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APPLICATION PROOF OF



**GAW
CAPITAL
Real Estate
Private Debt OFC**

Managed by Gateway Capital (Hong Kong) Limited,
a member of Gaw Capital

Gaw Capital Real Estate Private Debt OFC **基滙資本房地產私募債務開放式基金型公司**

*(a closed-ended fund to be incorporated as a Hong Kong public open-ended fund company with variable capital and limited liability
and authorised under section 104 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong))*

To be managed by

Gateway Capital (Hong Kong) Limited

WARNING

The publication of this Application Proof is required by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)/the Securities and Futures Commission (the “**Commission**”) solely for the purpose of providing information to the public in Hong Kong.

This Application Proof is in draft form. The information contained in it is incomplete and is subject to change which can be material. By viewing this document, you acknowledge, accept and agree with Gaw Capital Real Estate Private Debt OFC (the “**Fund**”), Gateway Capital (Hong Kong) Limited (in its capacity as investment manager of the Fund) (the “**Investment Manager**”), DB Trustees (Hong Kong) Limited (in its capacity as custodian of the Fund) (the “**Custodian**”), the Fund’s sole sponsor, joint listing agents, overall coordinators, advisers or members of the underwriting syndicate that:

- (i) this document is only for the purpose of providing information about the Fund to the public in Hong Kong and not for any other purposes. No investment decision should be based on the information contained in this document;
- (ii) the publication of this document or supplemental, revised or replacement pages on the Stock Exchange’s website does not give rise to any obligation of the Fund, the Investment Manager, the Custodian, the Fund’s sole sponsor, joint listing agents, overall coordinators, advisers or members of the underwriting syndicate to proceed with an offering in Hong Kong or any other jurisdiction. There is no assurance that the Fund will proceed with the offering;
- (iii) the contents of this document or supplemental, revised or replacement pages may or may not be replicated in full or in part in the actual final listing document;
- (iv) this document is not the final listing document and may be updated or revised by the Fund from time to time in accordance with the Rules Governing the Listing of Securities on the Stock Exchange and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
- (v) this document does not constitute a prospectus, offering circular, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it calculated to invite offers by the public to subscribe for or purchase any securities;
- (vi) this document must not be regarded as an inducement to subscribe for or purchase any securities, and no such inducement is intended;
- (vii) neither the Fund nor any of its affiliates, the Investment Manager, the Custodian, the Fund’s sole sponsor, joint listing agents, overall coordinators, advisers or members of its underwriting syndicate is offering, or is soliciting offers to buy, any securities in any jurisdiction through the publication of this document;
- (viii) no application for the securities mentioned in this document should be made by any person nor would such application be accepted;
- (ix) the Fund has not and will not register the securities referred to in this document under the United States Securities Act of 1933, as amended, or any state securities laws of the United States;
- (x) as there may be legal restrictions on the publication of this document or dissemination of any information contained in this document, you agree to inform yourself about and observe any such restrictions applicable to you; and
- (xi) the application to which this document relates has not been approved for listing and the Stock Exchange and the Commission may accept, return or reject the application for the subject public offering and/or listing.

If an offer or an invitation is made to the public in Hong Kong in due course, prospective investors are reminded to make their investment decisions solely based on the prospectus authorised by the Commission under Section 105 of the Securities and Futures Ordinance, copies of which will be published to the public during the offer period.

IMPORTANT

If you are in any doubt about the contents of this document, you should seek independent professional financial advice.

[REDACTED]



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CAPITAL
Real Estate
Private Debt OFC**

Managed by Gateway Capital (Hong Kong) Limited,
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Gaw Capital Real Estate Private Debt OFC **基滙資本房地產私募債務開放式基金型公司**

(a closed-ended fund [REDACTED] as a Hong Kong public open-ended fund company with variable capital and limited liability and [REDACTED] under section 104 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong))

Managed by

Gateway Capital (Hong Kong) Limited

[REDACTED]

- Number of [REDACTED] under the [REDACTED] : [REDACTED] (subject to the [REDACTED] and the [REDACTED])
- Number of [REDACTED] under the [REDACTED] : [REDACTED] (subject to [REDACTED], [REDACTED] and the [REDACTED])
- Number of [REDACTED] under the [REDACTED] : [REDACTED] (subject to [REDACTED], [REDACTED], the [REDACTED] and the [REDACTED])
- [REDACTED] : HKD[REDACTED] per [REDACTED], plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)
- [REDACTED] : [REDACTED]

Sole Sponsor, Joint Listing Agent, [REDACTED]

Jefferies

Joint Listing Agent, [REDACTED]

CMBI 招銀國際

[REDACTED]

UOB Kay Hian

富途證券
FUTU Securities International

[REDACTED]

IMPORTANT

[REDACTED]

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The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States. The [REDACTED] are being [REDACTED] and sold only outside the United States in offshore transactions in accordance with [REDACTED] under the U.S. Securities Act.

The Fund uses alternative investment strategies and the risks inherent in the scheme are not typically encountered in traditional funds, and it undertakes special risks which may lead to substantial or total loss of investment and is not suitable for [REDACTED] who cannot afford to take on such risks.

Important – [REDACTED] (i) are advised to consider their own financial circumstances and the suitability of the Fund as part of their [REDACTED], (ii) are advised to consider carefully all of the information set out in this document, including the risk factors set out in the section headed “Risk Factors” in this document, and (iii) should obtain professional advice before [REDACTED] in the Fund. For the latest information about the Fund, [REDACTED] should also refer to the announcements and the Product Key Facts Statement of the Fund issued and/or updated by the Investment Manager from time-to-time.

No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 regulated activity under Part V of the SFO.

[REDACTED]

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

CONTENTS

IMPORTANT NOTICE TO [REDACTED]

This document is issued solely in connection with the [REDACTED] and the [REDACTED] and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the [REDACTED] [REDACTED] by this document pursuant to the [REDACTED]. This document may not be used for the purpose of, and does not constitute, an [REDACTED] or [REDACTED] in any other jurisdiction or in any other circumstances. No action has been taken to permit a [REDACTED] of the [REDACTED] or the distribution of this document in any jurisdiction other than Hong Kong. The distribution of this document for the purposes of a [REDACTED] and the [REDACTED] and sale of the [REDACTED] in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this document to make your [REDACTED] decision. The [REDACTED] is made solely on the basis of the information contained and the representations made in this document. We have not authorized anyone to provide you with information that is different from what is contained in this document. Any information or representation not contained nor made in this document must not be relied on by you as having been authorized by the Fund, the Investment Manager, the Custodian, the Sole Sponsor, the Joint Listing Agents, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of the [REDACTED], any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the [REDACTED].

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SUMMARY

The following summary aims to provide you with an overview of the information contained in this document and should be read in conjunction with the full text of this document. As it is a summary only, it does not contain all the information that may be important to you. You should read the whole Document carefully before deciding to [REDACTED] in the Shares. There are risks involved in any [REDACTED]. Some of the particular risks involved in [REDACTED] in the Shares are set out in the section headed “Risk Factors”, which you should read carefully before you decide to [REDACTED] in the Shares.

[REDACTED] should also refer to the announcements and the Product Key Facts Statement of the Fund issued and/or updated by the Investment Manager from time-to-time for the latest information about the Fund.

In making your [REDACTED] decision, you should rely on the information contained in this document. Neither the Fund, the Investment Manager, the Custodian, the Fund Administrator, the Sole Sponsor, the Joint Listing Agents, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], nor any of their respective directors, agents, employees or advisers, or any other persons involved in the [REDACTED] has authorized anyone to provide you with information or make any representation that is different from that contained in this document.

Statements contained in this summary that are not historical facts may be forward-looking statements, based on certain reasonable assumptions, expectations and beliefs of the Fund and the Investment Manager. You are cautioned that there are certain risks and uncertainties associated with the Fund and the actual results may differ materially from those projected by such forward-looking statements.

Overview of the Fund

The Fund is the [first] real estate–focused private debt fund to seek a [REDACTED] on the Hong Kong Stock Exchange, providing qualifying [REDACTED] with access to an institutional-grade asset class that has historically been available primarily to [REDACTED] through unlisted, closed-ended private vehicles. The Fund is managed by Gateway Capital (Hong Kong) Limited, a member of Gaw Capital.

The Fund targets a risk-adjusted return profile that provides daily liquidity and trading flexibility that allow [REDACTED] to manage their exposure dynamically on an ongoing basis without being subject to multi-year lock-ups that are typical of those unlisted private debt funds or private real estate funds.

Other highlights of the Fund are set out in the section headed “Key Investment Highlights” and include the following:

- Specialist investment manager with a track record in real estate private debt investments, established through privately offered funds and mandates
- Exposure to a diversified real estate private debt portfolio primarily across developed markets

SUMMARY

- Capitalizing on a structural financing gap in real estate private debt
- Opportunities presented by the macroeconomic environment and real estate fundamentals

Investment Policy of the Fund

The Investment Policy is set out in the section headed “Investment Policy” and covers:

- **Asset Allocation:** The Fund intends to invest at least 90% of its total assets in debt exposures that satisfy the following criteria at the time of investment:
 - (a) either recurrent or non-recurrent income generating real estate private debt Investments;
 - (b) which are secured against the underlying real estate asset or project, or in the case of subordinated debt or preferred equity, against the assets of the parent company of the Borrower (for example, shares in the Borrower);
 - (c) in one of the following real estate asset classes: (i) residential; (ii) logistics; (iii) industrial (excluding logistics); (iv) retail; (v) commercial (excluding retail); (vi) data centers; (vii) senior and assisted living; (viii) student accommodation; (ix) hospitality; (x) infrastructure (excluding data centers); and/or (xi) other asset classes where the Investment Manager considers appropriate;
 - (d) with the Investment permitted to take various forms, including but not limited to senior debt, subordinated debt, unitranche debt, repurchase program, preferred equity and private mortgage-backed securities; and

SUMMARY

(e) subject to the investment concentration limits below.

- **Risk Diversification:** The following concentration limits on Investments are applied at the time of each Investment. For the avoidance of doubt, these limits are applied to the Fund Special Purpose Vehicles, if any, on a see-through basis.

Diversification by Borrower	No more than 10% of total assets in any individual Borrower and its affiliates
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Diversification by geographic location of the real estate assets or projects to which the relevant Investments relate	No more than: [REDACTED]% in Hong Kong; [REDACTED]% in Australia and New Zealand; [REDACTED]% in South Korea; [REDACTED]% in Japan; [REDACTED]% in Singapore; [REDACTED]% in Thailand and Vietnam; [REDACTED]% in the Middle East and [REDACTED]% elsewhere; in each case, of total assets
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Diversification by asset class of the real estate assets or projects to which the relevant Investments relate	No more than 50% of total assets in residential assets and no more than 40% of total assets in any other single real estate asset class. Where Investments relate to mixed use assets, the Investment Manager shall apportion the Investment between such asset classes using an allocation method that is fair and reasonable, for example, by reference to the valuation reports for the underlying assets
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Non-recurrent income Investments	No more than 30% of total assets (for all Investments) No more than 10% of total assets (sub-limit for non-construction loans)
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Construction loans	No more than 40% of total assets
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Subordinated debt and preferred equity	No more than 50% of total assets
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Repurchase programs	No more than 30% of total assets
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Private mortgage-backed securities	No more than 25% of total assets
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Connected Person Investments	No more than 10% of total assets
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Investments secured against the underlying real estate or project	At least 70% of total assets
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- **Borrowings:** The Fund may from time-to-time utilize borrowings for funding Investments and/or general corporate purposes, but such borrowings will not exceed 30% of the Fund’s Net Asset Value. For the avoidance of doubt, this limit is applied to the Fund Special Purpose Vehicles, if any, on a see-through basis.

SUMMARY

- **Material Change:** The Fund will obtain the prior approval of its Shareholders by Ordinary Resolution to make any material change to its published Investment Policy.

Further elaboration on the Investment Policy, and the strategy to be adopted by the Investment Manager in achieving the Fund’s investment objective, is set out in the section headed “Investment Strategy, Process and Policies”. An illustrative portfolio of the Fund is also set out in the section headed “Illustrative Portfolio”.

Dividend Policy

The Fund intends to pay dividends on a quarterly basis for the periods ending 31 March, 30 June, 30 September and 31 December each year, starting from the first dividend described below, which will be primarily funded by the Fund’s net distributable income generated from its Investments and, in more limited cases such as during the initial ramp-up period before the [REDACTED] are fully deployed, from the Fund’s capital. It is estimated that the Fund will deploy approximately 50% of the [REDACTED] within six months after [REDACTED] and 75% to 100% of the [REDACTED] within nine months after [REDACTED].

For the first financial year, the Fund intends to target a dividend of HKD[REDACTED] per Share per annum, payable quarterly. The first dividend will be in respect of the period commencing on the [REDACTED] and ending on [REDACTED] 2027. Positive dividend payout does not represent positive [REDACTED] return, and [REDACTED] may suffer losses in their [REDACTED].

The Fund Board and the Audit Committee will review the Fund’s dividend policy semi-annually after publication of the Fund’s annual and interim results, having regard to the performance of the Fund’s portfolio, the outlook for the Fund, the Fund’s fees and expenses, the impact of any leverage, as well as the working capital and liquidity requirements of the Fund.

The target dividend stated above should not be taken as an indication of the Fund’s expected future performance or results over any period and does not constitute a profit forecast. It is intended to be a target only and there is no guarantee that it can or will be achieved. It should not be seen as an indication of the Fund’s expected or actual return. Accordingly, potential [REDACTED] should not place any reliance on the target figure stated above in deciding whether to [REDACTED] in the Fund.

The Fund may, at its discretion, pay dividends out of capital or effectively out of capital as described in the section headed “Dividend Policy”. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of a Shareholder’s original investment or from any such capital gains attributable to that original investment. Any such dividends may result in an immediate reduction in the Net Asset Value per Share and reduce the capital available for future investment.

The composition of dividends payable on the Shares (i.e. the amounts of dividends paid and the percentages of dividends paid out of: (i) net distributable income; and (ii) capital), if any, for a rolling 12-month period, will be available from the Investment Manager on request and will also be published on the Fund’s website at www.gawcapitalrepd.com (this website has not been reviewed by the SFC).

SUMMARY

Valuation of Investments

The Fund has appointed Deloitte Advisory (Hong Kong) Limited as the Valuation Agent to provide a quarterly valuation report to the Fund Board and the Investment Manager in relation to the Investments.

The Valuation Agent will value the Investments held by the Fund based on market prices, where available, and otherwise using a discounted cash flow methodology, pursuant to the following process:

- For Investments where market prices are available, the Investment Manager will obtain the market prices for such Investments from a range of independent market participants including commercial and investment banks and brokers in writing, or from independent data providers such as Bloomberg, which will then be provided to the Valuation Agent for their independent review. Market prices should reflect the size of the Fund’s holding.
- For Investments where market prices are not obtainable, or where the Investment Manager and Valuation Agent agree that the quoted market price does not reflect the best price that could be obtained for such Investment following a reasonable marketing period, the Valuation Agent will calculate the fair value for such Investment by applying a discount rate to the cash flows expected to arise from such Investment (or otherwise, if another method is more appropriate), with the underlying valuations and the report being subject to the Investment Manager’s review and checking each quarter. For the avoidance of doubt, the Investment Manager will retain responsibility for the valuation used in calculating the Net Asset Value of the Fund.

Further details on the Fund’s valuation policy, including the factors considered by the Valuation Agent with respect to the discount rate applied, are set out in the section headed “Valuation”.

Due to the generally illiquid nature of the investments under the Investment Policy, some if not most of these investments do not have directly observable valuations. Accordingly, there are uncertainties involved in the valuation of these investments due to such valuations being heavily dependent on assumptions and models, and by extension, uncertainties in the Net Asset Value of the Fund. For further information of the associated risks, please refer to the risk factor headed “Valuation and liquidity risks associated with illiquid Investments”.

