

**Falcon Investment SICAV p.l.c. re The Merlin Secure Yielding
Care Home Fund**

SmartCity Malta SCM 01, Suite 502, Ricasoli SCM 1001, Malta

Registered Number SV 184

Tel No. +356 2090 8900

Fax No. +356 2090 8910

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Falcon Investment SICAV plc on behalf of the Merlin Secure Yielding Care Home Fund in terms of the Listing Rules of the Malta Financial Services Authority

Quote

Notification to Investors

Enclosed herewith please find a notice circulated to all investors regarding an additional Subscription Day and changes to the Offering Supplement.

Unquote

By Order of the Board

7 February 2018

Falcon Investment SICAV p.l.c.

SmartCity Malta SCM 01, Suite 502, Ricasoli SCM 1001, Malta

Registered Number SV 184

Tel No. +356 2090 8900

Fax No. +356 2090 8910

7th February 2018

Dear Sirs,

Re. Falcon Investment SICAV p.l.c. (the "Scheme") in respect of the Merlin Secure Yielding Care Home Fund (the "Sub-Fund")
– Additional Subscription Day
– Updates to the Offering Supplement of the Sub-Fund

We refer to the latest Offering Supplement of the Sub-Fund dated 25th January, 2017.

1. Additional Subscription Day

The Board of Directors of the Scheme are proposing to set an additional Subscription Day on the 7th March, 2018. This additional Subscription Day has already been approved in principle by the Board of Directors of the Scheme.

The Offering Supplement of the Sub-Fund provides that investors shall be notified at least one (1) month in advance of a proposed Subscription Day. Accordingly, the proposed Subscription Day shall come into effect following approval by the MFSA, and in any event following the lapse of one month (1) from the date of this notification letter.

2. Additional Changes

We would also like to bring to your attention that further additional changes to the Offering Supplement are being proposed. Kindly refer to the draft revised Offering Supplement of the Sub-Fund annexed to this notification letter as Annex 1.

The Malta Financial Services Authority has already been notified of the proposed additional Subscription Day and changes to the Offering Supplement and we are expecting a reply in the coming weeks.

Please feel free to contact Christabel Borg at Estera International Fund Services (Malta) Limited on Christabel.Borg@estera.com should you require any clarifications.

Yours sincerely,



Name: Neville Carabott

Director

Falcon Investment SICAV p.l.c.

The Directors of **FALCON INVESTMENT SICAV PLC** (the “**Company**”) whose name appears in the Directory of the Offering Memorandum and of this Offering Supplement accept responsibility for the information contained herein. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Offering Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

OFFERING SUPPLEMENT
(hereinafter referred to as the “**Offering Supplement**”)

~~3rd~~ **25th January, 2018**

relating to the offering of non-voting participating Investor Shares in

MERLIN SECURE YIELDING CARE HOME FUND
(the “**Sub-Fund**”)

a Sub-Fund of

FALCON INVESTMENT SICAV PLC

an open-ended collective investment scheme organised as a self-managed multi-fund limited liability company with variable share capital registered under the laws of Malta

~~THE BEST ASSET MANAGEMENT LIMITED~~ **BEST INTERNATIONAL GROUP LTD.**

(Founder Shareholder and Promoter)

DEVCO PROPERTY ADVISORS LIMITED
(Property Advisor)

~~HERITAGE-ESTERA INTERNATIONAL FUND MANAGERS SERVICES~~ **(MALTA) LIMITED**

(Administrator, Registrar and Transfer Agent)

This Offering Supplement is a revised version of the Offering Supplement dated ~~3rd July 2015~~ **25th January, 2017.**

FALCON INVESTMENT SICAV PLC IS A PROFESSIONAL INVESTOR FUND LICENSED BY THE MALTA FINANCIAL SERVICES AUTHORITY (“**MFSA**”) AS A PROFESSIONAL INVESTOR FUND WHICH IS AVAILABLE TO EXPERIENCED INVESTORS. PROFESSIONAL INVESTOR FUNDS ARE NON-RETAIL COLLECTIVE INVESTMENT SCHEMES. THEREFORE, THE PROTECTION NORMALLY ARISING AS A RESULT OF THE IMPOSITION OF THE MFSA’S INVESTMENT AND BORROWING RESTRICTIONS AND OTHER REQUIREMENTS FOR RETAIL SCHEMES DO NOT APPLY. INVESTOR SHARES IN **FALCON INVESTMENT SICAV PLC** CONSTITUTING THE **MERLIN SECURE YIELDING CARE HOME FUND** MAY ONLY BE SOLD TO EXPERIENCED INVESTORS. INVESTORS IN PROFESSIONAL INVESTOR FUNDS ARE NOT PROTECTED BY ANY STATUTORY COMPENSATION ARRANGEMENTS IN THE EVENT OF THE SUB-FUND’S FAILURE. THE MFSA HAS MADE NO ASSESSMENT OR VALUE JUDGEMENT ON THE SOUNDNESS OF THE COMPANY OR ON THE ACCURACY OR COMPLETENESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO IT. THE MFSA, BEING THE LISTING

AUTHORITY IN RESPECT OF THE MALTA STOCK EXCHANGE (“**MSE**”) DOES NOT ACCEPT RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFERING SUPPLEMENT AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS DOCUMENT.

TABLE OF CONTENTS

[Table Of Contents 3](#)
[Directory..... 4](#)
[1. Important Preliminary Information..... 5](#)
[2. Principal Features Of The Offer 6](#)
[3. The Offer..... 14](#)
[4. Listing Status 17](#)
[5. Use Of Special Purpose Vehicles 18](#)
[6. The Investment Committee..... 19](#)
[7. Safekeeping Arrangements 20](#)
[8. Risk Factors 21](#)
[9. The Property Advisor, The Property Operator And The Valuer 26](#)
[10. Potential Conflicts Of Interests..... 28](#)
[11. Fees, Charges And Expenses 29](#)
[12. General Information..... 31](#)
[Appendix I: Subscription Agreement & Investor Verification Requirements 33](#)
[Appendix II: Experienced Investor Declaration Form 59](#)
[Appendix III: Bank Transfer Instructions 64](#)
[Appendix IV: Redemption Notice..... 65](#)
[Appendix V: Financial Reports..... 67](#)
[Appendix VI: Property Valuation Report 68](#)

DIRECTORY

Registered Office:

SmartCity Malta SCM 01
Suite 502
Ricasoli SCM 1001
Malta

Directors of the Company:

Mr. Brad Lincoln
Mr. Laurence McNairn
Mr. Adam de Domenico
Dr. Neville Carabott

Members of the Investment Committee of the Sub-Fund:

Mr. Brad Lincoln
Mr. Adam de Domenico
Mr. Laurence McNairn

Portfolio Managers:

Mr. Brad Lincoln
Mr. Adam de Domenico

Administrator, Registrar, Transfer Agent and Secretary:

[Heritage Estera International Fund Managers Services](#) (Malta) Limited
SmartCity Malta SCM 01
Suite 502
Ricasoli SCM 1001
Malta

The International Stock Exchange (CISEA TISE) Sponsor:

[Heritage Estera Corporate Fiduciary Services \(Guernsey\) Limited](#)
Heritage Hall, PO Box 225
Le Marchant Street
St. Peter Port Guernsey
GY1 4HY
Channel Islands

Auditors:

Grant Thornton
Tower Business Centre
Tower Street,
Swatar, Malta

Legal Advisors:

GANADO Advocates
171, Old Bakery Street,
Valletta, VLT 1455, Malta

Promoter:

[Best Asset Management Limited Best International Group Ltd.](#)
[Moseley Hall Farm, Chelford Road, Knutsford, Cheshire WA16 8RB](#)
[Booths Hall Chelford Road Knutsford, Cheshire WA16 8GS](#), United Kingdom

Valuer:

[TINSA Espacios Zona Prime SL](#)
[9, Parque Empr. Las Rozas Paseo Cerrado De Calderon no. 4, 28232 Las Rozas 29018, Malaga, Madrid, Spain](#)

Property Advisor

Devco Property Advisors Limited
Heritage Hall
Le Marchant Street
St Peter Port Guernsey,
GY1 4HY Channel Islands

MSE Sponsor:

Curmi & Partners Ltd
“Finance House” Princess Elizabeth Street
Ta’ Xbiex XBX1102
Malta

1. IMPORTANT PRELIMINARY INFORMATION

This document is supplemental to and should be read in conjunction with the latest version of the Offering Memorandum of the Company, a copy of which is available from the Administrator and is issued in respect of an offer for subscription of Investor Shares constituting the Merlin Secure Yielding Care Home Fund (the “**Fund**”), a segregated Sub-Fund (as defined in the Offering Memorandum) of the Company. The provisions of the Offering Memorandum are deemed to be incorporated into this Offering Supplement by reference. In the event of a conflict between the terms of the Offering Memorandum and this Offering Supplement, the terms of this Offering Supplement shall prevail at all times.

This document does not relate to any other Sub-Fund of the Company and prospective investors who are interested in any other Sub-Fund should obtain a copy of the relevant Offering Supplement with regard thereto.

Capitalised terms used in this Offering Supplement shall have the meanings ascribed to them in the Offering Memorandum unless otherwise defined herein.

The provisions of this Offering Supplement shall be interpreted in accordance with the principles set out in the Offering Memorandum.

This Offering Supplement sets out the specific terms and conditions applicable to the Investor Shares constituting the Fund as well as risk factors and other information specific to these Investor Shares and other information which complements, supplements or modifies the information contained in the Offering Memorandum.

The distribution of this Offering Supplement and the offering or purchase of Investor Shares may be restricted in certain jurisdictions as set out in the Offering Memorandum.

Distribution of this Offering Supplement is not authorised unless accompanied by a copy of the Offering Memorandum and both should be read carefully in their entirety before any decision with respect to the Investor Shares is made.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Memorandum and Articles of Association of the Company.

2. PRINCIPAL FEATURES OF THE OFFER

Name of Fund **MERLIN SECURE YIELDING CARE HOME FUND**

Classes of Shares Non-voting Investor Shares

The non-voting Investor Shares in the Fund have the rights as set out in the Offering Memorandum and in the Articles. The Investor Shares constitute the Merlin Secure Yielding Care Home Fund, a segregated Sub-Fund of the Company.

Investment Objectives The objective of the Fund is to purchase, develop and finance the development of a portfolio of properties that are leased to Care Home operators located in city and urban centres predominantly in Europe.

The operators will take full responsibility for providing care home services to public and private sector clients and will pay a lease income to the Fund.

Through previous relationships of the Company, the Fund has access to properties and operators which provide long term secure income that would not be easy to replicate elsewhere. All properties will be operated using known operators with a good track record that can receive long term incomes from local and central government as a substantial proportion of their income.

These assets are potentially at pre-completion stage. In this instance the yield has been negotiated to start from the date of the opening of the property whilst there may also be some discount on valuation on which the asset has been purchased, consequently the yield is effectively enhanced for investors. Where the properties are complete and operating, they will be purchased at a discount on independent valuations where possible, and leased to new or existing operators.

This is a yield fund, and the Company will seek to pay a semi-annual dividend to shareholders from the rental income. The Investment Committee will also seek to secure mortgage finance on the homes where this can provide an increased, leveraged yield to the Sub-Fund, thereby potentially increasing income available for distribution through

dividends. The Investment Committee will also seek to grow the Net Asset Value of the Sub-Fund through the following strategies;

- developing or financing the development of new care homes,
- negotiating to purchase existing operating care homes at a discount to current market valuations, and
- improving the rental covenants attached to care homes, thereby increasing the valuation of the underlying commercial asset.

The Sub-Fund has listed its Investor Shares on the MSE as a secondary market to provide investors with greater liquidity than could normally be expected from other closed fund structures.

