counterparty to the fund assets, the Asset Management Company preliminarily obtains specific representations confirming that it does not belong to Asset Management Company's relevant group and, more in general, has no relation with Asset Management Company's directors and statutory auditors, directly or indirectly, such as to represent an assumed potential conflict of interest or connections.

Should a potential conflict of interest be identified, the authorisation checks set out in the above procedure and each fund fund rules are activated. Specifically, where required by the fund fund rules, transactions which pose a conflict of interest are subject to the opinion of the fund's Advisory Committee or the SICAF Board of Directors.

The Compliance department is responsible for creating and updating the Conflict of Interest Register set up pursuant to article 35 off the Delegated Rule EU no. 231/2013, in which it describes the contexts from which a conflict has arisen, or may arise, potentially able to severely damage the interests of the CIUs managed or customers.

However, the checks set out in article 2391 of the Italian Civil Code remain in force also when the conflict directly involves the Company's Directors.

IX.- Summary of the strategy for transmission of orders and financial instruments transactions

Under Consob Regulation on Intermediaries, each Asset Management Company shall adopt a strategy for the execution and/or transmission of orders on financial instruments related to assets managed, and provide investors with adequate information about said strategy.

Specifically, compliance with these strategies should enable the Asset Management Company, when executing and/or transmitting orders on financial instruments for CIUS managed, to achieve the best possible result with due regard to the price, cost, speed and probability of execution and settlement, to the size and nature of the order, or any other consideration relevant to its execution/transmission (the so-called “best execution”).

With respect to the funds' investments in securities, which may be permitted from time to time by the related fund rules, it is noted that the Company does not intend to access directly the execution venue for the relevant investment decisions.

Pursuant to article 70 of Consob Regulation on Intermediaries, when transmitting orders on financial instruments on behalf of the CIUS managed, the Company has adopted all reasonable measures and mechanisms to achieve the best possible results. In this respect, it has prepared a Strategy for the Transmission of Orders in the provision of collective investment management services, identifying specific criteria for the selection of dealers.

X.- Summary of the strategy for the exercise of rights relating to the financial instruments

The policy providing the voting strategy relates to the administrative and voting rights pertaining to real estate CIUS, notes in securitization vehicles and any other equity investments held. The policy, adopted in accordance with article 112 of the Consob Intermediary Regulation defines the procedures to be followed and the steps to be taken to (i) monitor corporate events connected with the financial instruments in the portfolio of the CIUs managed, by receiving and analysing the specific documentation received from issuing companies and/or the members of the committees representing investors appointed by the Asset Management Company; (ii) assess the terms and conditions for any exercise of rights of intervention and voting, on the basis of a cost-benefit analysis that also considers investment policy and objectives of the CIUs.

The conduct for Meetings and/or voting instructions to be provided to the members of the Committees representing investors are set based on the structure of delegations of powers and management. The members of the Committees representing Investors – which shall specifically undertake to exercise voting rights in such Committee in accordance with the instructions received from the Asset Management Company - are appointed by the Managing Director who may appoint a direct representative of the Asset Management Company, or a third party independent of the Asset Management Company where this is deemed necessary given the specific skills and/or peculiar characteristics of the portfolio CIUs investments.

XI. Summary of the policy on incentives

The incentive discipline is aimed at strengthening investor protection by minimising, as far as possible, the risks to which they can be exposed as a result of payments and non-monetary benefits that intermediaries perform or receive in relation to the provision of investment services, ancillary services, the collective investment management service and subscription services. The policy adopted in the field of incentives identifies the applicable legislation and establishes an operational flow for evaluations and fulfilments, by mapping the types of incentives of the Company. Among these the “legitimate incentives” include the fees, commissions or non-monetary benefits paid or provided by the SGR to the AIF or a person acting on behalf of the AIF, as well as the fees that make the delivery of the services possible or are necessary to that purpose, and that, by their nature, cannot conflict with the duty of the SGR to act in an honest, equitable manner and in the best interest of the managed AIF or of the AIF investors. The fees, commissions or non-monetary benefits paid or provided by the SGR to or by a third party or a person acting on behalf of a third party shall be deemed to be “lawful under certain conditions” if the following conditions are fulfilled: (i) the payment of fees or commissions or the provision of non-monetary benefits is aimed at increasing the quality of the service and does not hinder the fulfilment by the SGR of the obligation to act in the best interest of the relevant FIA it manages or

the investors of such AIF; (ii) the existence, nature and amount of fees, commissions or benefits or, where the amount cannot be established, the method of calculating their amount, shall be communicated clearly to the investor, in a complete, accurate and comprehensible manner and before the start of the service. The Asset Manager will provide information to investors about the legitimate incentives under certain conditions, allowing investors to (a) identify the service to which the incentive paid or received is connected; (b) identify the types of third parties from which they receive or pay to such incentives; (c) know that further details are available on request, specifying the modalities and the subject to which the relevant request can be forwarded; (d) know the exact amount of payments with third parties executed or received or the method to calculate such amount (ie, the basis on which the percentage is applied). If this information cannot be provided, the Asset Manager shall provide at least a range of reasonable width, together with the calculation method of the amount to communicate the possible level of payments received or paid by or to third parties.

I, the undersigned, _____ acknowledge that I have read and understood Prelios SGR Information Memorandum and wish to receive the updates to said Information Memorandum in hard copy:

in a printed format;

in a non-printed format, i.e., using the following e-mail address and considering this means adequate to the context in which the relation with the Asset Management Company shall develop:

e-mail

address:

Place, _____, date _____

Signature _____