Valuation of the Fund’s Other Assets

The Net Asset Value of the other assets of the Fund, such as interest accrued on Investments, cash holdings (including money market funds) and derivatives, will be determined by the Fund Administrator in accordance with the accounting principles adopted by the Fund in its audited accounts, being IFRS Accounting Standards.

SUMMARY

Net Asset Value of the Fund

The Net Asset Value of the Fund will be calculated by the Fund Administrator on a quarterly basis at each Valuation Day, in the base currency of the Fund, having regard to: (a) the Valuation Agent’s determination of the value of the Investments; plus (b) the value of other assets of the Fund as determined above; plus or minus (c) other balance sheet assets and liabilities such as receivables and payables. Calculations by the Fund Administrator will be in accordance with the accounting principles adopted by the Fund in its audited accounts.

The Fund will announce its Net Asset Value within 15 Business Days after the corresponding Valuation Day.

Discount Control

The Shares may trade at a discount or at a premium to the Net Asset Value per Share. In situations where the Shares are trading at a discount, the Fund and the Investment Manager may deploy the following discount control measures as more fully described in the section headed “Discount Control”:

- Satisfaction of 10% of the Management Fee in the form of Shares (except for the Management Fee for the first two quarters after [REDACTED]): where the Market Price as compared to the Net Asset Value per Share (excluding Treasury Shares and taking into account any relevant transaction costs) is the same or at a premium, such portion will be settled in newly issued Shares or Treasury Shares; where it is at a discount, such portion will be settled in cash, of which 10% will be used by the Investment Manager to purchase Shares on-market;
- Share buybacks using surplus cash; and
- Dividend reinvestment scheme

There is no assurance that the Shares will trade at a price that is equal to the Net Asset Value per Share. As the market price of the Shares may be determined by factors other than just the Net Asset Value per Share, such as the market supply and demand for the Shares, there is a risk that the Shares will trade at a discount to the Net Asset Value per Share after [REDACTED], and such discount may potentially be significant and persist for a prolonged period.

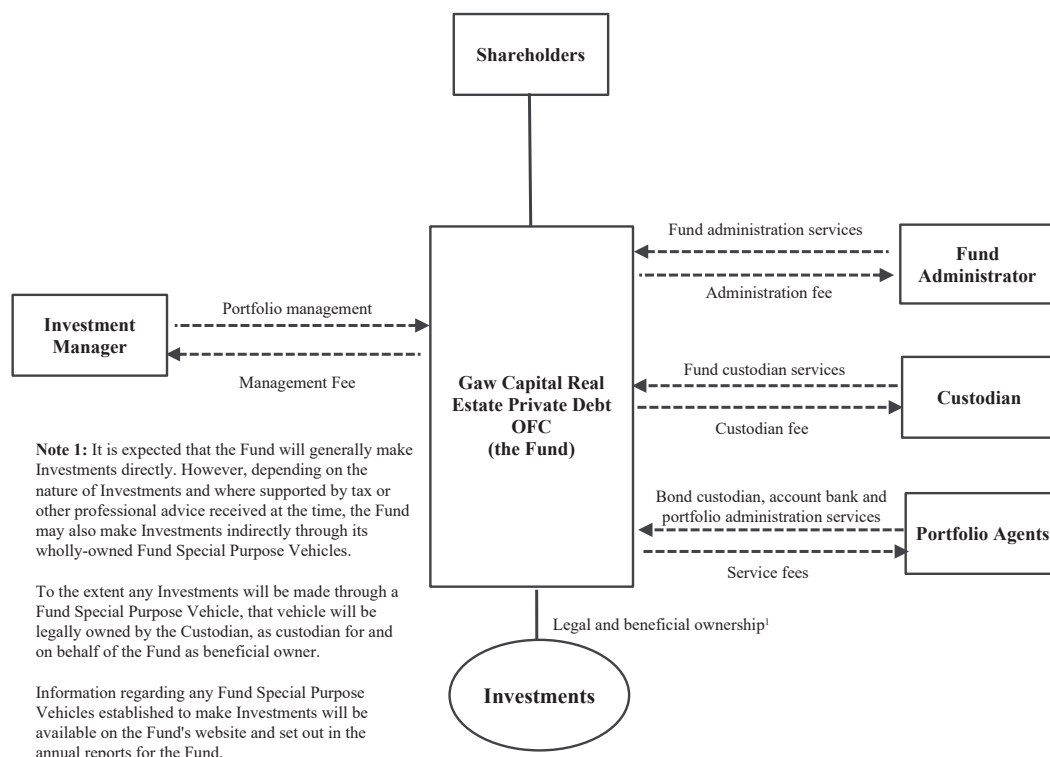
SUMMARY

Structure of the Fund

The Fund is a closed-ended fund [REDACTED] as a Hong Kong public OFC, being an investment fund [REDACTED] in corporate form with variable capital and limited liability under Hong Kong law. It is [REDACTED] by way of its Instrument filed with the Companies Registry of Hong Kong. The Fund is [REDACTED] with the SFC under Section 112D of the SFO. It is also [REDACTED] as a collective investment scheme by the SFC under Section 104 of the SFO and is a fund falling within Chapter 8.11 of the UT Code.

SFC [REDACTED] and [REDACTED] do not represent a recommendation or endorsement of the Fund nor do they guarantee the commercial merits or performance of the Fund or its performance. They do not mean that the Fund is suitable for all [REDACTED] nor do they represent an endorsement of its suitability for any particular [REDACTED] or class of [REDACTED].

The following diagram depicts the structure of the Fund, and the contractual relationships among the Fund, the Investment Manager, the Fund Administrator, the Custodian and the Portfolio Agents.



SUMMARY

Investment Manager

As a closed-ended fund [REDACTED] as a Hong Kong public OFC, the Fund is legally required to have an investment manager who is responsible for managing the Fund’s assets. The Instrument permits the Fund Directors to entrust to and confer upon the Investment Manager any of their relevant powers, duties, discretions and/or functions exercisable by them as Fund Directors.

Pursuant to the Instrument, the Fund and the Investment Manager have entered into the Investment Management Agreement, under which the Investment Manager has been given overall responsibility for the discretionary management of the Fund’s assets. Further information on the Investment Manager is set out in the section headed “The Investment Manager”.

The Fund Administrator

The Fund has appointed Apex Fund Services (HK) Limited as the administrator of the Fund pursuant to the Fund Administration Agreement. The Fund Administrator’s duties include attending to the general administrative requirements of the Fund, such as the maintenance of accounting and statutory records. Details of the Fund Administration Agreement are set out in the section headed “Fund Administration Agreement and Corporate Services Agreement”.

The Custodian

The Fund has appointed DB Trustees (Hong Kong) Limited as custodian to the Fund pursuant to the Custody Deed. The Custodian is responsible for taking into custody or under its control all the Scheme Property, including the Fund Special Purpose Vehicles (if any) through which Investments may be held, as well as other assets of the Fund such as cash.

The Portfolio Agents

The Fund has appointed Deutsche Bank AG, acting through its Hong Kong Branch as the Bond Custodian, Portfolio Administrator and Account Bank.

Pursuant to the Portfolio Administration and Agency Agreements: (i) the Bond Custodian agrees to hold in custody Investments in the form of securities on behalf of the Fund; (ii) the Account Bank agrees to hold cash deposits on behalf of the Fund received on such securities held by the Bond Custodian; (iii) the Portfolio Administrator agrees to provide certain reporting and cash management functions in respect of the Investments and the accounts; and (iv) a Fund Special Purpose Vehicle may accede to the Portfolio Administration and Agency Agreement as a party.

Investments by the Fund

It is expected that the Fund will generally make Investments directly. However, depending on the nature of Investments and where supported by tax or other independent professional advice received at the time, the Fund may also make Investments indirectly through its wholly-owned Fund Special Purpose Vehicles. The Fund Special Purpose Vehicles may be incorporated in jurisdictions outside Hong Kong, and where advisable, each Investment will be ringfenced from each other and held through its own Fund Special Purpose Vehicle.

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Where Investments are made by the Fund directly, the Fund would be the counterparty to documentation relating to their respective Investment (for example, the lender of record to Borrowers). Similarly, the Fund Special Purpose Vehicles would be the counterparty should an Investment be made indirectly through those Fund Special Purpose Vehicles. For the avoidance of doubt, the Investments by both the Fund Special Purpose Vehicles and the Fund must in aggregate comply with the Investment Policy at the relevant time. To the extent any Investments will be made through a Fund Special Purpose Vehicle, that vehicle will be legally owned by the Custodian, as custodian for and on behalf of the Fund as beneficial owner.

The Investment Manager only intends to invest indirectly through Fund Special Purpose Vehicles where, based on tax or other independent professional advice received at the time and also having regard to any administrative costs involved in the setting up and maintaining the Fund Special Purpose Vehicle, could improve post-tax returns to Shareholders and thus be in the interests of both the Fund and Shareholders as a whole. For the avoidance of doubt, the fees and charges of the Investment Manager, Fund Administrator, Custodian and Portfolio Administrator have already taken into account the above arrangements.

Information regarding any Fund Special Purpose Vehicles established to make Investments will be available on the Fund’s website and set out in the annual reports for the Fund.

Transaction Costs in connection with the [REDACTED]

The Investment Manager estimates the total transaction costs for the [REDACTED] to be approximately HKD[REDACTED]. Assuming [REDACTED] of HKD[REDACTED] (assuming the [REDACTED] and the [REDACTED] are not exercised), the [REDACTED] are estimated to be approximately HKD[REDACTED] after deduction of the transaction costs.

These transaction costs comprise expenses relating to the [REDACTED], which includes [REDACTED], professional fees paid and payable to legal advisers and other independent professional advisers, printing costs, [REDACTED] costs, advertising and marketing related expenses (including roadshow expenses), costs relating to the establishment of the Fund and license of the Investment Manager and other administrative expenses.

Ongoing Fees and Expenses of the Fund

The Fund is responsible for its ongoing operational costs and expenses which include, but are not limited to, fees and expenses associated with the acquisition, holding or divestment of any investments, fees and expenses for any other corporate exercises of the Fund, fees and expenses of its directors, delegates, service providers, auditors, legal counsel and other independent professional parties, [REDACTED] costs, regulatory costs, bank charges, printing expenses, Fund Directors’ insurance premiums, taxes, as well as administrative and other fees and expenses.

SUMMARY

Details of certain annual ongoing fees to be borne by the Fund are set out in the section headed “Fees and Expenses – Ongoing Fees and Expenses of the Fund”. The Investment Manager estimates that the aggregate annual ongoing fees and expenses of the Fund to be approximately [REDACTED]% of the Net Asset Value of the Fund as at the [REDACTED] (expected to be equal to the [REDACTED] of HKD[REDACTED] assuming the [REDACTED] and the [REDACTED] are not exercised). Such ongoing fees and expenses may and will typically be deducted from the assets of the Fund where permitted by the Instrument and the Laws and Regulations, and may vary from year-to-year.

Corporate Governance Policies of the Fund Board

With the objectives of establishing and maintaining high standards of corporate governance, certain policies and procedures have been put in place by the Fund Board to promote the operation of the Fund in a transparent manner and with built-in checks and balances. The corporate governance policies of the Fund have been adopted having due regard to, among other things, the requirements under Appendix C1 (Corporate Governance Code) to the Listing Rules (as if those rules were applicable to the Fund), with certain adaptations where appropriate having regard to the composition of the Fund Board and the Fund being externally-managed by the Investment Manager.

The section headed “Corporate Governance” sets out the key components of the corporate governance policies that have been adopted and will be followed by the Fund. These include certain arrangements to mitigate conflicts arising from: (i) the Investment Manager managing or advising other Private Funds; (ii) the Fund co investing alongside Private Funds or other Relevant Parties; (iii) the Fund considering Connected Person Investments; (iv) directors, responsible officers or employees of the Investment Manager having multiple roles across public and private fund platforms; (v) allocation of investment opportunities, follow on funding or exits occurs between the Fund and other funds; (vi) the Investment Manager or its connected persons providing services to the Fund; or (vii) personal investments or outside interests of relevant personnel overlapping with the Fund’s activities.

Risk Factors

The Fund is a Complex Product investing mainly in illiquid assets, and [REDACTED] should exercise caution in relation to [REDACTED] in the Shares. While the Fund is [REDACTED] to [REDACTED], it is not suitable for risk-averse [REDACTED] due to the significant risks involved. The Fund targets [REDACTED] with a long-term investment horizon, who are capable of evaluating the merits and risks of such an [REDACTED] and who have sufficient resources to be able to bear any losses. Potential [REDACTED] should carefully evaluate all risks stated in the section headed “Risk Factors” before making a decision to [REDACTED] in the Fund. A few selected risks are summarized below.

Risks relating to the Fund

The Fund is a closed-ended fund and the Shares may trade at a discount to the Net Asset Value per Share after [REDACTED] and discount control measures may not be effective

- The Fund is a closed-ended fund and no shareholders may demand redemption of their Shares. As the market price of the Shares is not only determined by reference to the Net Asset Value per Share, there is a risk that the Shares will trade at a discount to the Net Asset Value per Share after [REDACTED], and such discount may potentially be significant and persist for a prolonged period.

SUMMARY

- While the Fund and the Investment Manager have put in place measures to control such discount, including the satisfaction of a portion of the Management Fee in the form of Shares (except for the Management Fee for the first two quarters after [REDACTED]), on-market share buybacks and a dividend reinvestment scheme, the effectiveness of such measures will depend on factors outside the control of the Fund and the Investment Manager.

Regularity and sustainability of dividends are not guaranteed, and the Fund’s target dividend is only a target that is based on estimates and assumptions concerning the performance of the Fund

- While the Fund’s investment objective is to provide [REDACTED] with regular, sustained, long-term distributions, there can be no assurance that dividends will be paid on a regular or sustained basis, or that the level of dividends will be maintained over time. The Fund’s ability to generate distributable income depends primarily on the interest and fee income received from its portfolio of real estate private debt Investments.
- The Fund’s target dividend of HKD[REDACTED] per Share per annum is based on models, estimates, and assumptions about the Fund’s performance believed by the Investment Manager to be reasonable under the current market and economic circumstances, but actual realized returns on the investments may differ and the actual dividend may be materially lower than the target dividend and the target dividend may decrease.
- Any failure to achieve regular or sustained distributions may adversely affect the Fund’s performance and returns to Shareholders, and [REDACTED] should not rely on the Fund’s stated investment objective or the target dividend as a guarantee of regular or sustainable dividends.

Non-recurrent income Investments may not generate predictable or recurring distributable income, and ongoing fees and expenses of the Fund will also affect overall potential investment return for [REDACTED] and available cash for dividends

- The Fund may invest up to 30% of total assets of the Fund into non-recurrent income Investments with a 10% sub-limit for those which do not relate to construction loans. As non-recurrent income Investments do not generate recurring cash flows, they may be subject to greater uncertainty in terms of timing and quantum of returns. Additionally, ongoing fees and expenses of the Fund will also affect the overall potential investment return and available cash for dividends. The Fund’s ability to generate distributable income in any given period may therefore fluctuate depending on the performance, realization, or repayment of such non-recurrent income Investments, and after factoring ongoing fees and expenses, which in turn may affect the Fund’s ability to sustainably pay dividends at the targeted level or at all.

SUMMARY

Dividends may be paid out of the Fund’s capital or effectively out of the Fund’s capital

- Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an [REDACTED] original investment or from any capital gains attributable to that original investment. Before the [REDACTED] are fully deployed during the estimated nine-month initial ramp-up period, dividends may be paid out of capital. Any such dividends may result in an immediate reduction of the Net Asset Value per Share and will reduce the capital available for future investment. Positive dividend payout does not represent positive investment return and you may suffer losses in your investment.