Investment Policies

The Company seeks to achieve its objective in respect of the Fund through entering into agreements with regional property managers who will be reputable and successful operators and developers of care homes. Through outright purchase, development, and financing the development of new homes in co-operation and partnership with these operators, the Company will acquire the properties for the Fund at commercially competitive rates. The Promoter will also ensure that there is regular income from the care homes that is paid into the Fund. Due to its commercial standing and the goodwill which it has built up over a number of years, the Promoter, due in part to the relationship with the operators, is usually able to negotiate discounts on the real estate acquisitions as well as confirming long income yields from local authorities which the Promoter is prepared to pass on to the Fund.

Demographic data for Europe show very clearly that the increasing ageing population is a problem in most of Europe. People are living longer but term of life is being extended faster than the quality of life and as such there is an ever increasing requirement for care provision. More people need to have care for longer periods. The population of Europe over the age of 65 has doubled in the last 30 years, and over 85 has doubled in the last 20 years. In the UK, for example, it is estimated that over 20% of the population will spend at least some time in residential care during their life.

European legislation means that governments have a requirement to provide suitable care for the elderly and are keen to find and promote good quality operators. With all European governments required to provide these services for both their own nationals, and indeed all European residents in their country, with the sole criterion being that of need, governments are working to establish arrangements that can meet growing demand. For example, SEPIDES in Spain estimates that there is a shortage of 50,000 care home beds in Spain. Increasingly, the public sector is looking to private developers to provide new, efficient and purpose built facilities from which they can rent capacity for provision of these statutory services. The Fund seeks to capitalize on the increasing need in supplying to investors a strong and stable income stream over a long term period, backed primarily by stable public sector contracts.

Properties will be leased to the operators who will already have a long term contract with local authorities. As such income can be assured over the life of the contracts which are circa 75 years in normal circumstances. The freeholds of the properties will be owned by the Fund where available.

The Fund has gearing options in place with a number of banks and will aim to gear purchases where suitable. This gearing may extend to up to 50% of the property value where these arrangements are considered beneficial in improving income.

Whilst the Fund will be managed for long term income, the Directors in their absolute discretion reserve the right to market for sale any Properties. Any income so derived (net of any reasonable costs and expenses) will be distributed to the Shareholders in the Fund either prior to the liquidation of the Fund or, failing that, upon liquidation of the Fund.

The Fund will not materially change its principal investment objectives or investment policy as set out in this document for a minimum period of five years from the date of its listing on ~~the CISEATISE~~ other than with the consent of the majority of shareholders.

Investment Restrictions

The Fund shall comply with the following

investment limits:

- maximum investment directly or indirectly (through special purpose vehicles) in any one immovable property: 25% of the total assets of the Fund.
- the Fund shall be exposed to not less than 5 different properties.

The Sub-Fund may invest up to 100% of its assets in one special purpose vehicle provided that the investment restrictions set out above are satisfied at the level of the special purpose vehicle. A property, whose economic viability is linked to another property, will not be considered as a separate item of property.

Provided that the Fund is being operated according to the principle of risk-spreading, it will not be required to comply with the restrictions set out above within three years of the Final Closing Date.

The Fund may borrow amounts in aggregate of up to 100% of Net Asset Value of the Fund at the time of borrowing.

Investment Guidelines

The Company will follow the following guidelines in making investments for the Fund:

- i. Properties in Europe that are designed and licensed for use as care homes. Care homes will be selected from the different properties analysed by the Property Advisor;
- ii. Properties must be free of any lien and/or encumbrances, except in the circumstance that there is a mortgage on the property in which case the mortgage will be removed or transferred to the Fund;
- iii. Existing care homes must have an operating agreement in place with a locally recognized, experienced and suitably qualified care home operator. The operator needs to have already signed term agreements with the local authorities regarding the care provision on behalf of the local authority;

iv. Properties are initially considered to be as follows:

- Utrera, Spain
- Chiclana, Spain
- Bedmar, Spain

Details of these properties are available on application to the Company.

Dividend Policy

The Directors intend to pay a semi-annual dividend in respect of the Investor Shares during the term of the Fund. The Directors do however reserve the right, in their absolute discretion, to declare a dividend at any time to the Shareholders.

The Directors reserve the right not to declare any dividends if they consider this to be in the best interests of the Fund.

Lock Up Period

No redemptions will be affected during the life of the Fund and all Investor Shares will be redeemed on the Final Redemption Day.

The Directors reserve the right to set a Redemption Day and to limit the redemption amount on such Redemption Days. Investors will be notified at least one month in advance of a proposed Redemption Day. To the extent that redemptions received for a Redemption Day exceed the maximum redemption amount set by the Directors, all redemptions received in respect of that Redemption Day will be effected on a pro-rata basis.

Duration of the Sub-Fund

The Fund has been established for a duration of approximately fifteen (15) years from the 26th May 2011. Following the secondary listing of the Fund on the MSE, the Fund will now continue till the 30th July 2025.

The Company's authorised share capital is such that further issues of Investor Shares can be made. There are no pre-emption rights for existing Shareholders on any such further issue. Subject to market conditions then prevailing, the Directors may decide to make one or more further issues of Investor Shares from time to time. Investor Shares will be issued at the NAV per Share on the relevant Subscription Day.

It is the current intention that the Fund will redeem

all outstanding Investor Shares on the Final Redemption Day.

Subject to the requirements of ~~the CISEA~~ The International Stock Exchange Authority (“TISEA”), some of the Investor Shares may be redeemed earlier or later depending on the success of the particular investment and the successful completion of the investment objectives of the Fund. The Directors have the right to extend the life of the Fund, subject to the requirements of ~~the CISEA~~ TISEA, by such period as the Directors may resolve, but no later than 30 days prior to the Final Redemption Day. Such extension will take place if the Fund has been unable to dispose of all the assets of the Company, and will continue until all such properties have been disposed of.

Final Redemption Day

30th July 2025

Number of Investor Shares on Offer

Up to 200,000 Investor Shares

The Company’s authorised share capital is such that further issues of Investor Shares can be made. There are no pre-emption rights for existing Shareholders on any such further issue. Subject to market conditions then prevailing, the Directors may decide to make one or more further issues of Investor Shares from time to time. Investor Shares will be issued at the NAV per Share on the relevant Subscription Day.

It is the current intention that the Fund will redeem all outstanding Investor Shares on the Final Redemption Day.

Subject to the requirements of ~~the CISEA~~ TISEA, some of the Investor Shares may be redeemed earlier or later depending on the success of the particular investment and the successful completion of the investment objectives of the Fund. The Directors have the right to extend the life of the Fund, subject to the requirements of ~~the CISEA~~ TISEA, by such period as the Directors may resolve, but no later than 30 days prior to the Final Redemption Day. Such extension will take place if the Fund has been unable to dispose of all the assets of the Company, and will continue until all such properties have been disposed of.

Minimum number of Investor

500

Shares being issued

Base Currency

GBP

Minimum Investment Amount

The GBP equivalent of EUR10,000

Business Day

Any day on which banks are open for business in Malta and/or such other day or days or place or places as the Directors may from time to time determine.

Subscription Day

Such Business Days as the Directors may from time to time determine as may be specified in Section 3 of this Offering Supplement. Investors will be notified at least one month in advance of a proposed Subscription Day.

Redemption Day

Such Business Days as the Directors may from time to time determine. Investors will be notified at least one month in advance of a proposed Redemption Day.

Valuation Day

The Business Day immediately preceding a Subscription Day and/ or a Redemption Day and/or such other day or days as the Directors may from time to time determine, provided that there shall be a Valuation Day on the last Business Day ~~which immediately follows the last day~~ of the financial year of the Company.

Initial Offering Period

The Initial Offering Period commenced on the 27th May, 2010 and closed on the Closing Date or such earlier dated as the Directors could in their absolute discretion determine.

Closing Date

The first Closing Date was the 11th June 2010 at noon (Guernsey time) and subsequent closings are every two weeks after that at noon (Guernsey time) until the Final Closing Date being the 27th August 2010.

All investments will be effected at the end of the final Closing Date.

Initial Offering Price

GBP1,000 per Share

Subscription Fee

Up to 5% of the subscription amount.

Redemption Notice Period

Before 3 p.m. (15.00 hours) CET, five (5) Business Days prior to the relevant Redemption

Day or such shorter notice period as may be approved by the Directors of the Company from time to time.

3. THE OFFER

Share Offer

This Offering Supplement is supplemental to, and must be read with, the Offering Memorandum issued by the Company.

The Offering Supplement constitutes an offer of Investor Shares in the Fund which is a segregated class of Investor Shares in the Company.

INVESTOR SHARES IN THE FUND MAY ONLY BE HELD BY INVESTORS THAT FALL WITHIN THE DEFINITION OF AN EXPERIENCED INVESTOR AS SET OUT IN THE OFFERING MEMORANDUM.

NEVERTHELESS, THE EXPERIENCED INVESTOR ELIGIBILITY REQUIREMENT IS ONLY APPLICABLE FOR INVESTORS SUBSCRIBING TO INVESTOR SHARES IN A FUND AFTER THE 26TH MAY 2011.

PROSPECTIVE INVESTORS WILL BE REQUIRED TO COMPLETE THE EXPERIENCED INVESTOR DECLARATION FORM FORMING PART OF THIS OFFERING SUPPLEMENT.

Securities Offered

Up to 200,000 Investor Shares in the capital of the Company with no nominal value at the Initial Offer Price, for subscriptions received on or prior to the Closing Date (i.e. during the Initial Offering Period) and thereafter at the Offer Price (as defined in the Offering Memorandum) on each Subscription Day.

Features of Investor Shares offered prior to the date of this Offering Supplement

Conditions of Offer

The Offer of Investor Shares in the Fund was conditional upon the Company:

- i. on or prior to the Final Closing Date, having accepted valid subscriptions for at least 500 Investor Shares; and
- ii. having received the approval of [the CISEATISEA](#) for the Investor Shares to be admitted to the Official List of [the CISEATISE](#) (subject only to issue).

Both conditions were met on 28th June 2010.

Features of Investor Shares offered subsequent to the date of this Offering Supplement

The Subscription Days of the Sub-Fund were the following:

29th June 2012

20th July 2012.

[The Directors have resolved that one further Subscription Day of the Sub-Fund will be as follows:
7th March 2018.](#)

Application had been made to [the CISEATISEA](#) for the Investor Shares issued on each of the

Subscription Days to be listed on the Daily Official List of [the CISEATISE](#).

In order to avoid having to provide a new Offering Supplement to [the CISEATISEA](#) in the event of the anticipated continuous subscriptions being received in excess of 10% of the issued share capital of the Fund, Shareholders should be aware that should such continuous subscriptions occur for any particular Subscription Day, or over a period on a cumulative basis, a dilution of their shareholding may occur as a result of additional shares being listed. Continuous subscriptions are announced on [the CISEATISE](#) website under the listing details for the Company. Any further or subsequent issue of Investor Shares on a Subscription Day not listed above, shall only be made in terms of a revised and updated Offering Supplement, which shall be subject to the approval of the MFSA and [the CISEATISEA](#).

As at the date of this Offering Supplement, no further or subsequent issue of Investor Shares is foreseen or contemplated in the immediate future, other than on the Subscription Days listed above, though this remains at the discretion of the Directors.

Investor Shares issued on the Subscription Days shall have the same rights, upon admission to listing on [the CISEATISE](#) and the MSE, to Investor Shares issued prior to the date of this Offering Supplement and already listed on [the CISEATISE](#) and the MSE.

The offer of Investor Shares is not underwritten. Accordingly, the number of Investor Shares available under the offer should not be taken to be indicative of the number of Investor Shares that will be issued.

The Directors reserve the right, in their absolute discretion, to cancel the offer of Investor Shares and the issue of the Investor Shares in the Fund at any time prior to the day on which the Investor Shares would otherwise be admitted to the Official List of [the CISEATISE](#) or the Official List of the MSE. In such an event all subscription monies relating to subscriptions for Investor Shares in the Fund under the offer will be returned (without interest) to subscribers at the subscribers' risk and net of any bank charges by no later than thirty (30) days after the date on which the offer of the Investor Shares is cancelled. Subscription monies will be returned by cheque mailed to the subscriber's address as indicated on the Subscription Agreement, or by interbank credit transfer back to the bank account from which such monies were first received or by any other method as the Directors deem to be appropriate. Once subscription monies have been returned a Shareholder is required to return their contract note to the Administrator. If after fourteen (14) days the contract note has not been returned a new contract note cancelling the original contract note will be issued.