The Fund invests exclusively in real estate private debt Investments

- Other than some holdings in cash, or cash equivalents, and hedging instruments, the Fund intends to invest exclusively in real estate private debt Investments and therefore bears the risk of investing in only one asset class. While there are diversification measures adopted within the real estate debt asset class, if returns from real estate private debt Investments do not meet the Fund’s expectations or cannot be maintained, the lack of diversification may have a material adverse effect on the income received by the Fund and the value of the Fund’s assets.

Future investments unspecified and [REDACTED] will be relying on the Investment Manager’s judgment and ability

- The Fund has not entered into any legally binding documentation to acquire any investments. Although certain illustrative investments have been identified in this document, there is no assurance that any of these illustrative investments will remain available for purchase after [REDACTED] in a timely fashion, or at all or, if available, at what price the illustrative investments can be acquired by the Fund. [REDACTED] will be relying on the judgment and ability of the Investment Manager in identifying, evaluating and making such investments. The Fund’s ability to make investments is subject to the availability of appropriate assets in a competitive market.

SUMMARY

The Fund’s disclosure of information relating to its Investments may be limited by confidentiality obligations

- While the Investment Manager will, by way of public announcements, disclose to Shareholders any information or transaction concerning the Fund which is necessary to enable [REDACTED] to appraise the position of the Fund, is necessary to avoid a false market in the Shares, or might be reasonably expected to materially affect market activity in the Fund or the price of the Shares, the extent of the details that may be provided in such announcements may be limited by what the Investment Manager is permitted to disclose in compliance with its confidentiality obligations owed to Borrowers and other counterparties in connection with the Investments. In particular, the terms and conditions of individual Investments, the identity of Borrowers, and other commercially sensitive information relating to the Investments may be subject to confidentiality undertakings that restrict the Investment Manager from making full disclosure to Shareholders. As a result, Shareholders may not have access to the full details of the Fund’s investment portfolio and may have limited ability to independently assess the risks and performance of individual Investments. This may affect Shareholders’ ability to make fully informed investment decisions in relation to the Shares, and may result in the market price of the Shares not fully reflecting the underlying value of the Investments.

Valuation and liquidity risks associated with illiquid Investments

- As the Investments are generally illiquid, certain Investments may not have market values and instead be typically valued by applying a discount rate to the cashflows expected to arise from such investment. Such cashflows and discount rates are subject to assumptions (such as market conditions, interest rate environments, and industry dynamics) which are uncertain. To the extent these assumptions are incorrect, the valuation of the investments may be inaccurate. The general illiquidity of the Investments and uncertainties around their valuation also make it more difficult for the Fund to dispose of any Investments prior to the end of their term. As the Fund’s Net Asset Value is driven in large part by the valuation of Investments, the Fund’s Net Asset Value may also be inaccurate.

The market value of the Investments may vary over time

- The value of the Investments will change from time to time according to a variety of factors, including the performance of the underlying Borrowers (including their actual and perceived financial condition and performance), and expected movements in interest rates, exchange rates, inflation and bond ratings and general market pricing of similar investments. Such changes may have a material adverse effect on the Fund and its net asset value and on its ability to pay dividends according to its target.

SUMMARY

Capital appreciation from Investments may require a significant period of time to materialize

- Capital appreciation from the Fund’s Investments is inherently uncertain as to both quantum and timing, and depends on a number of factors outside the control of the Investment Manager and the Fund, including the performance and creditworthiness of Borrowers, movements in interest rates and currency exchange rates, changes in real estate market conditions, and the availability of refinancing or disposal opportunities. There can be no assurance that the Fund will achieve capital appreciation from its Investments within any particular timeframe, or at all, and any failure or delay in doing so may adversely affect the Fund’s performance and returns to Shareholders.

The Fund’s income is subject to fluctuations in currency exchange rates

- The Fund intends to make investments in multiple jurisdictions across a range of currencies. Changes in currency exchange rates will therefore affect the Fund’s income, which is reported in HKD. For example, appreciation in HKD would decrease the value of non-HKD denominated investment income when translated into HKD. Although the Fund may seek to hedge against this risk, it is not obliged to do so and in some cases this may not be possible at an acceptable price or at all.

The Fund is subject to unexpected fluctuations to the rates of interest

- Changes in interest rates may adversely affect the value or profitability of the assets of the Fund including: (a) by affecting the interest earned on floating-rate assets held by the Fund; (b) by affecting the spread between, amongst other things, the income on its Investments and the expense of any interest-bearing liabilities; (c) by affecting a Borrower’s ability to service its debts; (d) by affecting the value of the collateral provided by Borrowers; and (e) by affecting the valuation of the Investments and its ability to pay dividends according to target. Interest rates are highly sensitive to many factors beyond the control of the Investment Manager or the Fund.

SUMMARY

The Fund is subject to unexpected fluctuations in the rates of inflation

- The Fund may, in certain cases, make investments based on assumptions or projections regarding future inflation rates, particularly where the Investment Manager expects that a Borrower’s revenues and/or expenses will be influenced by inflation. If inflation turns out to be lower than anticipated, the income generated from these instruments may fall short of projections, thereby negatively impacting the Fund’s returns.

The Fund is exposed to other macro risks

- The Fund and its investment strategy and returns will be exposed to macro risks such as geopolitical issues, occurrences of epidemics, and barriers to free trade by various countries. The consequences of such risks will depend on the scale and magnitude of the event and may cause different degrees of damage to the national and local economies within the Fund’s target geographies and such damage or disruption may adversely affect the Fund and its potential returns.

The Fund may be exposed to emerging market risk

- While it is not the current intention of the Investment Manager, the Fund could in the future invest in overseas markets that are considered emerging market countries subject to compliance with the Investment Policy. Investment in these markets involves increased risks and special considerations not typically associated with investment in more developed markets.

The Fund is exposed to sustainability risks

- The sustainability risks most relevant to the Fund include climate-related events, societal events or governance shortcomings. Sustainability risks may affect Borrowers’ cash flows and the likelihood that they will default on their debt obligations, which may result in unanticipated losses that could affect the investments and financial position of the Fund.

Risks relating to the Investment Manager

Failure by the Investment Manager or other third-party service providers of the Fund to carry out its or their obligations could materially disrupt the business of the Fund

- The Fund is reliant on the Investment Manager to perform critical functions relating to the implementation of the Fund’s investment strategy, day-to-day operations, and compliance with applicable regulatory requirements. The Investment Manager is also responsible for coordinating with other key service providers, including the Custodian, Valuation Agent, and Fund Administrator. Although the Investment Manager has established a business continuity and contingency plan that is designed to enable it to react quickly to and recover from risk events such as operational disruption, inadequate resourcing and system failure, any failure by the Investment Manager or key service providers to perform their obligations could impair the Fund’s ability to operate effectively.

SUMMARY

The Investment Manager is dependent upon the expertise of its personnel in providing investment management services

- The Fund’s ability to achieve its investment objective is significantly dependent on the expertise and experience of the personnel of the Investment Manager. The departure of any such individual(s) could adversely impact the ability of the Investment Manager to manage the Fund effectively. While the Investment Manager shall plan ahead for the succession of key personnel recruiting externally where necessary, there can be no assurance that any succession plan will be implemented in a timely manner, that suitable replacements can be identified and retained, or that any transition of responsibilities will not result in disruption to the management of the Fund’s portfolio or adversely affect the Fund’s performance and returns to Shareholders.

The Investment Manager, its directors and senior management are involved in other businesses, investments and outside interests which may create conflicts of interest

- In addition to the services that the Investment Manager provides in connection with the Fund, the Investment Manager may also manage and/or advise other private funds or accounts with similar investment mandates to the Fund. The Investment Manager does not devote its resources exclusively to the business of the Fund, and accordingly, the Investment Manager may encounter potential conflicts of interest in connection with its involvement in the business of the Fund and other business ventures. Furthermore, the directors and senior management of the Investment Manager may hold directorships, advisory roles or other positions in, or have personal investments or economic interests in, entities outside the Fund, which may give rise to additional conflicts of interest. Such conflicts may arise, among other circumstances, where the interests of those other businesses or investments diverge from those of the Fund or its Shareholders.
- The Investment Manager will seek to ensure that any such conflicts of interest are resolved fairly, and certain conflict mitigation measures have been put in place with a view to aligning the interests of the Investment Manager with those of Fund shareholders such as: (i) part of the Investment Manager’s total fees comprising a performance fee; (ii) the Investment Manager reinvesting 10% of its Management Fee in subscribing for or acquiring Shares (except for the Management Fee for the first two quarters after [REDACTED]); and (iii) an affiliate of the Investment Manager holding a small interest in the Fund. Notwithstanding this, conflicts of interest may still have a material adverse effect on the performance of the Fund.
- The payment of performance fees to the Investment Manager may encourage the Investment Manager to make riskier investments than would be the case in the absence of a performance-based incentive system. Given there is no equalisation arrangement for the calculation of the performance fee, a selling [REDACTED] may still incur a performance fee in respect of their [REDACTED], even though they have suffered a loss of [REDACTED]. In addition, performance fees may be paid on unrealized gains which may never be realised by the Fund.

SUMMARY

Risks relating to and associated with the Investments

The Fund may be unable to realize value from its Investments in the event of default or insolvency of a Borrower and [REDACTED] could lose all or part of their [REDACTED]

- Although a detailed assessment of the creditworthiness of all Borrowers will be conducted in respect of real estate debt exposures in which the Fund will invest, there remains a risk that such Borrowers may default on their obligations to the Fund including in situations where they become insolvent. Such a default or insolvency may adversely affect the income and principal repayments received by the Fund and the value of the Fund’s assets, and consequently the Fund’s ability to pay dividends according to its target.

The Fund is exposed to risks relating to the realization of collateral

- For loans that are secured by collateral, while the Investment Manager generally expects the value of the collateral to be greater than the principal amounts of such secured loans and generally prefers that the loan-to-value ratio of secured loans does not exceed 80% at the time of origination or acquisition, the future realizable value of the collateral can be difficult to predict. While the Investment Manager will ensure that the collateral is valued by third-party specialist valuation firms at least annually (or more frequently and on an ad-hoc basis if necessary or appropriate in response to significant changes in market conditions), such valuation is based on assumptions and may overstate the true value of the assets. Accordingly, the value of the collateral may actually be equal to or less than the value of such loans or may fall below the outstanding amount of such loans throughout the term of the Fund’s investment in such asset.
- Further, there is also a risk that the Fund may not be able to enforce against such collateral due to, for example, the relevant insolvency regime. Some insolvency regimes impose rules for the protection of borrowers, which would restrict the ability of the Fund to realize or have access to the collateral which secured the investment, and under certain circumstances, the collateral may be released with the consent of the agent and lenders. While the Investment Manager will seek independent legal advice with respect to enforcement of collateral in the relevant jurisdictions, there is no assurance that the collateral could be readily liquidated without delay even if accessible to the Fund.

The Fund is exposed to risks associated with investing in senior secured loans

- Investments in senior secured loans are subject to legal and insolvency-related risks that may affect the value, recoverability and realization of such investments and related guarantees or security interests. For example, senior secured loans may be syndicated to a number of different financial market participants with either majority or unanimous consent required for certain actions in respect of the debt. In such case, the Fund may not have the ability to control any decision in respect of any amendment, waiver, exercise of remedies, restructuring or reorganization of debts owed to the Fund.

SUMMARY

The Fund is exposed to risks associated with investing in subordinated debt

- The Investments of the Fund may be subordinated to the senior debt of a Borrower. Because subordinated debt ranks behind senior debt, subordinated debt may be characterized by greater credit risks than those associated with the senior debt of such Borrower. Although Investments in subordinated debt are subject to the Investment Concentration Limit, and a detailed assessment of the creditworthiness of a Borrower will be conducted in respect of such debt exposure, adverse changes in the financial condition of a Borrower and/or general economic conditions may impair the ability of such Borrower to make payments on the subordinated debt and result in default more quickly than in the case of the Borrower’s senior debt.

The Fund is exposed to risks associated with construction lending

- The Fund may finance real estate projects still under construction and/or are not yet cash generative, with interest often being capitalized until project completion. While the Investment Manager will conduct prior due diligence over the developer and the underlying project before making such investments, returns will depend heavily on the successful completion of the underlying projects, the timely generation of cash flows after completion, and the availability of refinancing or disposal opportunities. Further, if market conditions deteriorate during the construction period, the actual value of the completed project may fall below the pro forma “as completed” valuation used to underwrite the loan, resulting in higher loan-to-value ratios that may be significant and potentially trigger covenant breaches at or around the time refinancing is needed. In such circumstances, Borrowers may be unable to dispose of the project at a sufficient price or secure refinancing from commercial banks, which could in turn impair their ability to repay the construction loan and adversely affect the Fund’s returns.

The Fund is exposed to risks associated with repurchase programs

- The Fund may invest in repurchase program structures under which legal title to an underlying real estate asset (or an asset-holding vehicle) is transferred to the Fund, coupled with put and call options for the Borrower to repurchase such asset from the Fund. Such Investments may present legal characterization and enforceability risks, as well as additional taxes and formalities applicable to true sales. Further, while the Investment Manager intends to exercise the put option to require a Borrower to repurchase the asset, in scenarios where the Borrower does not or is unable to repurchase the underlying real estate asset as intended, the Fund may only be able to seek recovery by disposing of such asset, which may be adversely affected by market conditions, asset-specific issues or longer-than-expected disposal timelines. While holding title, the Fund may also assume certain operational, regulatory or tax responsibilities, which may increase costs or reduce net recoveries.

SUMMARY

The Fund is exposed to risks associated with investing in preferred equity

- The Fund may invest in preferred equity interests which generally rank below all existing and potentially future indebtedness of the Borrower. In addition, the realization of a preferred equity investment typically depends on a liquidity event, such as a sale, refinancing or redemption, which may be delayed or unavailable due to market conditions, Borrower performance or legal constraints on redemptions, including requirements for sufficient distributable reserves or necessary corporate approvals. As a result, the Fund may be unable to exit its investment within the expected timeframe or at an anticipated value.

The Fund is exposed to risks associated with investing in private mortgage-backed securities

- The Fund may invest in pools or tranches of private mortgage-backed securities. Such investments have specific risks, such as the mortgage-backed securities issuer losing its entitlement to the underlying loan assets in a bankruptcy or similar proceeding involving the originator of those underlying loans. Further, as the Fund only has a contractual relationship with the issuer and not with the underlying Borrowers, the Fund will be looking to the issuer for payments in connection with the private mortgage-backed securities, as well as for matters that are practical (e.g. receipt of indirect reporting from the Borrowers) and legal (e.g. relying on the issuer to enforce security), creating additional risks for the Fund.

The Fund is exposed to risks associated with infrastructure-linked private debt investments

- Infrastructure-linked real assets may be subject to extensive regulatory and policy frameworks, and may also involve governmental counterparties who can unilaterally vary contract terms, delay payments, impose additional obligations, restrict operations, or exercise other rights that adversely affect the Borrower, and as a consequence, the Fund. Although the Fund seeks to obtain security over collateral, infrastructure-linked real assets may be more complex to realize than traditional real estate assets. Enforcement may require regulatory approvals, specialist operational expertise, or compliance with sector-specific requirements, and the pool of potential purchasers for such assets may be limited. As a result, the Fund may experience delays or reduced recoveries in an enforcement scenario, and the value ultimately realized may be less than anticipated.

SUMMARY

The Fund lends to Borrowers whose ability to service their debt is dependent on demand for their real estate assets or services

- The Fund intends to make private debt investments to Borrowers whose primary focus is the ownership, operation, development, funding, management or provision of services to real estate assets or projects. If the demand for these real estate assets or services is lower than expected, the Borrower will have lower revenues than expected, impairing its ability to service its debts. While the Investment Manager will carry out detailed due diligence and preliminary review ahead of making an Investment, the demand for real estate assets or services will depend on many complex and potentially interlinked factors outside the control of the Investment Manager and the Fund.

The financial condition of tenants may affect Borrowers’ ability to repay the Fund

- Adverse changes in the operation of any property, or the financial condition of any tenant, could have an adverse effect on a Borrower’s ability to collect rent payments and, accordingly, on its ability to repay its debt obligations. At any time, a tenant may seek the protection of applicable bankruptcy or insolvency laws, which could result in the rejection and termination of such tenant’s lease or other adverse consequences and thereby cause a reduction in the cash flow of the relevant Borrower and its ability to repay the Fund.

Risks relating to conflicts of interest

Fees for services payable to connected persons

- The Fund may engage the Investment Manager, Fund Directors or their connected persons to provide services (including accounting, legal, administration, and other services for the Fund with respect to the Investments) on terms that are determined by the Investment Manager to be arm’s length and fair and reasonable to the Fund. Although such arrangements will be in accordance with the Laws and Regulations, the Investment Manager may have a conflict of interest in determining the costs of such services to the Fund.

Connected Person Investments

- The Fund may engage in Connected Person Investments, being any Investment where the Borrower is: (a) a Fund Director, the Investment Manager or any of their “connected persons” as defined under the UT Code; or (b) a “connected person” of the Fund as defined under Chapter 14A of the Listing Rules. All transactions (including but not limited to Connected Person Investments) carried out by or on behalf of the Fund must be executed at arm’s length and in the best interests of the Fund shareholders. Connected Person Investments may also only be made with the prior approval of the Audit Committee and the written consent of the Custodian and must also be disclosed in the Fund’s annual report. Nonetheless, such transactions may still result in conflicts of interest.

SUMMARY

Other investment funds and allocations of Investment opportunities

- The Investment Manager, Gaw Capital and their affiliates, directors, officers and employees also manage and/or advise other private funds or accounts with similar investment mandates to the Fund (being the Private Funds). The Fund may co-invest with the aforementioned persons and the Private Funds in the future, pursuant to a rule-based allocation policy that aims to ensure investments are allocated in a way that is fair, reasonable and equitable to all parties. Such allocation policy could affect adversely the size of the position purchased or sold by the Fund.

Risks relating to laws, taxation and regulation

Governmental and regulatory authorities may exercise supervisory, licensing, enforcement and intervention powers in ways that could adversely affect the Fund and its Investments

- In the geographic location of the real estate assets or projects to which the Investments relate, governmental and regulatory authorities are actively involved in the ongoing supervision, regulation and enforcement of regulatory frameworks relating to financial services, taxation, land use, zoning, planning restrictions, environmental protection and safety, and other matters. The application and enforcement of such regulatory frameworks could affect the return and value of the Fund and its Investments.
- The private debt industry globally is subject to increasing regulatory focus and enhanced scrutiny by regulatory authorities. Such scrutiny may result in increased regulatory requirements, restrictions on activities, additional compliance obligations, heightened reporting or disclosure expectations, or increased supervisory oversight. Regulatory intervention or enhanced scrutiny may increase compliance costs, constrain investment activity, affect the structuring or viability of investments, or otherwise adversely affect the Fund’s performance.

Risks relating to the Shares and the [REDACTED]

Shareholders have no right to require the redemption of their Shares

- As the Fund is closed-ended, Shareholders have no right to require redemption of their Shares. Shareholders may only be able to liquidate or dispose of their Shares through a sale of such Shares to third parties in the secondary market or to the Fund pursuant to its share buyback mandate. There can be no assurance that a Shareholder will be able to dispose of its Shares at any price, or at all.

The Net Asset Value per Share will be diluted if further issues are priced below the existing Net Asset Value per Share

- For any issue of Shares or resale or transfer of treasury shares after [REDACTED], the issue price may be above, at or, in certain cases, below the net asset value of the Fund. Where new Shares are issued or treasury shares are sold at a price less than the existing Net Asset Value per Share, this will result in dilution on a Net Asset Value per Share basis.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Account Bank”	Deutsche Bank AG, acting through its Hong Kong Branch, or such other account bank who may be appointed
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong (formerly known as the Financial Reporting Council of Hong Kong) or its successors
“APLMA”	the Asia Pacific Loan Market Association
“AUD”	Australian Dollars, the lawful currency of Australia
“Audit Committee”	the audit committee of the Fund
“Bond Custodian”	Deutsche Bank AG, acting through its Hong Kong Branch, or such other bond custodian who may be appointed
“Borrower(s)”	person(s) and/or entity(ies) whose primary focus is the ownership, funding, management or provision of services to real estate assets or projects, to whom the Fund may take debt exposures from time-to-time
“Business Day”	any day on which the Hong Kong Stock Exchange is open for the business of dealing in securities
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“close associate”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified for the time being

DEFINITIONS

“Complex Product”	complex product under Note to 5.5 of the Code of Conduct for Persons Licensed by or Registered with the SFC issued by the SFC
“connected person”	has the meaning as set out in the UT Code which as at the date of this document means in relation to a company: (a) any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise directly or indirectly, 20% or more of the total votes in that company; or (b) any person or company controlled by a person who or which meets one or both of the description given in (a); (c) any member of the group of which that company forms part; or (d) any director or officer of that company or of any of its connected persons as defined in (a), (b) or (c)
“Connected Person Investments”	means any Investment where the Borrower is: (a) a Fund Director, the Investment Manager or any of their “connected persons” as defined under the UT Code; or (b) a “connected person” of the Fund as defined under Chapter 14A of the Listing Rules.
“Convertible Instruments”	has the meaning set out in the section headed “The Instrument of Incorporation – Issue of Shares and/or Convertible Instruments”
“core connected person”	a director, chief executive or substantial shareholder of the Fund or any of its subsidiaries or a close associate (as defined in the Listing Rules, as if applicable to the Fund) of any of them
“Corporate Communication”	any document issued or to be issued by the Fund for the information or action of Shareholders, including but not limited to the annual report, the interim report, a notice of meeting, a [REDACTED] document (including an [REDACTED]), a circular or a proxy form
“Corporate Services Agreement”	the Corporate Services Agreement dated [•] entered into between the Fund and Apex Corporate Solutions (HK) Limited for the provision of fund corporate services

DEFINITIONS

“COVID-19”	Novel Coronavirus (COVID-19) or Novel Coronavirus Pneumonia, a respiratory illness caused by a strain of coronavirus and characterized especially by fever, cough, and shortness of breath and may progress to pneumonia and respiratory failure
“Custodian”	DB Trustees (Hong Kong) Limited
“Custodian Delegate”	has the meaning set out in the section headed “The Fund – The Custodian”
“Custody Deed”	the Custody Deed dated [•] entered into between the Fund and the Custodian
“Designated Bank”	in relation to any [REDACTED], any bank in Hong Kong designated by that [REDACTED] and approved by [REDACTED] for money settlement purposes
“ERISA”	the U.S. Employee Retirement Income Security Act of 1974, as amended
“ESG”	environmental, social and governance
“FATCA”	The U.S. Foreign Account Tax Compliance Act
[REDACTED]	[REDACTED]
“Fitch”	Fitch Ratings Inc
“FMCC”	the Fund Manager Code of Conduct issued by the SFC, as amended from time-to-time and supplemented by published guidelines or other guidance issued by the SFC
“Fund”	Gaw Capital Real Estate Private Debt OFC基滙資本房地產私募債務開放式基金型公司, a closed-ended fund [REDACTED] as a Hong Kong public OFC and managed by Gateway Capital (Hong Kong) Limited*, and, as the context may require, the Fund Special Purpose Vehicles

* a member of Gaw Capital

DEFINITIONS

“Fund Administration Agreement”	the Fund Administration Agreement dated [•] entered into between the Fund and the Fund Administrator for the provision of fund administration services
“Fund Administrator”	Apex Fund Services (HK) Limited
“Fund Board”	the board of Fund Directors
“Fund Director(s)”	the director(s) of the Fund
“Fund Special Purpose Vehicles”	means the special purpose vehicles of the Fund as further described in the section headed “The Fund – Investments by the Fund”
“Gaw Capital”	GC Advisors Holdings Limited, a private company incorporated in the Cayman Islands and the parent company of the Investment Manager, together with its affiliates
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“HKD” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

DEFINITIONS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

“Holdco Debt”

has the meaning set out in the section headed “Investment Strategy, Process and Policies – Investment Strategy – Subordinated Debt”

“Hong Kong”

the Hong Kong Special Administrative Region of the PRC

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

“Hong Kong Stock Exchange”

The Stock Exchange of Hong Kong Limited or any successor thereto

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DEFINITIONS

“Hurdle Amount”	has the meaning set out in the section headed “Fees and Expenses – Performance fee payable to the Investment Manager”
“Hurdle Outperformance”	has the meaning set out in the section headed “Fees and Expenses – Performance fee payable to the Investment Manager”
“IFRS”	International Financial Reporting Standards
“Illustrative Investments”	has the meaning set out in the section headed “Illustrative Portfolio – Introduction”
“Illustrative Portfolio”	has the meaning set out in the section headed “Illustrative Portfolio – Introduction”
“Industry Consultant”	Frost & Sullivan Limited
“Industry Consultant Report”	the report prepared by the Industry Consultant commissioned by the Investment Manager, the summary of which is set out in the section headed “Industry Overview”
“Instrument”	the Instrument of Incorporation of the Fund filed to the Companies Registry of Hong Kong on, and effective as of, [•] 2026
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

DEFINITIONS

“Invested Assets”	the valuation of the Portfolio as at the relevant time in accordance with the Fund’s valuation policy, including (a) accrued interest and (b) the Investments which the Fund has agreed to sell but the relevant disposal has not yet completed; and excluding (c) the Investments which the Fund has agreed to acquire but the relevant acquisition has not yet completed. For the avoidance of doubt the valuation of the Portfolio will not include: (i) cash and cash equivalents; and (ii) undrawn facilities by Borrowers. For further details of the Fund’s valuation policy please see the section headed “Valuation”
“Investment Concentration Limits”	has the meaning set out in the section headed “Investment Policy – Risk Diversification”
“Investment Criteria”	has the meaning set out in the section headed “Investment Policy – Asset Allocation”
“Investment Management Agreement”	the investment management agreement dated [•] 2026 entered into between the Fund and the Investment Manager for the provision of investment management services
“Investment Manager”	Gateway Capital (Hong Kong) Limited, a company incorporated in Hong Kong and a corporation licensed under the SFO to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities. Gateway Capital (Hong Kong) Limited is a member of Gaw Capital
“Investment Policy”	the investment policy of the Fund, the full text of which is set out in the section headed “Investment Policy”, as supplemented and elaborated in the section headed “Investment Strategy, Process and Policies”
“Investments”	investments made by the Fund in accordance with Investment Policy and the Instrument
“IRR”	internal rate of return, where applicable calculated in accordance with the methodology set out in the section headed “Illustrative Portfolio – The Illustrative Portfolio”
“Issue Price”	the per Share price at which Shares or Shares of a class may be issued from time-to-time after [REDACTED] as determined in accordance with the Instrument
[REDACTED]	[REDACTED]

DEFINITIONS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

“Joint Listing Agents”

Jefferies Hong Kong Limited and CMB International Capital Limited

“LAF Circular”

the “Circular on listed closed-ended alternative asset funds” dated 17 February 2025 issued by the SFC

“Latest Practicable Date”

[30 September 2026], being the latest practicable date for the purposes of ascertaining certain information contained in this document

“Laws and Regulations”

any statute, law, regulation, rule of self-regulatory organization or interpretation or exchange rule or procedure, ordinance, rule, judgment, order decree, permit, concession, grant, franchise, code, license, directive, guideline, policy or rule of common law, requirement of, or other governmental restriction or any judicial or administrative order, consent decree or judgment or similar form of decision of or determination by, or any interpretation or administration of any of the foregoing by, any governmental authority or other competent authorities or self-regulatory or industry bodies or associations, including the SFO, OFC Rules, the OFC Code, the Products Handbook (including the UT Code), the Takeovers Code, the Share Buyback Code, the FMCC, the LAF Circular and the relevant requirements under the Listing Rules, whether now or hereafter in effect, binding upon or applicable to the Fund, the Fund Directors, the Investment Manager, a connected person, a Shareholder, or an Investment, as the case may require

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

“Listing Rules”

the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

DEFINITIONS

“LMA”	the Loan Market Association
“Macao”	Macao Special Administrative Region of the PRC
“Main Board”	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with GEM of the Hong Kong Stock Exchange
“Management Fee”	has the meaning set out in the section headed “The Investment Manager – Fees, Costs and Expenses of the Investment Manager”
“Management Persons”	has the meaning set out in the section headed “Corporate Governance – Interests of and Dealings in Shares by Management Persons”
“Manager Board”	the board of the Manager Directors
“Manager Directors”	the directors of the Investment Manager
“Manager Fee Shares”	has the meaning set out in the section headed “Discount Control – Manager Fee Shares”
“Market Price”	means the average closing price of the Shares on the Hong Kong Stock Exchange during the five (5) Business Days immediately prior to the relevant date
“Mezzanine Debt”	has the meaning set out in the section headed “Investment Strategy, Process and Policies – Investment Strategy – Subordinated Debt”
“Moody’s”	Moody’s Investors Service
“Net Asset Value”	the net asset value of the Fund or, as the context may require, the net asset value of a class of shares, calculated pursuant to the Instrument
“Net Asset Value per Share”	the Net Asset Value divided by the total number of Shares outstanding (excluding Treasury Shares)
[REDACTED]	[REDACTED]

DEFINITIONS

“Nomination and Remuneration Committee”	the nomination and remuneration committee of the Fund
“OECD”	the Organisation for Economic Co-operation and Development
“OFC”	open-ended fund company as defined in section 112A of the SFO
“OFC Code”	the Code on Open-Ended Fund Companies issued by the SFC (as amended, supplemented or otherwise modified for the time being)
“OFC Rules”	the Securities and Futures (Open-ended Fund Companies) Rules (Chapter 571AQ of the Laws of Hong Kong) as amended, supplemented or otherwise modified for the time being
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

DEFINITIONS

“On-market Share Buyback Mandate”	has the meaning set out in the section headed “The Instrument of Incorporation – Redemption and Repurchase of Shares – On-market buybacks of Shares”
“Ordinary Resolution”	a resolution of the Fund in general meeting or of a class meeting (as the case may be) passed by a simple majority of the votes validly cast for and against the resolution at such meeting in accordance with Rule 88 of the OFC Rules
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Performance Allocation Period”	has the meaning set out in the section headed “Fees and Expenses – Performance fee payable to the Investment Manager”
“Portfolio”	at any time, the portfolio of Investments of the Fund
“Portfolio Administration and Agency Agreement”	the portfolio administration and agency agreement dated [•] entered into between, amongst others, the Fund, the Portfolio Agents, the Custodian and the Investment Manager
“Portfolio Administrator”	Deutsche Bank AG, acting through its Hong Kong Branch, or such other portfolio administrator who may be appointed
“Portfolio Agents”	together, the Bond Custodian, Portfolio Administrator and Account Bank
“PRC”	The People’s Republic of China excluding, for the purposes of this document only, Hong Kong, Macao and Taiwan

DEFINITIONS

“Private Funds”	has the meaning set out in the section headed “Investment Strategy, Process and Policies – Investment Process – Investment allocation and co-investment”
“Product Key Facts Statement”	the product key facts statement issued by the Investment Manager highlighting key information in respect of the Fund
“Products Handbook”	the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products (as amended, supplemented or otherwise modified for the time being)
[REDACTED]	[REDACTED]
“Public Fund Investment Committee”	the investment committee of the Investment Manager authorized by the Manager Board to make investment decisions for and on behalf of the Fund
[REDACTED]	[REDACTED]
“Relevant Date”	the date of the relevant agreement or other instrument for the issue or proposed issue of any Shares or Convertible Instruments, or the date of the grant of any Convertible Instruments, whichever is the earlier
“Relevant Gaw Parties”	has the meaning set out in the section headed “Investment Strategy, Process and Policies – Investment Process – Investment allocation and co-investment”
“Relevant Persons”	the Fund, the Investment Manager, the Sole Sponsor, the Joint Listing Agents, the [REDACTED], the [REDACTED], the [REDACTED], or any of their respective directors, agents, employees or advisers or any other persons involved in the [REDACTED]
“Responsible Officer”	a responsible officer of the Investment Manager appointed pursuant to the requirements of the SFO
“S&P”	Standard & Poor’s Financial Services LLC
“Scheme Property”	all the assets for the time being held or deemed to be held by the Fund and the Fund Special Purpose Vehicles