Fractional Shares

Fractional Shares will be issued up to four (4) decimal places.

Purchase of Investor Shares

Purchases of Investor Shares can be made at the prevailing Offer Price by submission to the Company at the office of the Administrator of a properly executed Subscription Agreement and Experienced Investor Declaration Form. The Offering Price is defined in the Offering Memorandum as the NAV per Share which is in turn defined as the NAV of each class of Investor Shares of a Sub-Fund divided by the number of Investor Shares of that Sub-Fund in issue calculated in accordance with this Offering Memorandum and/ or the Offering Supplement. Section 19 of the Offering Memorandum establishes the rules for the determination of the NAV.

Investor Shares will be issued on every Subscription Day for the Offer Price calculated on the

relative Valuation Day, being a business day immediately preceding every Subscription Day (as defined in the Offering Memorandum); provided the Company has received the required documents and has been advised no later than one Business Day prior to the relevant Subscription Day of receipt in cleared funds of the full amount subscribed for the purchase of the Investor Shares. Full details of the application process appear in the Offering Memorandum. A Specimen Subscription Agreement and other related documentation are provided with this Offering Supplement.

Pricing

The calculation of the NAV of the Fund shall be effected by the Administrator on every Valuation Day and in such manner as is stated in the Offering Memorandum. Consequently a new NAV per Share will be struck on each Valuation Day preceding every Subscription Day, and Investor Shares will be issued at the NAV per Share determined on the Valuation Day preceding a Subscription Day.

The valuation of the immovable property held by the Fund will be valued by the Property Valuer.

Redemption of Investor Shares

Investors are directed to the Offering Memorandum where the procedures relating to the redemption of Investor Shares are outlined.

UNLESS OTHERWISE DETERMINED BY THE DIRECTORS OF THE COMPANY, NO REDEMPTIONS WILL BE EFFECTED DURING THE LIFE OF THE FUND. THE DIRECTORS RESERVE THE RIGHT TO SET A REDEMPTION DAY AND TO LIMIT THE REDEMPTION AMOUNT ON SUCH REDEMPTION DAYS. INVESTORS WILL BE NOTIFIED AT LEAST ONE MONTH IN ADVANCE OF A REDEMPTION DAY. TO THE EXTENT THAT REDEMPTIONS RECEIVED FOR A REDEMPTION DAY EXCEED THE MAXIMUM REDEMPTION AMOUNT SET BY THE DIRECTORS, ALL REDEMPTIONS RECEIVED IN RESPECT OF THAT REDEMPTION DAY WILL BE EFFECTED ON A PRO-RATA BASIS.

4. LISTING STATUS

Listing Status of Investor Shares offered prior to 26th May 2011

Application has been made for the Investor Shares of the Fund to be admitted to the Official List of [the CISEATISE](#) by way of an offer for Subscription.

The Fund is primarily listed on [the CISEATISE](#). Listing of the Investor Shares of the Fund – offered prior to the 26th May 2011 - on [the CISEATISE](#) became effective and dealings commenced at 8.00am on the 28th June 2010. Prior to the date of the continuation of the Company to Malta, the Investor Shares were issued and listed as non-redeemable participating shares having limited voting rights, at a par value of GBP 0.01 (the “**Participating Shares**”). Upon the date of the continuation of the Company to Malta, the Participating Shares were reconstituted as Investor Shares having the rights set out in the Memorandum and Articles of Association of the Company, and continue to be admitted to the Official List of [the CISEATISE](#).

Primary Listing Status of Investor Shares

The Investor Shares of the Fund are offered, by way of an offer, on the Subscription Days on the Official List of [the CISEATISE](#).

Listing of the Investor Shares of the Fund on [the CISEATISE](#) becomes effective on the Business Day following each Subscription Day. All the Investor Shares in the Fund have the rights set out in the Memorandum and Articles of Association of the Company.

Secondary Listing Status of Investor Shares

The Fund is listed on the Official List of the MSE, as Secondary Listing.

Listing of Investor Shares of the Fund – which will be offered after the date of this Offering Supplement – on the MSE is intended to become effective on the Business Day following each Subscription Day. All the Investor Shares in the Fund have the rights set out in the Memorandum and Articles of Association of the Company.

An active secondary market in the Investor Shares on [the CISEATISE](#) has not developed and there can be no assurance that it will do so.

Neither the Listing of the Investor Shares on the Official List of [the CISEATISE](#) nor the approval of the Offering Memorandum and this Offering Supplement pursuant to the listing requirements of [the CISEATISEA](#) shall constitute a warranty or representation by [the CISEATISEA](#) as to the competence of service providers to, or any other party connected with, the Company, the adequacy of information contained in the Offering Memorandum or this Offering Supplement or the suitability of the Company for investment purposes.

Although the Investor Shares are listed on [the CISEA-TISE](#) this does not imply a commitment by any member firm of [the CISEATISEA](#) to make a market in the Investor Shares.

5. USE OF SPECIAL PURPOSE VEHICLES

The Fund is able to hold assets in different tax jurisdictions throughout Europe. In order to minimise the tax liability, the Fund can use different corporate structures. This may mean that an investment is made in an asset via a special purpose vehicle.

Professional tax advisors will be engaged to provide tax advice so as to ensure that the most efficient tax structures are utilized by the Fund. Prospective investors should note that a special purpose vehicle set up by the Company in respect of the Fund may be funded exclusively by equity contributions or a mixture of equity contributions and loan capital.

The Directors shall ensure that any special purpose vehicle set up by the Company in respect of the Fund is established in a jurisdiction which is not an FATF blacklisted country. The Company shall also through its Directors at all times maintain the majority directorship of any such special purpose vehicle.

All investments effected through any special purpose vehicle will be in accordance with the investment objectives, policies and restrictions of the Fund.

6. THE INVESTMENT COMMITTEE

The Board of Directors retains overall responsibility for the implementation of the investment objective of the Company in respect of the Fund and directing the investment management of the assets of the Fund. The investment operations and decisions relating to the assets of the Fund shall be undertaken by the Investment Committee. The members of the Investment Committee of the Company in respect of the Fund are:

Mr. Brad Lincoln
Mr. Laurence McNairn
Mr. Adam de Domenico

Mr. Brad Lincoln and Mr. De Domenico shall act as Portfolio Managers and carry out the day to day investment management of the assets of the Company and its Sub-Funds.

The Investment Committee shall ensure that the investment operations and decisions relating to the management of the assets of the Company are taken in accordance with the investment objective, policies and restrictions as described in the Offering Memorandum and in this Offering Supplement.

Under its terms of reference, the Investment Committee shall be responsible for:

- i. establishing and reviewing on a regular basis appropriate guidelines and parameters for the investment strategy of the Fund;
- ii. setting the portfolio structure and asset allocation;
- iii. the day-to-day investment decisions and transactions on behalf of the Company in respect of the Fund;
- iv. monitoring and reviewing the investment policy and performance of the Fund;
- v. making any appropriate recommendations to the Company's Board of Directors.

Meetings of the Investment Committee shall be held at least four times a year with at least a majority of such meetings being physically held in Malta. The members of the Investment Committee may invite the Property Advisor to present a report or to provide an update to the Investment Committee of any developments on the relevant properties in which the respective Fund is invested. The Investment Committee will monitor the performance of each Sub-Fund on the basis of reports provided by the Property Advisor.

7. SAFEKEEPING ARRANGEMENTS

The Company has in respect of the Fund not appointed a Custodian responsible for safekeeping the assets of the Fund.

The assets of the Fund consist of cash, short term investments and immovable property. The Company will hold, at its registered offices, all the relevant title documents relating to the assets of the Fund. Any short term investments of the Fund will be held by the Banker.

All the cash assets of the Fund will be held with the Banker in the name of the Fund.

8. RISK FACTORS

IN EVALUATING THE POTENTIAL AND SUITABILITY OF AN INVESTMENT IN THE FUND, CAREFUL CONSIDERATION SHOULD BE GIVEN BY PROSPECTIVE INVESTORS TO THE FOLLOWING RISK FACTORS WHICH RELATE TO THE MANAGEMENT OF THE FUND AND THE MARKETS IN WHICH THE FUND'S ASSETS WILL BE INVESTED.

IT IS RECOMMENDED THAT PROSPECTIVE INVESTORS CONSULT THEIR OWN ADVISORS ON LEGAL, TAX AND FINANCIAL ISSUES THAT ARE RELEVANT FOR THEIR SPECIFIC SITUATION, AS THE INFORMATION HEREIN SHOULD BE REGARDED AS GENERAL INFORMATION.

INVESTMENT IN THE FUND SHOULD BE REGARDED AS A LONG TERM INVESTMENT. THERE CAN BE NO GUARANTEE THAT THE INVESTMENT OBJECTIVE OF THE FUND SET OUT HEREIN WILL BE ACHIEVED.

POTENTIAL INVESTORS ARE EXPECTED TO BE AWARE OF THE RISKS OF INVESTING IN THE FUND AND ANY PERSON CONSIDERING AN INVESTMENT IN THE FUND MUST HAVE THE FINANCIAL SOPHISTICATION AND EXPERTISE TO EVALUATE ITS MERITS AND RISKS.

INVESTORS ARE DIRECTED TO SECTION 4 OF THE OFFERING MEMORANDUM WHICH PROVIDES A DETAILED DESCRIPTION OF THE RISKS ASSOCIATED WITH HOLDING INVESTOR SHARES IN THE FUND.

General Real Estate Risks

The Company's ability to meet its objective in relation to the Fund will depend in large part upon the cash flows generated by the real estate assets in which the Company invests on behalf of the Fund. Accordingly, the Company will be subject to general risks incidental to the ownership and operation of real estate. Real estate cash flows, values and rental incomes are affected by a number of factors, including: changes in the general economic climate; local conditions (e.g. an oversupply of space or a reduction in demand for real estate in an area); competition from other available properties; insurance and variable operating costs, including property taxes and other taxes; environmental, zoning and other laws; risks associated with construction, development and renovation; and uninsured losses. Because some of the Company's income may be derived from rental income, the Company's financial performance could be adversely affected by Laws passed on an annual basis by local Governments limiting the amount by which current rentals can be uplifted (also known as "Rent Caps"), as well as tenant insolvencies and a lack of demand for rental space. In the event of a default by a tenant, the Company may experience delays in enforcing, and may incur substantial costs to enforce, its rights as landlord.

Market Conditions

The strategy of the Fund is based, in part, upon the premise that real estate will be available for purchase at prices that the Investment Committee and the Portfolio Managers consider favourable. Furthermore, the Company's strategy relies, in part, upon the continuation of existing market conditions (including, for example, supply and demand characteristics). No assurance can be given that real estate can be acquired or disposed of at favourable prices or that the market for such assets will remain stable or, as applicable, recover or improve, since this will depend, in part, upon events and

factors outside of the control of the Company. Timing to market cycle is very important in this sector. An investment looking favourable in the up market cycle may become a loss-making proposition in the down cycle. There will always be risk associated with the market cycle. This may be partly addressed by diversifying the portfolio across regions, asset type and exit time horizon.

Concentration Risk

By virtue of its concentration of its investment in immovable property, the Fund may be considered as lacking sector diversification in its investments and therefore the Fund may not satisfy the principle of risk diversification in terms of the definition of a Collective Investment Scheme in the Investment Services Act. Furthermore, it is expected that during the first twelve months of operations of the Company from the date of its continuation to Malta, the Fund may be subject to high concentration risk as its investments will not be properly diversified. Accordingly a decline in the immovable property sector is likely to cause the Fund overall value to decline to a greater degree than if the Funds held a portfolio diversified over a number of sectors.