DEFINITIONS

“Securities”	has the meaning prescribed to the term “securities” under Part 1 of Schedule 1 to the SFO
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified for the time being
“Share Buyback Code”	the Code on Share Buy-backs published by the SFC, as amended, supplemented or otherwise modified for the time being
“Shareholder(s)”	the person for the time being entered on the Share register of the Fund as holder of a Share or Shares including, where the context so admits, persons jointly so registered
“Share(s)”	the ordinary share(s) of no par value in the share capital of the Fund
“Sole Sponsor”	Jefferies Hong Kong Limited
[REDACTED]	[REDACTED]
“Special Resolution”	a resolution of the Fund in general meeting or of a class meeting (as the case may be) passed by a majority of at least 75% of the votes validly cast for and against the resolution at such meeting in accordance with Rule 89 of the OFC Rules
“sqft”	square feet
“sqm”	square meter
[REDACTED]	[REDACTED]
“Stamp Duty Ordinance”	Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), as amended, supplemented or otherwise modified for the time being
“subsidiary”	has the meaning prescribed to this term under Part 1 of Schedule 1 to the SFO
“Takeovers Code”	the Code on Takeovers and Mergers published by the SFC, as amended, supplemented or otherwise modified for the time being

DEFINITIONS

“Trading Day”	any day on which trading of Shares is conducted on the Hong Kong Stock Exchange
“Treasury Share(s)”	Share(s) repurchased and held by the Fund in treasury as authorized by the Instrument, including Share(s) held or deposited in [REDACTED] for sale on the Hong Kong Stock Exchange or any Share(s) held by any subsidiary of the Fund or an agent or nominee on behalf of the Fund
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States”, “U.S.” or “US”	The United States of America, its states, territories and possessions, including the District of Columbia
“UT Code”	The Code on Unit Trusts and Mutual Funds issued by the SFC (as amended, supplemented or otherwise modified for the time being)
“USD”	United States dollars, the lawful currency of the United States
“U.S. persons”	U.S. persons as defined in [REDACTED]
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“Valuation Agent”	Deloitte Advisory (Hong Kong) Limited
“Valuation Day”	the last Business Day in each calendar quarter (or such other day as may from time-to-time be determined by the Fund Directors either generally or in relation to a particular class of shares of the Fund)
“%”	per cent

THE [REDACTED]

The Fund Gaw Capital Real Estate Private Debt OFC, an OFC [REDACTED] under section 104 of the SFO that is managed by the Investment Manager.

The Investment Manager Gateway Capital (Hong Kong) Limited, a company incorporated in Hong Kong and a corporation licensed under the SFO to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities. Gateway Capital (Hong Kong) Limited is a member of Gaw Capital.

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

THE [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Dividends

The Fund intends to pay dividends on a quarterly basis for the periods ending 31 March, 30 June, 30 September and 31 December each year, starting from the first dividend described below. For the first financial year, the Fund intends to target a dividend of HKD[REDACTED] per Share per annum, payable quarterly. The first dividend will be in respect of the period commencing on the [REDACTED] and ending [REDACTED] 2027.

Please refer to the section headed “Dividend Policy” in this document for further information on the Fund’s dividend policy. See the section headed “Risk Factors” in this document for a discussion of factors that may adversely affect the ability of the Fund to make distributions to Shareholders.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

THE [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Charges Payable by [REDACTED] In addition to the [REDACTED], investors applying for [REDACTED] in the [REDACTED] must pay brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565%, calculated on the [REDACTED].

Stamp duty

[REDACTED] the Shares registered in the Share register of members of the Fund in Hong Kong will be subject to Hong Kong stamp duty (for avoidance of doubt, excluding the initial issue of new Shares to successful applicants under the [REDACTED]). The current ad valorem rate of Hong Kong stamp duty of 0.1% on the higher of the consideration for or the market value of the Shares and it is charged to the purchaser on every purchase and to the seller on every sale of the Shares. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of the Shares. In addition, a fixed duty of HKD5.00 is charged on each instrument of transfer (if required).

THE [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Tax Consideration

Please refer to the section headed “Taxation” for information on certain tax consequences of the purchase, ownership, and disposal of the Shares.

THE [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Risk Factors

Prospective [REDACTED] should carefully consider the risks connected with an [REDACTED] in the Shares. Certain risks are discussed in the section headed “Risk Factors”.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

PARTIES INVOLVED IN THE FUND AND THE [REDACTED]

Fund	Gaw Capital Real Estate Private Debt OFC 基滙資本房地產私募債務開放式基金型公司 18th Floor 68 Yee Wo Street Causeway Bay Hong Kong
Directors of the Fund	
<i>Chairman and Non-Executive Director</i>	Kenneth GAW
<i>Non-Executive Director</i>	Christina GAW
<i>Non-Executive Director</i>	Wai Chun CHIU
<i>Independent Non-Executive Directors</i>	Janie FONG Jong Dae LEE Stephen Tsi Chuen WONG
Investment Manager	Gateway Capital (Hong Kong) Limited* 18th Floor 68 Yee Wo Street Causeway Bay Hong Kong
Directors of Investment Manager	
<i>Executive Directors</i>	Christina GAW Hing Hung LO
<i>Directors</i>	Kenneth GAW Alan Kam Hung LEE
Responsible Officers	Christina GAW (Overall) Hing Hung LO (Private Funds) Foster Siu Hang LEE (Public Funds) Derek Wai Man MOK (Public Funds) Tak Wah TSE (Public Funds)
Public Fund Investment Committee	Foster Siu Hang LEE Derek Wai Man MOK Tak Wah TSE

PARTIES INVOLVED IN THE FUND AND THE [REDACTED]

Custodian

DB Trustees (Hong Kong) Limited

Level 60, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Sole Sponsor and [REDACTED]

Jefferies Hong Kong Limited

Level 26, Two International Finance Centre
8 Finance Street
Central
Hong Kong

Joint Listing Agents

Jefferies Hong Kong Limited

Level 26, Two International Finance Centre
8 Finance Street
Central
Hong Kong

CMB International Capital Limited

45/F, Champion Tower
3 Garden Road
Central
Hong Kong

[REDACTED]

[REDACTED]

PARTIES INVOLVED IN THE FUND AND THE [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

PARTIES INVOLVED IN THE FUND AND THE [REDACTED]

[REDACTED]

[REDACTED]

PARTIES INVOLVED IN THE FUND AND THE [REDACTED]

**Legal Adviser to the Fund and
the Investment Manager**

as to Hong Kong law and United States law:

Baker & McKenzie

14th Floor, One Taikoo Place
979 King’s Road
Quarry Bay
Hong Kong

**Legal Adviser to the Sole Sponsor, the Joint
Listing Agents and the [REDACTED]**

as to Hong Kong law:

White & Case

16th floor, York House
The Landmark
15 Queen’s Road
Central
Hong Kong

Legal Adviser to the Custodian

as to Hong Kong law:

Freshfields

55/F, One Island East, Taikoo Place
18 Westlands Road
Quarry Bay
Hong Kong

Fund Administrator

Apex Fund Services (HK) Limited

20/F, Nan Fung Tower
88 Connaught Road
Hong Kong

Portfolio Agents

**Deutsche Bank AG, acting through its Hong Kong
Branch**

Level 60, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

PARTIES INVOLVED IN THE FUND AND THE [REDACTED]

Reporting Accountants and Auditor

Ernst & Young

27th Floor One Taikoo Place
979 King’s Road
Quarry Bay
Hong Kong

Valuation Agent

Deloitte Advisory (Hong Kong) Limited

35/F, One Pacific Place
88 Queensway
Hong Kong

[REDACTED]

[REDACTED]

Industry Consultant

Frost & Sullivan Limited

3006, Two Exchange Square
8 Connaught Place
Central
Hong Kong

[REDACTED]

[REDACTED]

RISK FACTORS

The Fund is a Complex Product and investors should exercise caution in relation to investment in the Shares.

An [REDACTED] in the Fund involves significant risks and is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result from such an [REDACTED], which may be equal to the whole amount [REDACTED]. Accordingly, potential [REDACTED] should carefully review and evaluate the risks and the other information contained in this document before making a decision to [REDACTED] in the Fund. If in any doubt, potential [REDACTED] should immediately seek their own personal financial advice from an independent and appropriately authorized/licensed professional adviser who specializes in advising on the [REDACTED] or [REDACTED] of shares and other securities or other advisers such as legal advisers and accountants.

If any of the following risks actually occur, the business, financial condition, capital resources, results and/or future operations of the Fund could be materially and adversely affected which may also materially adversely affect the Fund’s distributions. In such circumstances, the trading price of the Shares could decline and [REDACTED] may lose all or part of their [REDACTED]. Additional risks and uncertainties not currently known may also have an adverse effect on the Fund.

The Fund Directors believe that the risks described below are the material risks relating to the Fund and its industry as at the date of this document. Additional risks and uncertainties not currently known to the Fund Directors, or that the Fund Directors deem to be immaterial at the date of this document, may also have an adverse effect on the performance of the Fund and the value of the Shares. Potential [REDACTED] should review this document carefully and in its entirety and consult with their professional advisers before making an application to [REDACTED] or [REDACTED] in the Shares.

RISKS RELATING TO THE FUND

The Fund is a closed-ended fund and the Shares may trade at a discount to the Net Asset Value per Share after [REDACTED] and discount control measures may not be effective

The Fund is a closed-ended fund and no Shareholders may demand redemption of their Shares. In general, closed-ended funds may trade at a discount or at a premium to their net asset value. There is no assurance that the Shares will trade at a price that is equal to the Net Asset Value per Share. As the market price of the Shares may be determined by factors other than just the Net Asset Value per Share, such as the market supply and demand for the Shares, there is a risk that the Shares will trade at a discount to the Net Asset Value per Share after [REDACTED], and such discount may potentially be significant and persist for a prolonged period. In times of market disruption or when there is an insufficient number of buyers and/or sellers of the Shares, the bid/ask spread of the market price of the Shares may widen significantly.

RISK FACTORS

While the Fund and the Investment Manager have put in place measures to control such discount as described in the section headed “Discount Control”, including the satisfaction of a portion of the Management Fee in the form of Shares (except for the Management Fee for the first two quarters after [REDACTED]), on-market share buybacks and a dividend reinvestment scheme, the effectiveness of such measures will depend on factors outside the control of the Fund and the Investment Manager, such as prevailing market conditions, investor sentiment, the availability of surplus cash for buybacks, and the overall level of demand for the Shares and in certain cases, Shareholders’ approval. There is no assurance that any such measures can be deployed successfully and effectively to narrow or eliminate any discount to the Net Asset Value per Share.

The Fund’s target dividend is only a target that is based on estimates and assumptions concerning the performance of the Fund and is not guaranteed

The Fund’s target dividend is not guaranteed, and is based on estimates and assumptions that are inherently subject to significant business and economic uncertainties and contingencies, and the actual dividend may be materially lower than the target dividend and the target dividend may decrease.

The Fund’s target dividend stated in this document is expected to be realized from interest and fee income, disposition of Investments and capital appreciation. This in turn is based on models, estimates, and assumptions about performance believed by the Investment Manager to be reasonable under the current market and economic circumstances, but actual realized returns on the Investments will depend on, among other factors, the ability to consummate attractive Investments, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the target dividend is based.

Such difference could be due to a variety of factors including, without limitation, operating expenses, the availability of investment opportunities, speed of deployment of funds, asset mix, value, volatility, holding periods, performance of underlying portfolio debt issuers and borrowers, investment liquidity, borrower default, debt recovery, changes in current market conditions, interest rates, adverse currency exchange rate movements, government regulations or other policies, the worldwide economic environment, changes in law and taxation (including with respect to trade tariff and quota), natural disasters, terrorism, social unrest and civil disturbances or the occurrence of risks described elsewhere in this document, which are inherently subject to significant business, economic and market uncertainties and contingencies, all of which are beyond the control of the Fund and the Investment Manager, and which may adversely affect the Fund’s ability to achieve its target dividend. In particular, the Fund will have significant exposure in multiple international jurisdictions, the success of which may be affected by currency volatility and any changes (or inability to make proposed changes) to policies and laws in such jurisdictions.

Accordingly, the actual dividend achieved may be materially lower than the target. While the Fund’s investment objective is to provide [REDACTED] with regular, sustained, long-term distributions, there can be no assurance that dividends will be paid on a regular or sustained basis, or that the level of dividends will be maintained over time. A failure to achieve the target dividend set forth in this document may materially and adversely affect the returns, demand for and market price of the Shares.

RISK FACTORS

Regularity and sustainability of dividends are not guaranteed

While the Fund’s investment objective is to provide [REDACTED] with regular, sustained, long-term distributions, there can be no assurance that dividends will be paid on a regular or sustained basis, or that the level of dividends will be maintained over time. The Fund’s ability to generate distributable income depends primarily on the interest and fee income received from its portfolio of real estate private debt Investments. These cash flows are subject to a number of factors, including the performance and creditworthiness of Borrowers, changes in interest rates and currency exchange rates, market conditions in the jurisdictions in which the Fund invests, fluctuations in the value and liquidity of underlying Investments, the timing of repayments and refinancing activity, and overall deployment progress of the [REDACTED].

During the initial ramp-up period, when a material portion of the [REDACTED] has not yet been deployed, the Fund may hold a higher proportion of cash or short-dated instruments that generate lower returns than fully invested assets. This may result in lower distributable income and may require the Fund to pay dividends out of capital or effectively out of capital, which will reduce the capital available for future investment and may negatively impact the Fund’s ability to maintain future dividend levels. Even after the Fund is fully invested, any deterioration in Borrower performance, delays or reductions in interest or principal repayments, changes to valuation assumptions, or adverse macroeconomic, regulatory or market developments could reduce the income generated by the Fund’s portfolio.

As a result, there may be periods where the Fund’s income is lower than anticipated, or where the Fund is unable to pay dividends at the targeted level or at all. Any failure to achieve regular or sustained distributions may adversely affect the Fund’s performance and returns to Shareholders, and [REDACTED] should not rely on the Fund’s stated investment objective as a guarantee of regular or sustainable dividends.

Non-recurrent income Investments may not generate predictable or recurring distributable income, and ongoing fees and expenses of the Fund will also affect overall potential [REDACTED] return for [REDACTED] and available cash for dividends

The Fund intends to invest in a diversified portfolio of real estate private debt Investments, which may include a material proportion of non-recurrent income Investments (subject to a limit of 30% of total assets of the Fund with a 10% sub-limit for those which do not relate to construction loans). As non-recurrent income Investments do not generate recurring cash flows, they may be subject to greater uncertainty in terms of timing and quantum of returns. Additionally, ongoing fees and expenses of the Fund will also affect the overall potential investment return and available cash for dividends.

RISK FACTORS

The Fund’s ability to generate distributable income in any given period may therefore fluctuate depending on the performance, realization, or repayment of such non-recurrent income Investments, and after factoring ongoing fees and expenses. There may be periods where the Fund’s distributable income is lower than anticipated, affecting the Fund’s ability to sustainably pay dividends at the targeted level or at all. For details of the Investment Concentration Limits applicable to non-recurrent income Investments and the measures adopted to mitigate the associated risks, please refer to the sections headed “Investment Policy – Risk Diversification” and “Investment Strategy, Process and Policies – Elaboration of Investment Policy – Recurrent and non-recurrent income Investments”. Notwithstanding the Investment Concentration Limits and abovementioned risk mitigation measures, any failure to achieve regular or sustained distributable income and/or dividends may adversely affect the Fund’s performance and returns to Shareholders, and [REDACTED] should not rely on the Fund’s stated investment objective as a guarantee of regular or sustainable distributable income and/or dividends.

Dividends may be paid out of the Fund’s capital or effectively out of the Fund’s capital

If the Fund Board thinks fit, the Fund may pay dividends out of capital or effectively out of capital by paying dividends out of gross income while all or part of the fees and expenses of the Fund are charged to or paid out of the capital of the Fund. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an [REDACTED] original [REDACTED] or from any capital gains attributable to that original [REDACTED].

It is estimated that the Fund will deploy approximately 50% of the [REDACTED] within six months after [REDACTED], and 75% to 100% of the [REDACTED] within nine months after [REDACTED]. As the Fund intends to pay quarterly dividends before the [REDACTED] are fully deployed, such dividends may be paid out of capital during this ramp-up period.

Any payment of dividends out of or effectively out of the Fund’s capital may result in an immediate reduction of the Net Asset Value per Share and reduce the capital available for future investment. In such case, the Fund will have less cash to invest, affecting its ability to pay dividends in the future. Positive dividend payout does not represent positive [REDACTED] return and [REDACTED] may suffer losses in their [REDACTED].

The Fund is a newly established company and does not have established operating history for investors to rely on in making an investment decision

The Fund is a newly established open-ended fund company [REDACTED] on [•] 2026. While the Investment Manager and the key management team (including the Responsible Officers) have the requisite competence and experience to manage the Fund and the Investment Manager is licensed by the SFC to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities, the Fund has no operating history by which its past performance may be judged, and investors may find it difficult to evaluate its business and prospects. Accordingly, there is no assurance that the Fund will be able to generate sufficient profits from its investments to make distributions in line with the Investment Manager’s ongoing dividend target set out in the section headed “Dividend Policy”.

RISK FACTORS

No assurance of achieving the Fund’s investment objective and strategy

Whilst the Investment Policy provides examples of real estate private debt Investments that the Fund may pursue, prospective investors should be aware that there is no assurance that the Fund will be able to generate returns for its Shareholders or that the returns will be commensurate with the risks of investing in the types of investments described in the Investment Policy. There can be no assurance that the Fund will be able to raise or maintain adequate capital for investment or identify and execute suitable investments that meet its criteria. In particular, the Fund’s ability to achieve its investment objective is subject to its ability to source and maintain sufficient capital for deployment, including through the [REDACTED] and any future capital raisings. It is also contingent on the Fund’s ability to successfully execute Investments on satisfactory terms, which will depend on, among other things, the negotiation of acceptable terms with Borrowers, the completion of due diligence, and the receipt of any required approvals. Any failure or delay in raising capital or executing Investments may result in the [REDACTED] remaining uninvested for longer than anticipated, which could adversely affect the Fund’s income and its ability to achieve its investment objective. Further, all investments of the Fund involve the risk of loss of capital. Accordingly, an [REDACTED] in the Fund should only be considered by persons who can afford a loss of their entire [REDACTED].

The Fund invests exclusively in real estate private debt Investments and therefore bears the risk of lack of diversification of asset class

Other than some holdings in cash, or cash equivalents, and hedging instruments, the Fund intends to invest exclusively in real estate private debt Investments and therefore bears the risk of investing in only one asset class. While there are diversification measures adopted within the real estate debt asset class, as further described in the section headed “Investment Policy – Risk Diversification”, if returns from real estate private debt Investments do not meet the Fund’s expectations or cannot be maintained, the lack of diversification across any non-real estate asset class in the investment portfolio means that there will be no income from another class of assets to offset any shortfall, which may have a material adverse effect on the income received by the Fund and the value of the Fund’s assets.

Market factors such as a deterioration in the real estate debt sector may result in the failure of the investment strategy followed by the Fund

Strategy risk is associated with the failure or deterioration of an investment strategy such that most or all investment managers employing that strategy suffer losses. Strategy specific losses may result from excessive concentration by multiple market participants in the same investment or general economic or other events that adversely affect particular strategies (e.g. the disruption of historical pricing relationships). The investment strategy employed by the Fund involves substantial risk of loss in the event of such a failure or deterioration in the real estate debt sector. The Fund has an Investment Policy which defines, to a degree, how the Fund must invest, and any material change thereto requires the approval of Shareholders by way of an Ordinary Resolution. Accordingly, should the above-mentioned market factors appear, there is no assurance that the Investment Manager will be able to obtain Shareholders’ approval to amend the Fund’s investment policy in a timely manner or at all, in which case the performance of the Fund’s business, financial condition, results of operations, Net Asset Value and/or the market price of the Shares may be adversely affected.

RISK FACTORS

Future Investments unspecified and [REDACTED] will be relying on the Investment Manager’s judgment and ability

The Fund has not entered into any legally binding documentation to acquire any Investments. Although certain Illustrative Investments have been identified in the Illustrative Portfolio, there is no assurance that any of these Illustrative Investments will remain available for purchase after [REDACTED] in a timely fashion, or at all or, if available, at what price the Illustrative Investments can be acquired by the Fund. There can be no guarantee that the Fund will ultimately pursue all, or any, of the potential Illustrative Investments identified in this document.

Further, investors will not have an opportunity to approve the Investments made by the Fund after [REDACTED], except where those Investments require their approval pursuant to the Laws and Regulations. [REDACTED] will also not have an opportunity to evaluate the relevant economic, financial or other information regarding the Investments prior to their being made. Therefore, investors will be relying on the judgment and ability of the Investment Manager in identifying, evaluating and making such Investments. As noted below, the Fund’s ability to make investments is subject to the availability of appropriate assets in a competitive market.

The expected IRR per annum disclosed in respect of the Illustrative Investments is not guaranteed and may not be achieved

The expected IRR per annum figures set out in the section headed “Illustrative Portfolio” in respect of each of the Illustrative Investments are based on assumptions and projections made by the Investment Manager, including assumptions as to the principal amount, interest rate, drawdown schedule, upfront and other fees, and the tenor of each Illustrative Investment. These assumptions are inherently uncertain and subject to change. The actual IRR achieved on any Illustrative Investment, if the Fund proceeds to make such investment, may differ materially from the expected IRR disclosed in this document.

In particular, the expected IRR figures are sensitive to, among other things: (a) the timing and amount of drawdowns and repayments; (b) changes in interest rates and currency exchange rates; (c) the creditworthiness and financial condition of the relevant Borrower; (d) the value and liquidity of the underlying collateral; (e) the availability of refinancing or disposal opportunities; (f) delays in project completion in the case of construction loans; and (g) changes in market conditions, applicable laws and regulations or taxation in the relevant jurisdictions. Any adverse development in respect of any of these factors may result in the actual IRR being materially lower than the expected IRR, or in the Fund suffering a loss on the relevant Illustrative Investment.

Furthermore, there is no assurance that any Illustrative Investment that is made will be on the same terms as those set out in the section headed “Illustrative Portfolio”. Accordingly, investors should not place undue reliance on the expected IRR figures disclosed in this document in making their investment decision, and should be aware that such figures do not constitute a profit forecast or guarantee of return. Any failure to achieve the expected IRR on the Illustrative Investments may adversely affect the Fund’s performance and returns to Shareholders.

RISK FACTORS

The Fund’s ability to make investments is subject to the availability of appropriate assets in a competitive market

The activity of identifying, completing, and realizing attractive real estate debt-related investments has from time-to-time been highly competitive and involves a high degree of uncertainty. The availability of investment opportunities will generally be subject to market conditions. The Fund will be competing for investment opportunities with many other real estate private debt Investment vehicles, as well as banks, lenders, financial institutions, and other institutional investors, several of which may have greater economic and personnel resources than the Fund and the Investment Manager, or better relationships with Borrowers and others. Other funds with a similar investment strategy to that of the Fund may also be formed, and further consolidations may occur, resulting in larger funds and vehicles. Consequently, it is possible that competition for appropriate investment opportunities may increase, reducing the number of investment opportunities available to the Fund and adversely affecting the terms upon which Investments can be made.

Although the Investment Manager believes that there is substantial availability of investments of the type intended to be made by the Fund, either through acquiring debt instruments in the secondary markets or through originating new debt instruments, there is no guarantee that such availability will continue to result in sufficient Investments being made in a timely manner, or at all, to allow the Fund to deliver the targeted dividends for Shareholders.

When the availability of appropriate assets is lower than expected, it is likely that the Investment Manager will take longer than expected to identify and make Investments in appropriate assets and therefore a greater proportion of the Fund’s assets will be held in cash which will generate a lower return, and thus, could result in a lower dividend for Shareholders and/or longer period of paying dividends from capital during the Fund’s initial ramp-up period, than currently envisaged.

The yield on Investments is subject to reinvestment risk

To the extent that any Investments are prepaid, mature or are sold, the Investment Manager will seek to reinvest the proceeds in real estate private debt Investments in accordance with the Investment Policy. The yield on such Investments will depend on, among other factors, the interest rates, lending spreads and lending fees available at the time, the availability of suitable Investments and on market conditions related to real estate lending in general.

These factors may result in future Investments having a lower yield or different characteristics (including, but not limited to, coupon, maturity, call features and/or credit quality) than those replaced, or require that funds be maintained in cash or short-term investments pending reinvestment in substitute Investments, which may negatively impact the yield of the Portfolio. Any decrease in the yield of the Portfolio will have the effect of reducing the amount available to pay dividends on the Shares.

RISK FACTORS

Valuation and liquidity risks associated with illiquid Investments

The Fund has appointed the Valuation Agent to provide a quarterly valuation report to the Fund Board and the Investment Manager in relation to the Investments in accordance with a predefined valuation methodology including, where available, market prices obtained by the Investment Manager from independent market participants including commercial and investment banks and brokers in writing, or from independent data providers such as Bloomberg.

However, as the Investments are generally illiquid, it may not be possible for the Investment Manager to obtain market prices for each Investment. For Investments where market prices are not obtainable, or where the Investment Manager and Valuation Agent agree that the quoted market price does not reflect the best price that could be obtained for such Investment following a reasonable marketing period, the Valuation Agent will calculate the fair value for such Investment by applying a discount rate to the cashflows expected to arise from such Investment (or otherwise, if another method is more appropriate). Such cashflows and discount rates are subject to assumptions that may change from time-to-time in line with changes in macro and micro factors such as market conditions, interest rate environments, and industry dynamics, all of which are uncertain. As a result, the Fund may recognize unrealized gains or losses on its Investments between Valuation Days solely due to these changes in these assumptions, even where there has been no change in the credit quality or performance of the underlying loan. While these fair value movements typically reverse as loans approach maturity under normal circumstances, such unrealized fluctuations may result in volatility in the Fund’s financial results.

Also, to the extent that cashflows, discount rates or any other metric used in the valuation of the Investments are incorrect, the valuation of the Investments may be inaccurate. A valuation is only an estimate of value and is not a precise measure of realizable value. As a consequence, the price that is achievable for Investments might be uncertain and could be lower than the valuation of these Investments as determined in accordance with the Fund’s valuation policy. For details of the Fund’s valuation methodology, please refer to the section headed “Valuation”. The general illiquidity of the Investments and uncertainties around their valuation also make it more difficult for the Fund to dispose of any Investments prior to the end of their term.

Further, the Net Asset Value of the Fund is driven in large part by this valuation of the Investments. To the extent that the Net Asset Value is calculated incorrectly, the Fund could suffer a loss by for example paying too much in fees to the Investment Manager or other Fund counterparties, or by issuing or buying back Shares in the future at the wrong price. In addition, while the Fund Administrator will calculate the quarterly valuations of the Fund based on the Investment valuations determined by the Valuation Agent and IFRS Accounting Standards, there can be no assurance that the Fund’s auditor will accept these calculations without any adjustments.

The market value of the Investments may vary over time

The value of the Investments made by the Fund will change from time-to-time according to a variety of factors, including the performance of the underlying Borrowers (including their actual and perceived financial condition and performance), and expected movements in interest rates, exchange rates, inflation and bond ratings, and general market pricing of similar investments. Such changes may have a material adverse effect on the Fund and the Net Asset Value and on its ability to pay dividends according to its target.

RISK FACTORS

Capital appreciation from the Investments may require a significant period of time to materialize

The Fund’s investment objective includes capital appreciation from its portfolio of real estate private debt Investments. However, capital appreciation from such Investments is inherently uncertain as to both quantum and timing. The realization of capital appreciation typically depends on a number of factors outside the control of the Investment Manager and the Fund, including the performance and creditworthiness of Borrowers, movements in interest rates and currency exchange rates, changes in real estate market conditions and valuations in the relevant jurisdictions, the availability of refinancing or disposal opportunities, and broader macroeconomic and regulatory developments. In particular, where Investments are illiquid or are structured with longer tenors, any capital appreciation embedded in such Investments may not be realizable until maturity, refinancing or a liquidity event, which may be delayed or may not occur within the timeframe anticipated by the Investment Manager. During any such period, the Fund’s Net Asset Value may not reflect the full extent of any potential capital appreciation, and Shareholders may not be able to realize the benefit of such appreciation through a sale of their Shares at a price reflecting the underlying value of the Investments. Furthermore, where market conditions deteriorate or valuations decline prior to the realization of an Investment, capital appreciation that was previously anticipated may be reduced, eliminated or reversed. Accordingly, there can be no assurance that the Fund will achieve capital appreciation from its Investments within any particular timeframe, or at all, and any failure or delay in the materialization of capital appreciation may adversely affect the Fund’s performance and returns to Shareholders.

The Investment Concentration Limits may change over time

Material changes to the Investment Concentration Limits may be made with the approval of the SFC as well as the Shareholders by way of an Ordinary Resolution. If the Investment Concentration Limits were to change, the Fund (and therefore, indirectly, Shareholders) may find that the nature of its investment exposure changes, possibly significantly. Material changes to the Investment Concentration Limits could alter the Fund’s risk profile and result in greater exposure to certain asset classes or sectors, potentially increasing volatility and the risk of losses for Shareholders.

The Fund’s income is subject to fluctuations in currency exchange rates

The Fund intends to make Investments across a range of currencies including but not limited to HKD, AUD, USD and other local currencies in Asia-Pacific and the Middle East including but not limited to Japan, New Zealand, Singapore and South Korea. Changes in currency exchange rates will therefore affect the Fund’s income, which is reported in HKD. For example, appreciation in HKD would decrease the value of non-HKD-denominated investment income when translated into HKD.

Additionally, in certain cases Borrowers may be exposed to currency exchange rates if, for example, their revenues and expenses are denominated in different currencies. Changes in currency exchange rates may therefore adversely affect the Borrowers’ ability to service their debts, which may in turn have a material adverse effect on the performance of the Fund and its business, financial condition, results of operation, Net Asset Value and/or the market price of the Shares.

RISK FACTORS

Appreciation or depreciation in HKD could adversely affect the value of non-HKD denominated Investments or make non-HKD denominated Investments more expensive to acquire

As the Fund will hold Investments denominated in currencies other than HKD, any appreciation in the value of HKD could have a negative effect on the Fund by decreasing the value of these Investments when translated into HKD. Conversely, any depreciation in the value of HKD could make non-HKD denominated Investments more expensive for the Fund to acquire.

Although the Fund may utilize financial instruments to partially or fully hedge against changes in currency exchange rates, it is not obliged to do so and may terminate any hedge contract at any time. Moreover, it may not be possible for the Fund to hedge against a particular change or event at an acceptable price or at all. For details of the interest rate hedging measures that the Investment Manager may employ, please refer to the section headed “Investment Strategy, Process and Policies – Hedging and derivatives strategy”. There can be no assurance that any attempt to hedge against a particular change or event would be successful, and any such hedging failure could materially and adversely affect the performance of the Fund and its business, financial condition, results of operations, Net Asset Value and/or the market price of the Shares.