Uninsured Losses

To the fullest extent possible, the Company in respect of the Fund will seek to cause insurance following industry practices to be maintained on commercially reasonable terms on all properties in which the Company in respect of the Fund invests, including public liability and fire and extended coverage insurance. However, these properties could suffer damage or the Company could become subject to public liability claims, resulting in losses which may not be fully compensated by insurance proceeds. In addition, there are certain losses for which insurance is not available on commercially practicable terms, such as losses from earthquakes, typhoons, flooding, war, terrorism, civil disorder or other unforeseeable catastrophic events, and local insurance policies offered in certain of the countries where the Company in respect of the Fund intends to invest may not meet the level of coverage typically required by institutional investors. Should an uninsured loss or a loss in excess of insured limits occur, the Company in respect of the Fund could be required to pay compensation or lose its capital invested in the property affected as well as the anticipated future revenues from such property. The Company in respect of the Fund could also remain liable for any other obligations related to the property, which could have a material adverse effect on the financial performance of the Fund.

Importance of Property Advisors

The Property Advisor shall provide policy guidance to the members of the Investment Committee and the Portfolio Managers. The Fund's success depends, to a large extent, upon the Property Advisor's ability to provide sound guidance. In addition, if any of the principal officers of the Property Advisor cease to participate in the operation of the Property Advisor to the extent they relate to the operations of the Company in respect of the Fund for any reason, the operations, objectives and activities of the Company may be adversely affected in respect of the relevant Fund.

Risks to Properties

The Company generally anticipates that it will be the legal entity which has ownership of the real estate assets in which it is investing and will therefore be responsible for such property up until such property is sold by the Company. Under various laws and regulations, an owner of real property may have significant liability for any contamination found on such property, including being liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property.

Such laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefore as to any property may not be limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the owner's ability to sell the property and may have a significant adverse effect on the value and returns from such property. For example, weather and climatic events, fire and other hazards may adversely affect the properties in which the Company invests.

Changes in Property Laws

There is no assurance that prevailing property ownership laws will continue to apply. Property laws are discretionary at the bequest of the national Governments and as such may be subject to sudden change/repeal.

Cyclical Nature of Property Markets

Property markets are influenced by the law of supply and demand as well as the intrinsic (such as the demand for housing and the availability of developable land for such housing) and extrinsic factors that relate to the broader economy (such as the general economic cycle and the availability and price of capital). Many of these factors are beyond the Fund's ability to accurately predict or directly control. These various factors have historically caused property markets to go through cycles during which prices have fluctuated up and down. Significant downward corrections in property prices may have a material adverse effect on the Fund's ability to achieve its targeted financial returns.

Developer Risk

In some cases the Company is proposing to invest in projects that are being developed by real estate developers. The Fund will rely on the developers to perform day-to-day services in relation to the projects. The Fund's return on its investments will depend on the quality of service and performance of the developers. If the developers experience financial difficulties such that they fail to complete a project or are unable to complete a project within the contracted purchase cost or time frame, then the value of the Fund's investments may be adversely affected.

Property Advisor Risk

The Fund will rely on the Property Advisor to advise and assist the Fund in identifying suitable property investments. The Fund's return may depend upon the quality of service and operational performance of the Property Advisor. If the Property Advisor were to experience financial difficulties the performance of the Fund may be adversely affected.

Property Operator Risk

The Fund will rely on the Property Operator to act as the operator of care homes. The Fund's return may depend upon the quality of service and operational performance of the Property Operator. If the Property Operator were to experience financial difficulties the performance of the Fund may be adversely affected.

Government Policy Risk

In 2006 the Spanish government made it a legal obligation on the government to provide and fund care home places for all who need them. A change in government policy would have an effect on the values and returns currently available from care homes.

Standard of Care Homes Risk

New Care Homes will be built to current and expected European standards for provision of residential care, these rules may change and affect the value of the property.

Valuation Risk

The Fund's investments might be inherently difficult to value due to the lack of marketability and the unavailability of suitable information for determining the current value of the investments. As a result, valuations are subject to substantial uncertainty. Whilst external valuations will be obtained from professional valuers, there is no assurance that the estimates resulting from the valuation process will reflect the actual sales price, even where such sales occur shortly after the date of a valuation.

Property Concentration

The Fund is exposed to the risk of investing into specific property developments across Europe. Localised economic or other external events may take place which lead to a poor investment result should these be adverse.

Currency Exchange Risk

The Fund will report its results of operations and its financial position in Sterling even though the investments undertaken by the Fund may be in a different currency thus exposing the Fund to exchange rate fluctuations. The NAV per Share is quoted on [the CISEATISE](#) and the MSE in Sterling.

Concentration Risk

It is expected that during the first twelve months of operations of the Fund, calculated from the date of this Offering Supplement, the Fund will be subject to high concentration risk as its investments will not be properly diversified.

The Fund expects to invest part or all investment in Euros. Accordingly, it expects to generate returns in a currency other than Sterling.

The Fund has not hedged (nor will it do so on an ongoing basis) the exchange rate risk to which it is subject between the date of receipt of investors monies and the point at which it exchanges the Sterling denominated proceeds of the offer in Euro and when it ultimately converts the Euros back into Sterling. Currency devaluation or exchange rate fluctuations could have a material effect on the Net Asset Value of the Fund.

No Forecasts

Historical facts, information and trends gained from historic experiences, present facts, circumstances and information, and assumptions from all or any of these do not guide the future. Aims, targets, plans, intentions and projections referred to are no more than that and so do not imply a forecast. Past performance is not necessarily a guide to future performance.

Borrowing

Borrowing may result in the Fund controlling substantially more assets than it has equity. Borrowing increases returns to the Fund if the returns on investments purchased with borrowed funds are greater than the Fund's cost of borrowing such funds. However, the use of borrowing exposes the Fund to additional levels of risk including:-

- i. greater losses (including risk of total loss) from investments than would otherwise have been the case had the Fund not borrowed to make investments;**
- ii. margin calls or interim margin requirements, which may force premature liquidations of investment positions; and**
- iii. losses (including the risk of a total loss) on investments where the investment fails to earn a return that equals or exceeds the Fund's cost of borrowings. In the event of a sudden precipitous drop in the value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred by the Fund.**

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS OFFERING SUPPLEMENT AS TAX OR LEGAL ADVICE. PRIOR TO OFFERING TO ACQUIRE INVESTOR SHARES, A PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN LEGAL, BUSINESS AND TAX ADVISORS TO DETERMINE THE APPROPRIATENESS AND CONSEQUENCES OF AN INVESTMENT IN THE FUND.

AN INVESTMENT IN THE FUND IS SUITABLE ONLY FOR EXPERIENCED INVESTORS WHO APPRECIATE THE RISKS INVOLVED, WHICH MAY INCLUDE THE LOSS OF THEIR ENTIRE INVESTMENT. INVESTMENT IS NOT SUITABLE FOR INVESTORS WHO MAY WISH TO REALISE THEIR INVESTMENT AT SHORT NOTICE.

9. THE PROPERTY ADVISOR, THE PROPERTY OPERATOR AND THE VALUER

The Property Advisor

The Property Advisor has been appointed by the Fund to advise in respect of the Properties. The Property Advisor will monitor the development of the investments of the Fund and will report regularly to the Investment Committee and the Portfolio Managers in respect of same. Additionally, the Property Advisor will continually monitor regulatory, economic and market developments relevant to the Fund.

The Property Advisor is a limited liability company incorporated in Guernsey under the Companies (Guernsey) Law, 2008, as amended on 11 June 2009 and its registered number is 50493. The Directors of the Property Advisor are Jeff Hankin, Steve Watts and Mark Huntley.

Mark Huntley ~~is~~^{was} Managing Director of Heritage International Fund Managers Limited (“HIFM”), an independent fund administrator based in Guernsey and is Consultant to the Administrator. Prior to establishing HIFM he spent over 18 years at Barings Financial Services Group. At Barings, he was responsible for alternative investment and emerging market funds from 1990 until 2000. He has extensive experience in offshore funds, trust and fiduciary services with particular focus on the specialist and alternative fund sectors.

He has held a number of board appointments for fund management and fund investment companies incorporated in Guernsey and other jurisdictions. He is a founding director of CISEA/TISEA.

Steve Watts is a Fellow of the *ifs School of Finance* and has over 35 years’ experience across a wide range of Banking products and disciplines in the Offshore Banking arena. He is a Committee member and former Chairman of the ‘Association of Guernsey Banks’ and is recognised by regulatory and governmental bodies as being an expert in his field. He is currently the Managing Director of EFG Private Bank (Channel Islands) Limited and also holds a number of Property Fund Board appointments.

Jeff Hankin is an MBA graduate of Cranfield Business School and is a founding director of Best Group Limited. Best Group Limited are recognized as a leader in fractional property development as well as other alternative structuring products for properties. Prior to Best Group Jeff worked in strategy for Lafarge leading M&A projects in construction materials.

Specialist advice regarding the care industry will be provided by Dr. Andres Estrada Moreno. Andres has held governmental appointments with responsibility for the provision of social services and is nationally recognized in Spain as an expert in the care and management of chronic disease. In addition to commercial experience in the management and operation of institutions caring for the elderly. Andres teaches in Social Services and care of the elderly at a Centre of Medical Specialism.

The Property Operator

Asistencial Europea Reifs has been appointed to the Fund by the Directors in respect of the Properties in Spain and will hereinafter be referred to as the Property Operator:

Asistencial Europea Reifs
Avda. De la Innovacion
Edificio Sierra Este

Local 2
41020 Sevilla
Spain

The Property Operator currently employs over 400 staff in providing care to more than 1,500 residents in Spain. The firm, which has been operating homes profitably for over 10 years, is led by Francisco Reifs, the Managing Director.

Where properties are acquired in other countries, the Directors will appoint other suitably qualified Property Operators.

Valuer

The following independent qualified Property Valuer has been appointed by the Directors to value the property assets of the Fund:

[TINSAEspacios Zona Prime SL](#)
[9, Parque Empr. Las RozasPaseo Cerrado De Calderon no. 4,](#)
[28232 Las Rozas29018, Malaga,](#)
[MadridSpain](#)

~~[TINSA Espacios Zona Prime SL is one of Europe's largest providers of valuation services, with over 340 employees operating in Spain, Portugal, UK, Italy, Germany, Poland and Romania. In 2008 TINSA completed over 325,000 valuations, and is engaged by 200 financial institutions as well as over 1,500 public and private companies for valuation services.is a company specialising in the provision of comprehensive real estate valuations and consultancy for over 30 years by a team of professionals including Architects, Industrial Engineers and lawyers specialized in the real estate sector.](#)~~

10. POTENTIAL CONFLICTS OF INTERESTS

The following potential conflicts of interests (in addition to those specified in the Offering Memorandum) are specific to the Fund:

The Property Operator will enter into contracts with the Company in respect of the Fund to sell property to the Company and lease the properties for the provision of care services. These arrangements will be recommended by the Property Advisor, but these contracts may not be negotiated on an arm's length basis.

The Promoter may have an interest in Care Home properties and where these are identified by the Property Advisor as suitable for the Fund, these may be purchased.

11. FEES, CHARGES AND EXPENSES

The fees listed in this section will be paid by the Fund and are exclusive of any related taxes or duties where applicable.

Property Advisor Fees

The Property Advisor will be paid quarterly in arrears an annual fee of 0.5% of the Fund's adjusted Net Asset Value calculated by reference to the latest edition of the RICS Appraisal and Valuation Standards (Sixth Edition).

The Property Advisor is also entitled to receive a performance fee (the “**Performance Fee**”) equal to 30% of the cumulative net appreciation in the adjusted Net Asset Value of the Fund over its duration, in excess of an annualised cumulative return benchmark of 15%. The Performance Fee is calculated and accrued in respect of each calendar year and is payable at the end of the Fund's duration on the basis of the overall performance of the Fund.

The Property Advisor will also be reimbursed any disbursements incurred in the performance of its duties, subject to the approval by the Board.

Property Operator Fees

It is not anticipated that the Property Operator will receive a fee.

Valuer Fees

The independent property Valuer will be paid an initial valuation fee to cover the properties set out under “Investment Guidelines” above subject to a maximum total payment of ~~EUR35~~ **EUR10,000**. Valuation fees on new Properties and valuation fees on further valuations of the same properties will be paid as required from time to time. The annual figure for valuation fees will not exceed ~~EUR35~~ **EUR10,000**.

Properties will be valued in accordance with the latest edition of the RICS Appraisal and Valuation Standards (Sixth Edition).

Real Estate Broker Fees

A Real Estate Broker will be appointed and the Directors of the Company will be entitled to pay a percentage of the sale price of any property to the Property Broker under a contract that is agreed to be commercially appropriate.

Administrator Fees

The Administrator will be paid quarterly in arrears an annual administration fee of 0.15% of the Fund's adjusted Net Asset Value subject to a minimum annual fee of EUR50,000. In addition, the Administrator will receive a fee of GBP75 per investor transaction and a fee based on time spent on each purchase and disposal of property.

Legal Fees

The fees payable to legal advisors for the purchase of properties are estimated to be in the region of 1% of the purchase price. These fees will be paid by the Fund as will any further legal expenses incurred with the purchase and sale of properties.

Listing Fees on ~~the~~ CISEATISE

The following annual fees are payable to ~~the~~ CISEATISE in connection with the continuation of the admission of this Fund's Investor Shares to the Official List of ~~the~~ CISEATISE:

Initial Fee	GBP1,000
Formal Notice filing fee	GBP125
Extended Offer Period facility	GBP625

The Fund will also pay a pro-rata share of the GBP3,300 Initial Fee and the GBP1,650 Annual Fee payable by the Company.

Fees of the Sponsor to ~~the~~ CISEATISE

An annual fee of GBP2,250 is payable to the Sponsor in connection with acting as Sponsor for the continuation of the admission of the Investor Shares to the Official List of ~~the~~ CISEATISE.

Listing Fees on the MSE

An Initial Fee of EUR1,000 was paid to the MFSA as Listing Authority in connection with the Fund's admissibility to secondary listing on the MSE. An Admission Fee of EUR600 was paid to the MSE upon the Fund's secondary listing admission on the MSE. In addition, an annual Listing Fee of EUR600 is also payable to the MSE on a yearly basis on the anniversary of the Fund's listing on the MSE.

Fees of the MSE Sponsor

An annual fee of EUR1,500 is payable to the MSE Sponsor in connection with acting as sponsor for the continuation of the admission of the Investor Shares to the Secondary List of the MSE.

Promoter

The Promoter will receive an Annual Management Charge (AMC) equivalent to 1.85% of the Net Asset Value of the Fund quarterly and in arrears.

Other Expenses

The Fund will also be subject to other fees including, its pro-rata share of the Directors' Fees and its Operating Expenses as set out in the Offering Memorandum.

12. GENERAL INFORMATION

Closed- Ended Features of the Fund

Investors should note that although the Fund has been established as an open-ended Fund, the Fund will be operated on a closed ended basis. This means that investors will not have any general right or opportunity to redeem their Investor Shares. An investment in the Fund is subject to a Lock Up Period during which Shareholders will be unable to redeem their Investor Shares during the life of the Fund.

Notwithstanding the Lock Up Period and the fact that Investors may not request the redemption of their Investor Shares for as long as the Fund remains closed, then the Directors of the Fund reserve the right to set a Redemption Day and to limit the redemption amount on such Redemption Day. Moreover, Redemption Days will not be on any regular or frequent basis but only on a limited basis consistent with the closed ended nature of the Fund. In this regard, it is not expected that the Directors will redeem Investor Shares more frequently than once a year and the intervals between redemptions may well be greater than this.

Accordingly, investors should be prepared to hold Investor Shares for the whole duration of the lock-up period. Investors will be given at least one month notice should a Redemption Day be set by the Directors of the Company. To the extent that redemptions received for a Redemption Day exceed the maximum redemption amount set by the Directors, all redemptions received in respect of that Redemption Day will be effected on a pro-rata basis.

Investors should note that the Investor Shares of the Fund will be listed on the Official List of ~~the CISEATISE~~ and the Official List of the MSE. This notwithstanding, Investors should note that an active secondary market in the Investor Shares on ~~the CISEATISE~~ and/or the MSE has not developed and there can be no assurance that it will do so. Accordingly investors may not be able to dispose of any Investor Shares in the Fund by sale on a secondary market during closed periods, but only through exchange with other investors. Such investors should understand that the price at which Investor Shares may be sold on this basis may be less than the NAV per Share.

Borrowings

As of the date of this Offering Supplement, the Company does not have any outstanding loan capital (including term loans), mortgages, charges, debentures or other indebtedness in the nature of borrowings.

The Fund does not have any outstanding loans to the Directors, nor has the Fund provided any guarantees for their benefit.

Litigation

The Company has not been involved in legal or arbitration proceedings that have had a significant effect on the Fund in the previous 12 months.

Documents for Inspection

Copies of the following documents shall be available for inspection at the registered office of the Company or at the offices of the Administrator (see Directory at last page hereof) during normal business hours:

- Memorandum & Articles of Association, and Certificate of Incorporation of the Company
- The latest Offering Memorandum of the Company
- The latest Offering Supplement in respect of the other Sub-Funds of the Company
- Administration, Registrar and Transfer Agency Agreement
- Property Advisory Agreement
- Property Operator Agreement
- Valuation Agreement
- Investment Services Act of Malta
- Audited Financial Statements of the Company, when available
- Registration Certificates, constitutional documents and audited financial statements (where available) of any Special Purpose Vehicle of the Company

Investors shall also be entitled to inspect copies of the any directors' services agreement entered into between the Company and the Directors.

APPENDIX I: SUBSCRIPTION AGREEMENT & INVESTOR VERIFICATION REQUIREMENTS

The Directors

Falcon Investment SICAV plc

C/O [Heritage-Estera](#) International Fund Services (Malta) Limited

SmartCity Malta SM01

Suite 502

Ricasoli SCM1001

Malta

Telephone No: (+356) 2090 8900

Facsimile No.: (+356) 2090 8910

Email Address:

FalconFund@heritage.com.mt EIFSMFalconFund@estera.com

GIIN Number: PNW HLS.99999.SL.470

Part A - Subscribers' Details Section

A. Individual Subscribers

To be completed by all individual subscribers. Please use additional sheets if the subscribers are three or more.

Subscriber No. 1

Name and Surname: _____

Residential Address: _____

Nationality: _____

Place of Birth: _____

Date of Birth: _____

Identification Document No.: _____

Telephone No.: _____

Email Address: _____

Subscriber No. 2

Name and Surname: _____

Residential Address: _____

Nationality: _____

Place of Birth: _____

Date of Birth: _____

Identification Document No.: _____

Telephone No.: _____

Email Address: _____

B. Subscribers Other Than Individuals

Full Official Name: _____

Registration Number: _____

Date of Registration: _____

Country of Registration: _____

Registered Address: _____

Principal Business Address: _____

Telephone No.: _____

Identification Document No.: _____

Fax No.: _____

Email Address: _____

Part B - Tax Residence Declaration Section

A. Individual Subscribers

This Part of the Tax Residence Declaration is to be completed by subscribers who are individual persons. In the event that shares are being acquired jointly with another or more individual persons, each person is to complete this Tax Residence Declaration. All countries of tax residence have to be indicated together with the relative number used by the tax authorities of the each country of tax residence to identify the individual subscriber.

In addition anyone resident for tax purpose in the United States of America is to submit a completed copy of IRS Form W-9.

A.1 Subscriber No. 1

Please tick and complete as applicable:

- I do hereby declare that as of the date of this Subscription Agreement, I am resident for tax purposes in the following countries:

	Country of Tax Residence	Tax Identification Number
1.		
2.		
3.		
4.		

In respect of the country/ies indicated in ____ above, I cannot provide a Tax Identification Number because:

- I do hereby declare that I am not resident in any country for tax purposes.

A.2 Subscriber No. 2

Please tick as applicable and complete as applicable:

- I do hereby declare that as of the date of this Subscription Agreement, I am resident for tax purposes in the following countries:

	Country of Tax Residence	Tax Identification Number
1.		
2.		
3.		
4.		

In respect of the country/ies indicated in ____ above, I cannot provide a Tax Identification Number because:

- I do hereby declare that I am not resident in any country for tax purposes.

B. Subscribers other than Individual Subscribers

This Part of the Tax Residence Declaration is to be completed by subscribers other than individual subscribers. The terms used in this Part are to be construed as set out in the Common Reporting Standard issued by the Organisation for Economic Co-operation and Development as adopted in Council Directive 2014/107/EU. Subscribers who are tax resident in the United States of America are also to submit a completed copy of IRS Form W-9.

B.1 Entity Type

1. The Subscriber is a Financial Institution as it is:

- An Investment Entity located in a Non- Participating Jurisdiction and managed by another Financial Institution.
- A Depository Institution, a Custodial Institution, a Specified Insurance Company or an investment Entity other than Investment Entity located in a Non- Participating Jurisdiction and managed by another Financial Institution.

The Entity:

- Has been issued with a Global Intermediary Identification Number ('GIIN') for FATCA purposes which is _____.
- Has not been issued with a GIIN as it:

2. The Subscriber is a Non-Financial Entity and it qualifies as:

- An Active NFE as it is _____. It is regularly traded on an established securities market, being _____ (please insert name of market) or the regularly traded entity to which it is related is _____ (please insert name of entity) whose stock is traded on _____ (please insert name of the established securities market).

- A Passive NFE

B.2 Controlling Persons

*To be completed **only** by those Subscribers that have identified themselves as either an Investment Entity located in a Non- Participating Jurisdiction and managed by another Financial Institution or as a Passive NFE.*

The Controlling Persons of the Entity are:

1. _____
2. _____
3. _____
4. _____

And each of the Controlling Persons has completed and signed the Tax Residence Declaration for Controlling Persons attached hereto and set out in Annex 1 to this Subscription Agreement.

B.3 Countries of Tax Residence

Please tick and complete as applicable:

- The Subscriber hereby declares that as of the date of this Subscription Agreement, it is resident for tax purposes in the following countries:

	Country of Tax Residence	Tax Identification Number
1.		
2.		
3.		
4.		

In respect of the country/ies indicated in ____ above, no Tax Identification Number can be provided as:

- The Subscriber declares that for tax purposes it is not deemed to be tax resident in any country but that its place of effective management is located in _____.

Part C - Source of Wealth and Source of Funds

Current Occupation: _____

Estimated Annual Salary: _____

Source of Wealth: _____

For source of wealth you are required to provide details as to the activities through which you earned/accumulated your overall wealth.

Source of Funds: _____

For source of funds you are required to provide details as to how you earned/accumulated the funds you are investing at present.

Please note that explanations should be as detailed as possible and that a simple statement like ‘Salary’ is not considered as being enough.

Part D - Correspondence Details

All correspondence related to my/our investment is to be sent to the following address:

- Please use the same contact details provided in Part A.
- Please use the contact details hereunder:

Name and Surname: _____

Address: _____

Telephone No.: _____

Fax No.: _____

Email Address: _____

Please note that the majority of the correspondence with investors will be sent by email. It is therefore important that the email address above is correct and that it be monitored regularly. In the event that it is changed, it is important that the Administrator be informed immediately.

Part E - Politically Exposed Persons ('PEP') Declaration

Please tick and complete, the applicable statement/s.

- a. I/We am/are a PEP as I/We am/are

- b. I/We am/are not a PEP

Who is a PEP? A PEP is any persons who is or was entrusted with prominent public functions and includes immediate family members or persons known to be close associates of such person.