The Fund income is subject to fluctuations in interest rates

Changes in interest rates may adversely affect the value or profitability of the Fund in a number of ways, including:

- (a) by affecting the interest earned on floating-rate assets held by the Fund (including negative interest rates);
- (b) by affecting the spread between, amongst other things, the income on its Investments and the expense of any interest-bearing liabilities;
- (c) by affecting a Borrower’s ability to service its debts, for example and to the extent that the Borrower has not fully hedged any floating rate exposure it has and also by affecting the interest earned by Borrowers on any cash balances that they hold;
- (d) by affecting the value of the collateral provided by Borrowers; and
- (e) by affecting the valuation of the Investments and the Fund’s ability to pay dividends according to its target.

RISK FACTORS

Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Investment Manager or the Fund. Adverse movements in interest rates may reduce the value of the Investments and collateral provided by Borrowers, increase borrowing costs, or impair Borrowers’ ability to service debt, all of which could adversely affect the income received by the Fund, the value of the Fund’s assets and the Fund’s ability to pay dividends according to its target.

The use of leverage by the Fund may require the Fund to grant security over the Fund’s assets and to comply with financial covenants

The Fund may utilize borrowings for investment purposes and/or general corporate purposes, subject to a maximum permitted leverage of 30% of the Fund’s Net Asset Value. Entry into leverage agreements may involve granting of security by the Fund over the Portfolio. Since the Shares are equity instruments, on any insolvency of the Fund, Shareholders would rank below the Fund’s financing counterparties, whose claims will be considered as indebtedness of the Fund and may be secured.

The Fund may also be required to provide cash margin to a lender based on market movements in the value of the Portfolio and this may reduce the funds available to the Fund for investment or distribution. In addition, the Fund’s financings may be relatively short-term, whereas some of the Investments of the Fund are medium to long-term. To the extent that refinancing facilities are not available at economic rates or at all, the Fund may be required to sell assets at disadvantageous prices, which could have an adverse effect on the Net Asset Value and/or the market price of the Shares.

Such Fund leverage facilities may impose covenants such as requiring a certain debt-to-equity ratio being maintained at a specified level, failing which may result in additional borrowings being unavailable, cash being diverted to amortize principal of outstanding borrowings, or the liquidation of the Investments in order to satisfy such limitations. In connection with any credit facility borrowings used by the Fund, the Fund may be required to make certain representations and warranties to one or more lenders. The Fund may also be required to indemnify the lenders pursuant to any credit facility in case any such representations and warranties are inaccurate. These arrangements may create contingent liabilities of the Fund, against which the Fund may need to hold accounting provisions and/or cash reserves.

The Fund may also be unable to obtain a credit facility. A credit facility may not always be in place, and the leverage obtained may be less than originally contemplated. Any of these circumstances may have a material adverse effect on the Fund’s ability to achieve its targeted returns from Investments.

The Fund is subject to unexpected fluctuations in the rates of inflation

The Fund may, in certain cases, make investments based on assumptions or projections regarding future inflation rates, particularly where the Investment Manager expects that a Borrower’s revenues and/or expenses will be influenced by inflation. If actual inflation is lower than expected, the Borrower’s net cash flows may be reduced, potentially impairing its ability to service its debt obligations. This, in turn, could adversely affect the Fund’s investment performance.

RISK FACTORS

Additionally, the Fund may invest in debt instruments whose returns are structured to reflect inflation expectations. In such cases, if inflation turns out to be lower than anticipated, the income generated from these instruments may fall short of projections, thereby negatively impacting the Fund’s returns. As a result, unexpected fluctuations in inflation rates could have a material adverse effect on the Fund’s performance and returns to Shareholders.

The Fund is exposed to other macro risks such as geopolitical issues, barriers to free trade, epidemics, etc.

The Fund and its investment strategy and returns will be exposed to macro risks, such as geopolitical issues (e.g. war in Iran and Ukraine, Middle East conflicts, United States foreign policy etc.), occurrences of epidemics (e.g. COVID-19), and barriers to free trade by various countries (e.g. the ‘reciprocal’ tariffs announced by the United States on 2 April 2025, retaliatory tariffs and non-tariff barriers, etc.). The consequences of such risks will depend on the scale and magnitude of the event and may cause different degrees of damage to the national and local economies within the Fund’s target geographies and such damage or disruption may adversely affect the Fund and its potential returns. The occurrence of significant macro events could disrupt the Fund’s investment strategy and materially adversely affect the Fund’s Net Asset Value and ability to generate income or achieve its investment objective.

The Fund may be exposed to emerging market risk

While it is not the current intention of the Investment Manager, the Fund could in the future invest in overseas markets that are considered emerging market countries subject to compliance with the Investment Policy. The economies of many emerging markets are still in the early stages of modern development and are subject to abrupt and unexpected change. In many cases, governments retain a high degree of direct control over the economy and may take actions that have a sudden and widespread effect. Additionally, many less developed and emerging market economies have a high degree of dependence on a small group of markets or even a single market, making them more susceptible to the adverse impact of internal and external shocks.

Investment in these markets involves increased risks and special considerations not typically associated with investment in more developed markets including, but not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; currency risks/control; exchange rate fluctuations and exchange control; higher volatility of the value of debt (particularly as impacted by interest rates); imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers or their corporate governance; legal and taxation risks (such as difficulties in enforcing contracts and imposition of taxes); higher transaction and custody costs; settlement delays and risk of loss; less liquidity and smaller market capitalizations; less well-regulated markets resulting in more volatile prices; different accounting and disclosure standards; governmental interference; higher inflation; and heightened social, economic and political instability, including risks of expropriation of assets and the risk of armed conflict.

RISK FACTORS

These factors may impair the Investment Manager’s ability to effectively manage the Investments in such markets, reduce the liquidity or value of the Fund’s portfolio, and increase the volatility of returns. As a result, Investments in emerging markets may expose the Fund to significant and unpredictable losses, which could have a material adverse effect on the Fund’s business, financial condition, results of operations, Net Asset Value and/or the market price of the Shares.

The Fund is exposed to litigation risk

The Fund and the Investment Manager may be subject to litigation from time-to-time. The outcome of such proceedings may have a material adverse effect on the Net Asset Value of the Fund and/or the market price of its Shares, and may continue without resolution for extended periods. Any such litigation may consume substantial amounts of time and attention from the Fund and Investment Manager, and the devotion of these resources may, at times, be disproportionate to the amounts at stake. The occurrence or continuation of such proceedings may have a material adverse effect on the performance of the Fund and its business, financial condition, results of operations, Net Asset Value and/or the market price of the Shares.

The Fund may be legally required to disclose confidential information

The Fund and the Investment Manager may be required by law, regulation or government authority to disclose information with respect to the identity of the Shareholders, including ultimate beneficial ownership.

In addition, the Fund may be required to disclose confidential information relating to its Investments and its financial results to third parties that may request such information if and to the extent required by federal, state, or local law or regulation applicable to the Fund or any of its Shareholders, including those Shareholders that may be public agencies or governmental bodies. Such disclosure obligations may adversely affect certain Shareholders, particularly those who are not otherwise subject to public disclosure of information relating to the private holdings of funds in which they invest. Mandatory disclosure of confidential information may deter certain investors, expose the Fund or its Shareholders to regulatory or reputational risks, and could impact the Fund’s ability to attract or retain capital.

RISK FACTORS

The Fund’s disclosure of information relating to its Investments may be limited by confidentiality obligations

While the Investment Manager will, by way of public announcements, disclose to Shareholders any information or transaction concerning the Fund which is necessary to enable investors to appraise the position of the Fund, is necessary to avoid a false market in the Shares, or might be reasonably expected to materially affect market activity in the Fund or the price of the Shares, the extent of the details that may be provided in such announcements may be limited by what the Investment Manager is permitted to disclose in compliance with its confidentiality obligations owed to Borrowers and other counterparties in connection with the Investments. In particular, the terms and conditions of individual Investments, the identity of Borrowers, and other commercially sensitive information relating to the Investments may be subject to confidentiality undertakings that restrict the Investment Manager from making full disclosure to Shareholders. As a result, Shareholders may not have access to the full details of the Fund’s investment portfolio and may have limited ability to independently assess the risks and performance of individual Investments. This may affect Shareholders’ ability to make fully informed investment decisions in relation to the Shares, and may result in the market price of the Shares not fully reflecting the underlying value of the Investments. For further details of the Investment Manager’s disclosure obligations to Shareholders, please refer to the section headed “Corporate Governance – Announcements and Other Relevant Information”.

The Fund is exposed to sustainability risks

The sustainability risks which the Investment Manager has identified as being most relevant to the Fund are principally linked to climate-related events resulting from climate change or to society’s response to climate change. Societal events (e.g. inequality, inclusiveness, labor relations, investment in human capital, accident prevention, changing customer behavior, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into sustainability risks.

While the Investment Manager will carry out detailed due diligence and preliminary review ahead of making an Investment as further described in the section headed “Investment Strategy, Process and Policies – Investment Process – Preliminary review and due diligence”, which includes assessing whether a potential investment opportunity complies with the Investment Manager’s sustainability policy, there can be no assurance that all sustainability risks are identified, and even if a sustainability risk is identified, it may not be possible to predict with accuracy its potential effect.

The consequences of a sustainability risk may be numerous and vary depending on the specific risk, region and asset. Sustainability risks can affect Borrowers’ cash flows and the likelihood that they will default on their debt obligations, for example, linked to stranded assets as a result of climate change, expenditure for climate adaptation, and litigation or fines from environmental breaches. Sustainability risks therefore may result in unanticipated losses on individual Investments, reduce the Net Asset Value of the Fund and adversely affect the Fund’s ability to pay dividends according to its target and to meet its investment objective.

RISK FACTORS

RISKS RELATING TO THE INVESTMENT MANAGER

Failure by the Investment Manager or other third-party service providers of the Fund to carry out its or their obligations could materially disrupt the business of the Fund

The Fund has no employees and all the Fund Directors serve in a non-executive capacity. As such, the Fund is reliant on the Investment Manager to perform critical functions relating to the implementation of the Fund’s investment strategy, day-to-day operations, and compliance with applicable regulatory requirements. The Investment Manager is also responsible for coordinating with other key service providers, including the Custodian, Valuation Agent, and Fund Administrator, whose roles are integral to the Fund’s operations and financial performance.

Although the Investment Manager has established a business continuity and contingency plan that is designed to enable it to react quickly to and recover from risk events such as operational disruption, inadequate resourcing and system failure, any failure by the Investment Manager or key service providers to perform their obligations, whether due to those risk events or other reasons – could impair the Fund’s ability to operate effectively. Such failures may also disrupt the performance of other service providers and compromise the Fund’s ability to meet its investment objectives, regulatory obligations, or reporting requirements. As a result, any such failure could have a material adverse effect on the Fund’s performance and returns to Shareholders.

Past performance of the Investment Manager does not guarantee return on investment

The investment experience (and track record) of the Investment Manager is based on investments made or advised by them with respect to other entities prior to the establishment of the Fund. The nature of, and risks associated with, the Fund’s future investments may differ substantially from those investments and strategies undertaken historically by the Investment Manager for such other entities.

The investment environment in which the Fund will operate will be characterized by investment conditions, including local, regional, national and international economic conditions, that will vary from those at the time of past investments originated and recommended by Investment Manager. No representation is made as to any return that [REDACTED] may earn on their [REDACTED] in the Fund and there can be no assurance that information contained in this document on the track record of the Investment Manager or its affiliates will be in any respect indicative of how it will perform (either in terms of profitability or success) in the future.

RISK FACTORS

The Investment Manager is dependent upon the expertise of its personnel in providing investment management services

The Fund’s ability to achieve its investment objective is significantly dependent on the expertise and experience of the personnel of the Investment Manager. The departure of any such individual(s), for any reason, could adversely impact the ability of the Investment Manager to manage the Fund effectively. The extent of such impact may vary and will depend, among other factors, on the ability of the Investment Manager to attract and retain suitably qualified and experienced replacements. A failure to do so could negatively affect the performance of the Investment Manager, and consequently, the Fund. While the Investment Manager shall plan ahead for the succession of key personnel recruiting externally where necessary, there can be no assurance that any succession plan will be implemented in a timely manner, that suitable replacements can be identified and retained, or that any transition of responsibilities will not result in disruption to the management of the Fund’s portfolio or adversely affect the Fund’s performance and returns to Shareholders.

The Investment Manager, its directors and senior management are involved in other businesses, investments and outside interests which may create conflicts of interest

In addition to the services that the Investment Manager provides in connection with the Fund, the Investment Manager may also manage and/or advise other private funds or accounts with similar investment mandates to the Fund. The Investment Manager does not solely manage or devote its resources exclusively to the business of the Fund, and accordingly, the Investment Manager may encounter potential conflicts of interest in connection with its involvement in the business of the Fund and other business ventures. Furthermore, the directors and senior management of the Investment Manager may hold directorships, advisory roles or other positions in, or have personal investments or economic interests in, entities outside the Fund, which may give rise to additional conflicts of interest. Such conflicts may arise, among other circumstances, where the interests of those other businesses or investments diverge from those of the Fund or its Shareholders.

The Investment Manager will seek to ensure that any conflicts of interest in respect of its respective services are resolved fairly. For further details, please refer to the sections headed “Risk Factors – Risks relating to conflicts of interest” and “Corporate Governance – Arrangements to Mitigate Conflicts of Interest”. Certain conflict mitigation measures have been put in place with a view to aligning the interests of the Investment Manager with those of Shareholders, such as: (i) part of the total Management Fee payable to the Investment Manager comprising a performance fee; (ii) the Investment Manager reinvesting 10% of its Management Fee in subscribing for or acquiring Shares (except for the Management Fee for the first two quarters after [REDACTED]); and (iii) an affiliate of the Investment Manager holding a small interest in the Fund. Notwithstanding this, the interests of the Investment Manager may still not be aligned with those of other Shareholders, creating conflicts of interest which could have a material adverse effect on the performance of the Fund and its business, financial condition, results of operations, Net Asset Value and/or the market price of the Shares.

RISK FACTORS

The Investment Manager is dependent on information technology systems

The Investment Manager is dependent on information technology systems in order to assess investment opportunities, strategies and markets, to monitor and control risks for the Fund, and for other purposes.

It is possible that a failure of some kind which causes disruptions to these information technology systems could materially limit the Investment Manager’s ability to adequately assess and manage the Investments, formulate strategies and provide adequate risk control. Any such information technology related difficulty could harm the performance of the Fund. Cybersecurity risks are also an increasing threat and risk. To the extent that a Borrower is subject to cyber-attack or other unauthorized access is gained to their systems, the Borrower may be subject to substantial losses in the form of stolen, lost, or corrupted (i) customer data or payment information, (ii) customer or company financial information, (iii) company software, contact lists, or other databases, (iv) company proprietary information or trade secrets, or (v) other items. In certain events, a Borrower’s failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any such circumstances could subject a Borrower to substantial losses which may indirectly impact the Fund and its Investment. In addition, if such a cyber-attack or other unauthorized access is directed at the Investment Manager and/or one of their service providers holding financial, investor or other data, the Fund may be at risk of loss. Any resulting loss may have a material adverse effect on the performance of the Fund and its business, financial condition, results of operations, Net Asset Value and/or the market price of the Shares.

Payment of performance fees to the Investment Manager may entail certain risks for the Fund

The payment of performance fees to the Investment Manager may encourage the Investment Manager to make riskier investments than would be the case in the absence of a performance-based incentive system. Given there is no equalisation arrangement for the calculation of the performance fee, a selling [REDACTED] may still incur a performance fee in respect of their [REDACTED], even though they have suffered a loss of [REDACTED]. In addition, performance fees may be paid on unrealized gains which may never be realised by the Fund.