The following are some examples of who is considered a PEP:

- (i) *Heads of State, Heads of Government, Ministers and Deputy and Assistant Ministers and Parliamentary Secretaries;*
- (ii) *Members of Parliament;*
- (iii) *Members of the Courts or of other high-level judicial bodies whose decisions are not subject to further appeal, except in exceptional circumstances;*
- (iv) *members of courts of auditors, Audit Committees or of the boards of central banks;*
- (v) *ambassadors, charges d'affaires and other high ranking officers in the armed forces;*
- (vi) *members of the administrative, management or boards of State-owned corporations, and for the purposes of subparagraphs (i) to (v), include positions held at an EU or international level.*

If you are the spouse, partner, child, spouse of a child, parent of any one of the above you also fall to be considered as a PEP. If you have (i) any interest in a body corporate or any other form of legal arrangement jointly with a PEP, (ii) a close business relationship with a PEP; or (iii) the sole beneficial ownership of a body corporate or any other form of legal arrangement that is known to have been established for the benefit of a PEP, you are also considered to be a PEP.

Part F - Bank Details

Please provide details of the bank account from which subscription funds are being transmitted and to which payments are to be made.

Account Name:

Account

Number:

Currency:

IBAN:

Sort Code:

SWIFT/BIC:

Routing

Number:

Bank Name:

Bank Address:

Part G - Subscription Details

I/We hereby irrevocably subscribe for the number of Investor Shares in the Merlin Secure Yielding Care Home Fund currently available for an investment of:

_____)
(_____)

(Amount in figures) **(Amount in words)**

I/We shall effect payment via bank transfer and we shall bear all relative bank charges. (Please ensure that if the minimum amount is subscribed, any subscription fee payable is paid over and above the minimum initial subscription.)

Subscription Fee: Up to a maximum of five percent (5%) to be deducted from the subscription amount received.

Enter Subscription Fee percentage after consulting the Promoter _____%. The Subscription Fees shall be transferred to the Promoter.

Part H - Declaration and Undertakings

1. I/We are subscribing to shares in the Sub-Fund only after having read the Offering Memorandum and the respective Offering Supplement, and:
 - i. I/We meet the investor qualification criteria and have completed the necessary declaration form.
 - ii. Have understood the Subscribers Undertakings and Warranties specified in the Offering Memorandum and that by signing this Subscription Agreement I/we hereby give any warranties and undertakings required of me/us as well as agreeing to any and all terms and conditions contained in the said Offering Memorandum and Offering Supplement.
 - iii. Meet the minimum age requirement to subscribe to shares in the Sub-Fund as set out in the Offering Memorandum.
 - iv. Have understood and accepted the risks associated with investing in the Sub-Fund as well as the restrictions to which any such investment is subject and that any investment on my/our part will not lead to any such restriction being infringed.
2. I/We acknowledge and understand that this subscription may be accepted or rejected in whole or in part in the sole and absolute discretion of the Company.
3. I/We understand and acknowledge that past performance is not a guarantee of future performance and that my/our investment value may fall as well as rise. I/We furthermore acknowledge that subscriptions or redemptions paid in currencies other than designated currency of the Sub-Fund will be exchanged for the designated currency and I/we agree that any exchange losses or costs will be for my/our account.
4. I/We have carried our own assessment as to the suitability or adequacy of the investment in the Sub-Fund and as to the possible tax implication of thereof.
5. I/We understand that any investment in the Sub-Fund is dependent on the Scheme, the Administrator and any other party indicated in the Offering Memorandum and the Offering Supplement receiving the necessary documentation and funds, absent which my/our instructions will not be processed. In particular, I/we understand and acknowledge that:
 - i. If I/we do not supply all the information necessary in terms of the “Investor Verification Requirements” set out in Annex 2 hereto, the

Company may accept and invest my funds at my/our own risk on the relevant Subscription Day following receipt of the subscription monies.

- ii. If I/we instruct the Company to redeem our investment prior to providing all the information necessary in terms of the “Investor Verification Requirements” set out in Annex 2 hereto, the instructions will be processed but the redemption proceeds will be retained by the Company in its bank account pending receipt of the requested information.
6. I/We are subscribing to shares in a registered form and I/we do not require a certificate for the said shares.
7. I/We understand that where the Subscriber is a person other than an individual, the Subscriber is to sign this Subscription Agreement as set out in its statutory documents and that the Subscriber is to provide the Company with a certified true copy of the resolution authorising the subscription as well as the signing by its agent of this Subscription Agreement. Execution of this Subscription Agreement also acts as warranty that the Subscriber is empowered to subscribe to the said shares.
8. I/we understand that communications with the Company and/or its Administrator will be deemed to have been received only if acknowledged by the same, unless delivery thereof is acknowledged by a signed receipt.
9. I/We consent to the processing of any information/data provided by me/us to ensure that my instructions are adhered to. I/we further acknowledge that this may imply transferring data to third parties. I/We understand that any processing will be done in terms of the Data Protection Act [Cap 440 of the laws of Malta] and that I/we may request the Scheme in writing to provide me/us with details as to the personal data held on my/our account and to rectify/erase the same where possible.
10. I/We acknowledge that the information contained in the said section and information relating to my holdings in the Company or any of its sub-funds as well as information relative to transactions thereof may be reported and disclosed to:
 - i. Relevant authorities, including law courts, regulatory body and investigative bodies, that have the power in terms of law to request the said information.
 - ii. The tax authorities of the country/countries in which the Company is resident and exchanged with tax authorities of another country or countries

in which I/we may be tax resident pursuant to intergovernmental agreements to exchange financial account information with the country or countries in which the Company is resident.

11. I/We understand that communications relative to my/our investment will take place through electronic mail and that the same is not an entirely safe medium. In this regard, I/we shall not hold the Company, its Administrator and/or any other person, including any employees and/or officers thereof, liable for any damage or loss I/we may incur due to the use of electronic mail.
12. I/We declare that the statements made in this Subscription Agreement are, to the best of my/or knowledge and belief, correct and complete. I/we undertake to advise the Company within fourteen (14) days of any change in circumstances which affects the disclosures made herein, including tax residence and controlling person declarations, and shall provide the Company with such updated declarations and information as the Company may require.
13. I/We acknowledge that my/our subscription shall be subject to the laws of Malta and that any dispute relative to the same shall be subject to the exclusive jurisdiction of the law courts of Malta.

The Undersigned has executed this Subscription Agreement as of the date set forth below.

Signature: _____

Name: _____

Position (if any): _____

Date and Place of Execution: _____

Signature: _____

Name: _____

Position (if any): _____

Date and Place of Execution: _____

Signing Instructions: *All joint applicants must sign.*

If the applicant is a person other than an individual, the Subscriber is to sign this

Subscription Agreement as set out in its statutory documents and that the Subscriber is to provide the Company with a certified true copy of the resolution authorising the subscription as well as the signing by its agent of this Subscription Agreement. Execution of this Subscription Agreement also acts as warranty that the Subscriber is empowered to subscribe to the said shares.

If an agent or attorney signs on behalf of the person named as the Subscriber, a copy of the relevant power of attorney or other document appointing the agent or power of attorney must be attached and the agent/attorney hereby accepts full responsibility for the obligations undertaken by his principal in subscribing for Investor Shares on such principal's behalf.

Annex 1 - Tax Residence Declaration by Controlling Persons

(To be completed in the case of Entity Subscribers that are Passive NFEs)

I, the undersigned _____ (please insert name and surname), holder of Passport/Identity Card No. _____ and currently residing at _____, being a Controlling Person of _____:

(Please tick and complete as applicable)

- Do hereby declare that as of the date of this Subscription Agreement, I am resident for tax purposes in the following countries:

	Country of Tax Residence	Tax Identification Number
1.		
2.		
3.		
4.		

In respect of the country/ies indicated in ____ above, I cannot provide a Tax Identification Number because:

- Do hereby declare that I am not resident in any country for tax purposes.

Furthermore, I do understand, declare, warrant and undertake:

- i. That the information provided herein may be reported to the tax authorities of the countries in which the Company is resident and that it may be exchanged with tax authorities of another country/ies in which I am tax resident pursuant to intergovernmental agreements to exchange financial account information.
- ii. That the statements made and information provided are, to the best my knowledge and belief, correct and complete.
- iii. To advise the Company within fourteen (14) days of any change in circumstances which affects the tax residency status or causes the information provided to become incorrect as well as provide to the Company an updated Tax Residency Declaration by Controlling Persons within fourteen (14) days of such change in circumstances.

Signature: _____
 Name in Full: _____
 Date: _____

Part I - Investor Verification Requirements

(to be returned with Subscription Agreement)

Enclosed

To Be
Forwarded

1. Individual Person

- 1.1 Notarised or certified true copy of current Passport/ Identity Card or other form of identity acceptable to the Company with photograph included.
- 1.2 One (1) recent confirmation of address in the investor's name (original, notarised or certified as above) – a utility bill, or bank statement from a recognised credit institution, which clearly indicates the residential addresses of the investor and which must be dated within the last 6 months. Mobile telephony bills are not accepted.
- 1.3 Current bank account details in the investor's name as provided on the Subscription Agreement as per Part F Bank Details (please note that funds will only be accepted from and remitted to this account).
- 1.4 Written confirmation of employment status, certified by your employer, or written details of current employment, if self-employed.
- 1.5 A Notarised (or certified by your bank, attorney or accountant) copy of your Tax Identification Number ("TIN") or National Insurance Number ("NI") or any other tax reference code or equivalent.

Note that, in all instances where bank details are required, if the branch of the bank is in a country that is not a full member of FATF or the EU, further information may be required concerning the bank, or the subscription may be rejected.

2. Corporate Entity (excluding Entities in Sections 3, 6, 7 & 8 below)

- 2.1 Notarised or certified true copy, or original Certificate of Incorporation and any Change of Name Certificate.
- 2.2 Notarised or certified true copy of, or original of the latest Memorandum and Articles of Association.
- 2.3 A list, giving all directors, beneficial owners of 10% or more of share capital, all authorised signatories and specimen signatures;

Please note that the following details are required for all of the above:

- i. *Full name.*

- ii. *Place and Date of Birth.*
- iii. *Permanent Residential Address.*
- iv. *Number of Passport or Identity Card.*
- v. *Nationality.*

In case of corporate directors, please provide the above details in relation to their individual directors.

- 2.4 Notarised or certified true copy of, or original Register of Members (specifying which shareholders own 10% or more of share capital).
- 2.5 Notarised or certified true copy of the specimen Authorised Signatory List.
- 2.6 Verification information on any beneficial owners holding 10% or more of the share capital (as per 1.1 and 1.2).
- 2.7 Current bank account details in the investor name as provided on the Subscription Agreement as per Part F 'Bank Details' (please note that funds will only be accepted from and remitted to this account).
- 2.8 Notarised or certified true copy of the minutes, resolutions or declaration confirming the power to invest.
- 2.9 If other entities own more than 10% each of the entity which is the investor, please provide:

The information as per 2.1 to 2.6 for these entities; and

A certified chart indicating all the entities involved in the structure up to the beneficial owner/s, together with details as to who are the directors or equivalent officials of all the entities.

Note that, in all instances where bank details are required, if the branch of the bank is in a country that is not a full member of FATF or the EU, further information may be required concerning the bank, or the subscription may be rejected.

3. Corporate Entities Listed on A Recognised Exchange

A recognised exchange is one authorised in terms of the Financial Markets Act [Cap 345], a market authorised in an EEA Member State or one in a reputable jurisdiction. Any corporate entity that does not meet this requirement is subject to the same Investor Verification Requirements as may be applicable.

- 3.1 Notarised or certified true copy of, or original of admission to listing issued by the Recognised Exchange to the Corporate

Entity.

- 3.2 Specimen signatures are required for any authorised signatories that are to transact business with the Company.
- 3.3 A properly authorised mandate of the Directors to open/operate an account or establish the business relationship.
- 3.4 Current bank account details in the investor name as provided on the Subscription Agreement as per Part F 'Bank Details' (please note that funds will only be accepted from and remitted to this account).

Note that, in all instances where bank details are required, if the branch of the bank is in a country that is not a full member of FATF or the EU, further information may be required concerning the bank, or the subscription may be rejected.

4. Partnerships

- 4.1 If incorporated or registered, a notarised or certified true copy of the partnership's certificate of incorporation/registration. If the partnership has changed its name since incorporation/registration, a certificate indicating the change in name.
- 4.2 A certified true copy of the partnership's latest partnership agreement or other governing document.
- 4.3 A list of all the directors, partners or other persons vested with the administration of the partnership, beneficial owners of 10%+ of the business and all authorised signatories plus specimen signatures.

Please note that the following details are required for all of the above:

- i. Full name.*
- ii. Place and Date of Birth.*
- iii. Permanent Residential Address.*
- iv. Number of Passport or Identity Card.*
- v. Nationality.*

In case of corporate administrators, please provide the above details in relation to their individual directors.

- 4.4 Verification information on partners of the partnership, and anyone authorised as a signatory for this transaction (as per 1.1 and 1.2);
- 4.5 Verification information on the beneficial owners listed under 4.3 (as per 1.1, 1.2 and 1.4);

- 4.6 Current bank account details in the investor name as provided on the Subscription Agreement as per Part F 'Bank Details' (please note that funds will only be accepted from and remitted to this account).
- 4.7 Notarised or certified true copy of the minutes, resolutions or declaration confirming the power to invest.
- 4.8 If other entities own more than 10% each of the entity which is the investor, please provide:

The information as per 4.1 to 4.5 for these entities (or its equivalent); and

A chart indicating all the entities involved in the structure up to the beneficial owner/s, together with details as to who are the directors or equivalent officials of all the entities (to be certified by an auditor).

Note that, in all instances where bank details are required, if the branch of the bank is in a country that is not a full member of FATF or the EU, further information may be required concerning the bank, or the subscription may be rejected.

5. Foundations

- 5.1 If incorporated or registered, a notarised or certified true copy of the foundation's certificate of incorporation/registration. If the foundation has changed its name since incorporation/registration, a certificate indicating the change in name.
- 5.2 A certified true copy of the foundation's latest constitutive document.
- 5.3 A list of all the founders, administrators, anyone that may have contributing any assets to the foundation and, where applicable, of the beneficiaries. Authorised signatories should also be included in the said list as well as their specimen signatures.

Please note that the following details are required for all of the above:

- i. Full name.*
- ii. Place and Date of Birth.*
- iii. Permanent Residential Address.*
- iv. Number of Passport or Identity Card.*
- v. Nationality.*

In case of corporate entities, please provide the above details in relation to their individual directors.

- 5.4 Verification information on the beneficiaries, on the authorised signatories and any two administrators (as per 1.1, 1.2 and, for beneficiaries. 1.4).

If the foundation has no beneficiaries, verification information is required on all the administrators or other persons charged with the foundation's administration.

- 5.5 Current bank account details in the investor name as provided on the Subscription Agreement as per, Part F 'Bank Details' (please note that funds will only be accepted from and remitted to this account).

- 5.6 If other entities own more than 10% each of the entity which is the investor, please provide:

The information as per 5.1 to 5.4 for these entities; and

A chart indicating all the entities involved in the structure up to the beneficial owner/s, together with details as to who are the directors or equivalent officials of all the entities (to be certified by an auditor)

Note that, in all instances where bank details are required, if the branch of the bank is in a country that is not a full member of FATF or the EU, further information may be required concerning the bank, or the subscription may be rejected.

6. Trusts

- 6.1 Notarised or certified true copy extract of Trust Deeds showing recitals and signature of Settlor and Trustee(s).
- 6.2 List of settlors, trustees, beneficiaries, protector(s) (if appointed) and authorised signatories, issued by the trustee;

Please note that the following details are required for all of the above:

- i. Full name.*
- ii. Place and Date of Birth.*
- iii. Permanent Residential Address.*
- iv. Number of Passport or Identity Card.*
- v. Nationality.*

In case of corporate entities, please provide the above details in relation to their individual directors.

- 6.3 Verification information on the Trustees, protector(s) and settlor or anyone authorised to sign for this application (as per 1.1 and 1.2) together with specimen signatures;

Where the trustee is subject to authorisation/licensing, a certified true copy of its authorisation/licence.

- 6.4 Verification information on the beneficiaries with a vested interest (as per 1.1, 1.2 and 1.4). If the beneficiaries are not specified by name and none have a vested interest, a signed description of the class of beneficiaries from the trustee.
- 6.5 A signed declaration by the trustee as to the name of the trust, its nature and purpose as well as the country of establishment.
- 6.6 Notarised or certified true copy of the minutes, resolutions or declaration confirming the power to invest.
- 6.7 Current bank account details in the investor's name as provided on the Subscription Agreement as per Section D 'Bank Details' (please note that funds will only be accepted from and remitted to this account).

Note that, in all instances where bank details are required, if the branch of the bank is in a country that is not a full member of FATF or the EU, further information may be required concerning the bank, or the subscription may be rejected.

7. Designated Body ("DB") acting as Principal

A "Designated Body" means, in the context of this Subscription Agreement a financial institution that is regulated by an appropriate regulator in a reputable jurisdiction and meets certain regulatory standards regarding Anti Money Laundering procedures set out in applicable EU regulations and directives. For a definition of financial institutions and reputable jurisdictions please refer to the Notes Section.

It is for the Company to determine whether an entity can be considered as a DB and this independently of its status or where it is regulated. If the Company deems that an entity that does not meet the above requirements, the entity will be subject to the same Investor Verification Requirements set out above as may be applicable.

- 7.1 Confirmation that the DB is a "Designated Body", to include confirmation of authorisation or licensing by an appropriate regulatory body and a certified true copy of its licence and authorisation;
- 7.2 Contact name and details at regulatory body, or web address to confirm regulatory status;
- 7.3 Confirmation that the DB is investing and is allowed to invest as principal for its' own account;

- 7.4 Certified Authorised signatories list, plus specimen signatures;
- 7.5 Current bank account details in the investor name as provided on the Subscription Agreement as per, Part F ‘Bank Details’ (please note that funds will only be accepted from and remitted to this account).

Note that, in all instances where bank details are required, if the branch of the bank is in a country that is not a full member of FATF or the EU, further information may be required concerning the bank, or the subscription may be rejected.

8. Designated Body acting as Nominee

Where a DB acts as nominee, the Company may agree, in its absolute discretion, to rely on it for verifying the beneficial owner’s identity. If the Company determines otherwise, the same Investor Verification Requirements as stated above will be applicable.

- 8.1 Confirmation that the DB is a “Designated Body”, to include confirmation of authorisation or licensing by an appropriate regulatory body and a certified true copy of its licence and authorisation; and

Contact name and details at regulatory body, or web address to confirm regulatory status;

- 8.2 Written confirmation that is satisfactory to the Company that the DB complies with appropriate anti-money laundering and prevention of funding of terrorism regulations with regard to verifying identity and residence of investor(s);

Please provide the Company with a copy of your standard Letter of Reliance for the Company to determine whether the same is agreeable to it.

- 8.3 Details of anti-money laundering and prevention of funding of terrorism regulations that the DB complies with;

- 8.4 Undertaking satisfactory to the Company that DB will provide its anti-money laundering due diligence files to the Administrator on demand;

- 8.5 Details on the beneficial owner/s on whose behalf they are subscribing to shares, i.e. the

- i. Full name.*
- ii. Place and Date of Birth.*
- iii. Permanent Residential Address.*
- iv. Number of Passport or Identity Card.*
- v. Nationality.*

- 8.6 Authorised signatories list, plus specimen signatures;
- 8.7 Current bank account details in the investor name as provided on the Subscription Agreement as per Part F 'Bank Details' (please note that funds will only be accepted from and remitted to this account).

Note that, in all instances where bank details are required, if the branch of the bank is in a country that is not a full member of FATF or the EU, further information may be required concerning the bank, or the subscription may be rejected.

NOTE: THE ADMINISTRATOR RESERVES THE RIGHT TO REQUEST FURTHER INFORMATION ON ANY OF THE ABOVE, IF DEEMED NECESSARY

Notes Section

'Financial Activity' means any one of the following:

- i. A credit institution, as defined in the first subparagraph of Article 1(1) of Directive 2000/12/EC of the European Parliament and of the Council of 20 March 2000 relating to the taking up and pursuit of the business of credit institutions (1), including branches within the meaning of Article 1(3) of that Directive located in the Community of credit institutions having their head offices inside or outside the Community.
- ii. An undertaking other than a credit institution which carries out one or more of the operations included in points 2 to 12 and 14 of Annex I to Directive 2000/12/EC, including the activities of currency exchange offices (bureaux de change) and of money transmission or remittance offices.
- iii. An insurance company duly authorised in accordance with Directive 2002/83/EC of the European Parliament and of the Council of 5 November 2002 concerning life assurance (2), insofar as it carries out activities covered by that Directive.
- iv. An investment firm as defined in point 1 of Article 4(1) of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.
- v. A collective investment undertaking marketing its units or shares.
- vi. An insurance intermediary as defined in Article 2(5) of Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation (4), with the exception of intermediaries as mentioned in Article 2(7) of that Directive, when they act in respect of life insurance and other investment related services.
- vii. Branches, when located in the Community, of financial institutions as referred to in points (i) to (vi), whose head offices are inside or outside the Community.

viii. The equivalent of the financial institutions referred to in points (i) to (vi) above when licensed or regulated in a reputable jurisdiction.

‘Reputable Jurisdiction’ includes any one country that (i) benefits from mutual recognition through the implementation of Directive 2005/60/EC; or (ii) is included in the list of third countries considered as having equivalent AML/CFT systems to the European Union; or (iii) the Company considers as being reputable on the basis of its membership in international bodies and the regulatory framework applicable therein.

Certification of Documents

1. Documents that have to be notarised should be certified by either:

A legal professional, accountancy professional, notary, a person undertaking relevant financial business or a person undertaking an activity equivalent to relevant financial business carried out in another jurisdiction.

Alternatively, in case where the applicant of business is a body corporate/legal person, the certification may be carried out by the following:

The company secretary, a director or an officer occupying an equivalent position, by the Registrar of Companies or a person occupying an equivalent position in a foreign jurisdiction.

2. The certification of documents containing photographs is to read as follows:

I hereby certify that I have had sight of the original document and this is a complete and accurate copy of the original and the photograph bears a true likeness to the person requesting the certification:

<i>Signed</i>	_____
<i>Name</i>	_____
<i>Company</i>	_____
<i>Position or capacity</i>	_____
<i>Address:</i>	_____
<i>Email:</i>	_____
<i>Telephone No.:</i>	_____
<i>Date</i>	_____

All certifiers are to clearly include their full name and surname, their contact details and their profession/designation/capacity. Certifiers are also to sign, date and stamp the same.

Subscribers may, at the Company’s or Administrator’s discretion, be requested to provide notarised and apostilled copies of the documents listed above.

Part J: Short Form Subscription Agreement

Once completed, a copy this form is to be returned to the Administrator by e-mail/fax and the original mailed to:

**The Directors,
FALCON INVESTMENT SICAV PLC - Merlin Care Home Yielding Fund
c/o [Heritage-Estera](#) International Fund Services (Malta) Limited
SmartCity Malta SCM 01,
Suite 502,
Ricasoli SCM 1001
Malta**

Telephone: +356 2090 8900

Facsimile: +356 2090 8910

**Email: HFMM_FalconTeam@heritage.com.mt
falconteam-MT@estera.com**

THIS AGREEMENT IS TO BE USED ONLY BY EXISTING REGISTERED SHAREHOLDERS OF THE SUB-FUND PURCHASING ADDITIONAL INVESTOR SHARES IN THE SUB-FUND. IT MAY NOT BE USED BY NEW SUBSCRIBERS. PLEASE CONTACT THE ADMINISTRATOR PRIOR TO SENDING DOCUMENTS OR FUNDS TO ASCERTAIN WHETHER THE COMPANY IS ACCEPTING ADDITIONAL SUBSCRIPTIONS TO THE SUB-FUND.

Dear Sirs,

WHEREAS

- (A) The undersigned (the “Subscriber”) is an existing Shareholder in the Sub-Fund and currently holds Investor Shares in the Sub-Fund.
- (B) The Subscriber has previously delivered to the Company in respect of the Sub-Fund a fully executed Long Form Subscription Agreement as contained in Part A of this Appendix (“Long Form Subscription Agreement”).
- (C) The Subscriber has received the Company’s current Offering Memorandum and the Sub-Fund’s current Offering Supplement.
- (D) The Subscriber wishes to subscribe for additional Investor Shares in the Sub-Fund.

THE SUBSCRIBER AGREES AS FOLLOWS:

1. The Subscriber hereby subscribes for as many Investor Shares in the Sub-Fund as may be purchased for the amount detailed below subject to the acceptance of this

Short Form Subscription Agreement (the “Agreement”) by the Company which acceptance will be evidenced by the issue of the respective Investor Shares. The Subscriber understands that the minimum investment in the Fund is GBP equivalent of Euro 10,000.

2. The Subscriber requests that the Company accepts this Agreement in lieu of completing a Long Form Subscription Agreement for the additional Investor Shares in the Fund.
3. The Subscriber restates in full all of the declarations, acknowledgements, representations, warranties, agreements, covenants and understandings made in the Long Form Subscription Agreement as if they were made on the date hereof, and certifies that all of the information set forth in the Long Form Subscription Agreement remains true, accurate and complete as of the date hereof, save as otherwise disclosed below.
4. The Subscriber agrees, at the request of the Company and/or the Administrator, to promptly complete and execute a Long Form Subscription Agreement (and/or provide such additional information or documentation as the Company or the Administrator shall require) in relation to the additional Investor Shares in the Fund subscribed pursuant to this Agreement.
5. Where applicable, the Subscriber confirms that the beneficial owner, on behalf of which this additional subscription request is made, already holds Investor Shares in the Sub-Fund.
6. The Subscriber warrants and represents that if the Subscriber is an entity, the person executing this Agreement has the full power and authority under its constitutive documents, has been authorised to do so and the Subscriber has the full power and authority under its constitutive documents to acquire further Investor Shares in the Sub-Fund.
7. The Subscriber indemnifies the Company, the Sub-Fund and/or the Administrator against any loss arising from the use of this Agreement in lieu of a Long Form Subscription Agreement or any other subscription agreement in use in relation to the Sub-Fund.
8. The Subscriber acknowledges that, when accepted by the Company, subscriptions are (save as determined by the Directors and/or the Administrator) irrevocable.
9. The Subscriber agrees when entering into this Agreement to be bound by the laws of Malta in addition to the non-exclusive jurisdiction of the relevant courts therein subject to which laws this Agreement shall be governed and interpreted.
10. Capitalised terms that are not defined in this Agreement shall bear the same meaning as those given in the Offering Memorandum and Offering Supplement and/or the Articles of Association.

Investor Name: (incl. designation if any) _____

Existing shareholder no. **FI-DA** _____

Additional Subscription Amount: **GBP** _____

Subscription Fee: 5% to be deducted from the subscription amount received.

Occupation:

Source of Funds:

Contact Name:

Contact Telephone Number:

Reconfirmation of Bank Details:

Account Name:	
Account Number:	
Currency of Payment:	
IBAN:	
Sort Code:	
SWIFT/BIC:	
Routing Number:	
Bank Name:	
Bank Address:	

SIGNED BY

(to be signed in accordance with the terms and conditions of your mandate/authorised signatory list of which we already have on file)

APPENDIX II: EXPERIENCED INVESTOR DECLARATION FORM

Scheme: FALCON INVESTMENT SICAV PLC in respect of the MERLIN SECURE YIELDING CARE HOME FUND

Section I: This section should be completed by the Experienced Investor

Note: Only complete this section if you are the investor or if you are the trustee, or ultimate remitter of the funds used for the investment

Name of Investor: _____
[insert name of the Investor]

The investment is being made directly by the investor

I hereby confirm that I am eligible to be treated as an “Experienced Investor”, since I satisfy the definition thereof in light of the positive response(s) that I have given to the question(s) below or the reasons supplied. I certify that I have read and understood the Offering Document including the mandatory risk warnings.

Where applicable:

I hereby confirm that I have been warned by the Promoter/ Sales Agent/ third party selling Units of the Scheme that I do not possess the necessary experience and knowledge in order to understand the risks involved in investing in the Scheme.

I qualify as an “Experienced Investor”, as I possess the necessary expertise, experience and knowledge to be in a position to make my own investment decisions and understand the risks involved as:

	Yes	No
I am:		
i. a person who has relevant work experience having at least worked in the financial sector for one year in a professional position or a person who has been active in these type of investments; or	<input type="checkbox"/>	<input type="checkbox"/>
ii. a person who has reasonable experience in the acquisition and/or disposal of funds of a similar nature or risk profile, or property of the same kind as the property, or a substantial part of the property, to which the Sub-Fund relates; or	<input type="checkbox"/>	<input type="checkbox"/>
iii. a person who has carried out investment transactions in significant size at a certain frequency (for example a person who within the past 2 years carried out transactions amounting to at least EUR50,000 at an average frequency of 3 per quarter);	<input type="checkbox"/>	<input type="checkbox"/>

OR

b. [Please provide justification below]

Note: Other reasons should be mentioned here, including where the investor qualifies as a 'Professional Client' as defined in the Glossary, in which case the basis upon which such investor qualifies as a Professional Client should be specified.

Name of investor	
-------------------------	--

Signature	
------------------	--

Title/ Capacity in which signed	
--	--

Date	
-------------	--

Section II: This section should be completed by the duly authorised agent of the Experienced Investor

Note: Only complete this section if you are an advisor or professional representative of the investor NOT if you are the trustee or controller of the investment

Name of the duly authorised agent: _____
[insert name of the duly authorised agent]

The investment is not being made directly by the investor but through a duly authorised agent

I hereby confirm that I have been properly appointed as a duly authorised agent of a prospective investor in the Scheme in respect of the Sub-Fund described above. I certify that my principal is eligible to be treated as an “Experienced Investor” since my principal satisfies the definition thereof in light of the positive response(s) that I have given to the question(s) below in respect of my principal or appropriate reasons provided. I certify that my principal has read and understood the Offering Document including the mandatory risk warnings.

Where applicable:

I hereby confirm that I have been warned by the Promoter/ Sales Agent/ third party selling Units of the Scheme that my principal does not possess the necessary experience and knowledge in order to understand the risks involved in investing in the Scheme in respect of the Sub-Fund and that I have informed my principal accordingly.

My Principal qualifies as an “Experienced Investor”, as he/ she possesses the necessary expertise, experience and knowledge to be in a position to make his/ her own investment decisions and understand the risks involved as:

	Yes	No
She / he is:		
i. a person who has relevant work experience having at least worked in the financial sector for one year in a professional position or a person who has been active in these type of investments; or	<input type="checkbox"/>	<input type="checkbox"/>
ii. a person who has reasonable experience in the acquisition and/or disposal of funds of a similar nature or risk profile, or property of the same kind as the property, or a substantial part of the property, to which the Sub-Fund relates; or	<input type="checkbox"/>	<input type="checkbox"/>

iii. a person who has carried out investment transactions in significant size at a certain frequency (for example a person who within the past 2 years carried out transactions amounting to at least EUR50,000 at an average frequency of 3 per quarter);

OR

b. [Please provide justification below]

Note: Other reasons should be mentioned here, including where the investor qualifies as a 'Professional Client' as defined in the Glossary, in which case the basis upon which such investor qualifies as a Professional Client should be specified.

Name of duly authorised agent	
--------------------------------------	--

Signature	
------------------	--

Title/ Capacity in which signed	
--	--

Date	
-------------	--

Section III: This section should be completed by the Promoter/ Sales Agent/ third party selling Units of the Scheme
[tick as appropriate]

I hereby confirm that:

I have satisfied myself that the investor has the necessary experience and knowledge in order to understand the risks involved;

OR

I have **not** satisfied myself that the investor has the necessary experience and knowledge in order to understand the risks involved and that I have warned the investor/ duly authorised agent accordingly.

Name	
-------------	--

Signature	
------------------	--

Name of Promoter/ Sales Agent/ Third Party	
---	--

Date	
-------------	--

APPENDIX III: BANK TRANSFER INSTRUCTIONS

Please send payments using the below bank details:

For GBP Settlement

Bank: Bank of Valletta p.l.c (Malta)
Beneficiary / Account Name: Merlin Secure Yielding Care Home Fund
Account No: 40020324593
IBAN: MT12VALL22013000000040020324593
SWIFT: VALLMTMT
Ref: Investor's Name

Or:

Bank: Royal Bank of Scotland International - Guernsey
Beneficiary / Account Name: Falcon Investment Property SICAV PLC re Merlin
Secure Yield Care Home Fund Client Account
Account No: 56391328
IBAN: GB26RBOS16202956391328
BIC / SWIFT: RBOSGGSP
Sort Code: 16-20-29
Ref: Investor's Name

APPENDIX IV: REDEMPTION NOTICE

The Directors,
FALCON INVESTMENT SICAV PLC
c/o [Heritage-Estera](#) International Fund Services (Malta) Limited
SmartCity Malta SCM 01
Suite 502
Ricasoli SCM 1001
Malta

Telephone: +356 20908900
Facsimile: +356 20908910 (original must be posted)
Email: HIFMM-FalconTeam@heritage.com.mt
falconteam-MT@estera.com

I/ We _____, being a registered Shareholder(s) of Investor Shares in the Merlin Secure Yielding Care Home Fund, a Sub-Fund of FALCON INVESTMENT SICAV PLC hereby request that:

- (a) _____ Investor Shares ; or
- (b) such number of Investor Shares as are equal in value to the sum of:

(Amount in figures)

(_____)
(Amount in words)

be redeemed on the first Redemption Day, falling after expiration of the notice period set out in the Offering Supplement relating to the Sub-Fund, following receipt of this notice at the prevailing Redemption Price.

I/We hereby represent and warrant that I/we am/are the lawful and beneficial owner(s) of the Investor Shares to be redeemed and that such shares are not subject to any pledge or otherwise encumbered in any fashion.

I/We hereby agree and accept that you are entitled to require that I/we provide you with additional documents such as, but not limited to, trust instruments, death certificates, appointments as executor or administrator and certificates of corporate authority prior to making any payment in respect of redemptions.

I/We hereby acknowledge and agree that all payments in respect of redemptions will be made to the account of the registered Shareholder at the Remitting Bank/Financial Institution (as defined in the current Offering Memorandum).

I/We acknowledge and understand that this redemption request will be deemed to have been received by the Company only if I/we receive written confirmation of receipt from the Administrator.

I/We hereby reconfirm my/our Bank Details as follows:

Account Name:	
Account Number:	
Currency of Payment:	
IBAN:	
Sort Code:	
SWIFT/BIC:	
Bank Name:	
Bank Address:	

I/We acknowledge and agree that if all of the relevant information requested under the Investor Verification Requirements section of the Subscription Agreement Application Form has not been supplied to the Administrator, that my/our shareholding will be redeemed but that the related monies will be held by the Administrator until such documentation requested has been supplied.

Signature: _____

Name: _____

Position (if any): _____

Date and Place of Execution: _____

Signature: _____

Name: _____

Position (if any): _____

Date and Place of Execution: _____

APPENDIX V: FINANCIAL REPORTS

Part A: Latest Audited Accounts of the Company

Part B: Latest Interim Reports of the Company

The latest prevailing Interim Report of the Company will be available as soon as it has been published at the following locations: the Best International Group website at www.bestinternational.co.uk/news/best-fund-updates-2/; and on ~~the CISEA~~TISEA website at ~~www.eisx.com~~www.tisegroup.com; and at the Company's registered office.

APPENDIX VI-: PROPERTY VALUATION REPORT

[TINSA-Espavios Zona Prime](#) consents to the issue of this Offering Supplement including the reports in the form and context in which they appear. Except for the purposes legislated under the applicable laws, any other use of the Report by a third party is at the party's sole risk.