RISKS RELATING TO AND ASSOCIATED WITH INVESTMENTS

The Fund may be unable to realize value from its Investments in the event of default or insolvency of a Borrower and [REDACTED] could lose all or part of their [REDACTED]

Although a detailed assessment of the creditworthiness of all Borrowers will be conducted in respect of real estate debt exposures in which the Fund will invest, as further described in the section headed “Investment Strategy, Process and Policies – Investment Process – Preliminary review and due diligence”, there remains a risk that such Borrowers may default on their obligations to the Fund including in situations where they become insolvent. Such a default or insolvency may adversely affect the income and principal repayments received by the Fund and the value of the Fund’s assets, and consequently the Fund’s ability to pay dividends according to its target.

RISK FACTORS

The Fund will generally seek to obtain structural, covenant and other contractual protections with respect to the terms of its Investments, but there can be no assurance that such attempts to provide downside protection with respect to its Investments will achieve their desired effect and potential investors should regard an Investment in the Fund as being speculative and having a high degree of risk.

A substantial component of the Investment Manager’s analysis of the desirability of making an investment relates to assessing the risk of default and the estimated recovery of such investment following such a default. This estimated recovery will typically be driven by the value of the underlying assets constituting the collateral for such investment. The Investment Policy of the Fund is to focus on loans that are secured by collateral, which are expected to be primarily real estate assets, and secondarily other tangible and financial assets. However, there are also risks relating to the realization of collateral as outlined below in the risk factors headed “The Fund is exposed to risks relating to the realization of collateral” and “The Fund is exposed to risks associated with investing in senior secured loans”.

By way of illustration, the recent insolvency of a property development group in Australia highlights the risks of lending against real estate development assets. The Australian real estate development sector has experienced stress recently, driven by a combination of elevated construction costs, rising interest rates, tightening credit conditions, and weakening residential property demand in certain segments. The insolvency of a property developer could leave numerous construction projects incomplete, raise concerns about the adequacy and realisable value of security held by secured lenders, and trigger investigations by regulators and insolvency practitioners into the conduct of the developer’s affairs.

The Fund may invest in private credit facilities that are secured against Australian real estate assets, including development sites and construction projects in the residential and mixed-use sectors. In particular, it is noted that based on the Illustrative Portfolio, approximately 32% of the total assets of the Fund will be invested in private debt relating to Australian real estate assets or projects (within the investment concentration limit of [REDACTED]%). There is no assurance that the Fund’s credit analysis, security structuring, or loan-to-value thresholds will be sufficient to prevent loss of capital in the event of borrower insolvency.

The credit events in Australia and elsewhere demonstrate that even apparently well-secured lending positions can result in protracted recovery processes and material losses where the underlying development is distressed or incomplete. Investors should be aware that private credit investments of the type contemplated by the Fund’s investment policy carry a higher risk of capital loss than investments in listed debt securities or other more liquid asset classes, and that recovery of principal is not guaranteed.

RISK FACTORS

The Fund is exposed to risks relating to the realization of collateral

In the case of loans that are secured by collateral, while the Investment Manager generally expects the value of the collateral to be greater than the principal amounts of such secured loans and generally prefers that the loan-to-value ratio of secured loans does not exceed 80% at the time of origination or acquisition, the realizable value of the collateral at a future date can, however, be difficult to predict and there may be no market at that future date for such assets. For details of the Fund’s valuation methodology for Investments, please refer to the section headed “Valuation – Valuation of the Investments held by the Fund”. While the Investment Manager will ensure that the collateral is valued by third-party specialist valuation firms at least annually (or more frequently and on an ad-hoc basis if necessary or appropriate in response to significant changes in market conditions), such valuation is necessarily based on various assumptions and may overstate the true value of the assets. Accordingly, the value of the collateral may actually be equal to or less than the value of such loans or may fall below the outstanding amount of such loans throughout the term of the Fund’s investment in such asset.

There is also a risk that the Fund may not be able to enforce against such collateral due to, for example, the relevant insolvency regime. In the event of the insolvency of a Borrower, the Fund’s recovery of amounts outstanding in insolvency proceedings may be affected by the insolvency regimes in force in the jurisdiction of incorporation of such Borrower and/or in the jurisdiction in which it mainly conducts its business, and/or in the jurisdiction in which the assets of such Borrower are located. Some insolvency regimes impose rules for the protection of Borrowers, which would restrict the ability of the Fund to realize or have access to the collateral which secured the Investment, and under certain circumstances, the collateral may be released with the consent of the agent and lenders. While the Investment Manager will seek independent legal advice with respect to enforcement of collateral in the relevant jurisdictions, there is no assurance that the collateral could be readily liquidated without delay even if accessible to the Fund.

If the Fund is unable to realize the collateral that secures one of its Investments, or the value of such collateral is lower than projected, this may consequently adversely affect the performance of the Fund and its business, financial condition, results of operations, Net Asset Value, target dividend and/or the market price of the Shares.

RISK FACTORS

The Fund is exposed to risks associated with investing in senior secured loans

Investments in senior secured loans are subject to legal and insolvency-related risks that may affect the value, recoverability and realization of such Investments and related guarantees or security interests. In some jurisdictions, such as Hong Kong, the court may reopen or set aside a loan with an effective interest rate exceeding a certain percentage, including by varying the terms of or declaring the loan void. A loan may also be invalidated if the credit terms require grossly exorbitant payments to be made or grossly contravene the ordinary principles of fair trading. In some jurisdictions, the grant of a guarantee or security as part of a loan transaction may be set aside if it has the effect of putting a creditor into a more preferential position than they would have been on the borrower’s insolvency. Transactions entered into at an undervalue or the grant of a floating charge within the statutory hardening period could also be challenged and rendered void. If a transaction is set aside or deemed invalid, the Fund may be required to return amounts previously received or may lose the benefit of its guarantee or security package, which could adversely affect the Fund’s recovery prospects.

Other risks to which these Investments may be subject include equitable subordination claims which other creditors may make in some jurisdictions, pursuant to which a court may, on equitable or fairness grounds, subordinate the Fund’s claims to those of other creditors notwithstanding the contractual seniority of the debt extended by the Fund, as well as environmental and other material liabilities that may arise with respect to the collateral securing the obligations in certain jurisdictions. Further, the timing and amount of recoveries through enforcement can vary significantly among transactions and may be subject to delays. Depending on the applicable jurisdiction or where Borrowers are regulated entities, enforcement may require court or regulatory involvement and may therefore be subject to additional procedural and substantive constraints. These factors may limit the Fund’s ability to realize value from its collateral or enforce its rights in a timely manner.

RISK FACTORS

The Investments may include first-lien senior secured debt and selected second-lien senior secured debt. Issuers of first lien loans may have two tranches of first lien debt outstanding each with first liens on separate collateral. [REDACTED] should note that first lien loans may not necessarily have priority over all other unsecured debt of a Borrower, and may permit other secured obligations (such as overdrafts, swaps or other derivatives made available by members of the syndicate to the Borrower), or involve first liens only on specified assets of a Borrower (e.g., excluding real estate). Second-lien senior secured debt involves a higher degree of risk of loss of capital, as the cash flow of the relevant Borrower and the property securing the loan may be insufficient to repay the scheduled payments to the Fund after giving effect to any senior secured obligations of that Borrower. For this reason, senior second lien loans are also expected to be a more illiquid investment than first-lien senior secured loans, and it is less likely that the Fund will be able to sell participations in or assignments of senior second lien loans that it originates or acquires, hence exposing the Fund to increased risk of illiquidity. The imposition of prior liens on the Fund’s collateral (in the case of either first lien or second lien senior debt) would adversely affect the priority of the liens and claims held by the Fund and could adversely affect the Fund’s recovery on its Investments.

Senior secured loans may be syndicated to a number of different financial market participants with either majority or unanimous consent required for certain actions in respect of the debt. In such case, the Fund may not have the ability to control any decision in respect of any amendment, waiver, exercise of remedies, restructuring or reorganization of debts owed to the Fund. Where the Fund holds a minority position in a syndicated facility and does not represent the requisite majority of lenders, it will be unable to unilaterally direct the facility agent or security agent to take enforcement action, accelerate the loan, cancel commitments or otherwise exercise rights, remedies, powers or discretions under the finance documents, as such actions are typically reserved to the majority lenders (the market standard being lenders holding more than two thirds of total commitments). It may also be unable to prevent other lenders from taking actions contrary to the Fund’s interests, including agreeing to amendments or waivers that are adverse to the Fund or declining to pursue enforcement action.

If the Fund is unable to enforce its rights or recover value from such senior secured loans due to legal or structural limitations referred to above, this may consequently adversely affect the performance of the Fund and its business, financial condition, results of operations, Net Asset Value, target dividend and/or the market price of the Shares.

The Fund is exposed to risks associated with investing in subordinated debt

The Investments of the Fund may be subordinated to the senior debt of a Borrower. For further details on how subordination can arise please refer to the section headed “Investment Strategy, Process and Policies – Investment Strategy – Subordinated debt”. Because subordinated debt ranks behind senior debt, subordinated debt may be characterized by greater credit risks than those associated with the senior debt of such Borrower. Although Investments in subordinated debts are subject to the Investment Concentration Limit, and a detailed assessment of the creditworthiness of a Borrower will be conducted in respect of such debt exposure, adverse changes in the financial condition of a Borrower and/or general economic conditions may impair the ability of such Borrower to make payments on the subordinated debt and result in default more quickly than in the case of the Borrower’s senior debt.

RISK FACTORS

The covenants provided by a Borrower in favor of its senior lenders are generally extensive and a breach of one or more of such covenants may result in payments to a subordinated lender being suspended, and in some circumstances any amounts paid to the subordinated lender following any such breach may be repayable. Further, where such a breach or any other event leads to an event of default, the senior lenders will normally have the right to take control of the Borrower and ultimately to sell it or its assets (either through an insolvency process or otherwise). Senior lenders may have no obligation to take account of the interest of the subordinated lenders. The sale proceeds may be insufficient to repay in full the subordinated debt of the Borrower.

A subordinated lender will also often only receive cashflow once the senior lenders have been repaid in full, including accrued interest and fees owing to them. A relatively small decline in a Borrower’s assets could therefore create a disproportionately large loss for a subordinated lender, including potentially the full loss of the subordinated lender’s investment.

The ability of the subordinated debt holders to influence a Borrower’s affairs, especially during periods of financial distress or following an insolvency, is also likely to be substantially less than that of senior creditors. It is also possible that under the terms of subordination agreements, senior creditors may be able to block the acceleration of the subordinated debt or other exercises by the subordinated creditors. As a result, the remedies available to the Fund to protect its Investments may be limited or delayed. Delays or limitations in exercising remedies on subordinated debt may increase the risk of loss and reduce the Fund’s ability to recover principal or interest on its Investments.

If the Fund is unable to enforce its rights or recover value from such subordinated debt due to legal or structural limitations referred to above, this may consequently adversely affect the performance of the Fund and its business, financial condition, results of operations, Net Asset Value, target dividend and/or the market price of the Shares.

The Fund is exposed to risks associated with construction lending

The Fund may from time-to-time provide debt financing to facilitate the construction or development of real estate-related assets, which may take the form of real estate loans, construction loans or other real estate-related debt securities or interests. Such Investments are subject to risks relating to real estate-related debt investments generally, as well as the risks associated with the financing and construction of real assets and changes in general economic and market conditions affecting the creditworthiness of prospective Borrowers.

In particular, construction loans targeted by the Fund typically involve lending to companies that have not yet completed the construction phases of their real estate projects and/or are not yet cash generative. These loans typically provide limited interest payments, if any, during the construction phase, with interest often being capitalized until project completion. These loans are also generally drawn down in stages as construction progresses, meaning that delays, interruptions to works or contractor-related issues may slow the rate at which loan proceeds are drawn, adversely affecting the pace at which the Fund is able to deploy its capital and delay the generation of expected returns.

RISK FACTORS

While the Investment Manager will conduct due diligence over the developer and the underlying project before investing in a construction loan, having regard to certain preferred criteria as further described in the section headed “Investment Strategy, Process and Policies – Elaboration of Investment Policy – Construction loans”, the Fund’s ability to realize returns depends heavily on the successful completion of the underlying projects, the timely generation of cash flows after completion, and the availability of refinancing or disposal opportunities. Construction loans are typically underwritten by reference to a pro forma “as-completed” valuation of the project. If market conditions deteriorate during the construction period, the actual value of the completed project may fall below the pro forma valuation, resulting in significantly higher loan-to-value ratios and potentially triggering covenant breaches at or around the time refinancing is needed. In such circumstances, Borrowers may be unable to dispose of the project at a sufficient price or secure refinancing from commercial banks, which could in turn impair their ability to repay the construction loan.

The availability of takeout financing and/or repayment, as applicable (the absence of which would diminish the Fund’s returns), is based upon the related construction or development being completed to specifications, future market conditions, and the performance of all related parties. Any failure in these areas could result in extended loan durations, increased credit risk, or defaults.

New project development, redevelopment and major renovation work are subject to a number of risks, including: (i) delays or significant cost overruns; (ii) the risk that completed properties may not ultimately achieve expected levels of sales proceeds for build-to-sell projects or rental performance for build-to-rent projects; and (iii) risks associated with new project commencement, such as the failure to obtain zoning, occupancy and other required governmental permits and authorizations, or the incurrence of development costs in connection with projects that are not pursued to completion. Newly developed or renovated properties do not have operating history, and purchase or valuation assumptions are based on projections that may not be achieved or may take longer to achieve than anticipated. Development or redevelopment projects also carry an increased risk of litigation with contractors, subcontractors, suppliers, partners and others.

The above-mentioned circumstances relating to Borrowers engaging in real estate construction, development and redevelopment may reduce the expected returns from their investments and increase the likelihood of defaults, thereby adversely affecting the Fund’s performance and returns to Shareholders.

The Fund is exposed to risks associated with repurchase programs

The Fund may invest in repurchase program structures under which legal title to an underlying real estate asset (or an asset-holding vehicle) is transferred to the Fund, coupled with put and call options for the Borrower to repurchase such asset from the Fund. For details of the Investment Manager’s approach to repurchase programs, including the due diligence and structural protections applied, please refer to the section headed “Investment Strategy, Process and Policies – Investment Strategy – Repurchase programs”.

Investments in repurchase programs may present legal characterization and enforceability risks, including the possibility that a court or other authority recharacterizes the structure as a financing or as a form of security interest. Such outcomes could subject the transaction to perfection, priority, moratorium or other rules applicable to loans, or alternatively trigger additional taxes and formalities applicable to true sales.

RISK FACTORS

Repurchase program investments also rely on the effective transfer and perfection of title, which may be impaired by undisclosed encumbrances, defects, transfer restrictions or delays in completing required registrations. In a borrower insolvency, the transaction may be challenged as a voidable transfer or preference, and repurchase obligations may be treated as unsecured claims. Further, although the Investment Manager intends to exercise the put option to require a Borrower to repurchase the asset, in scenarios where the Borrower does not or is unable to repurchase the asset, the Fund’s recovery depends on the value and marketability of the underlying real estate, and realizations may be adversely affected by market conditions, asset-specific issues or longer-than-expected disposal timelines. While holding title, the Fund may also assume certain operational, regulatory or tax responsibilities, which may increase costs or reduce net recoveries.

Any of these risks may reduce the income the Fund receives or the value realized on its investment and may adversely affect the Fund’s performance and its ability to meet its investment objectives.

The Fund is exposed to risks associated with investing in preferred equity

The Fund may invest in preferred equity interests which generally rank below all existing and potentially future indebtedness of the Borrower. Such loans are typically structurally subordinated with security against the assets of the parent company of the Borrower (for example, shares in the Borrower). For risks relating to this subordination, please refer to the risk factor headed “The Fund is exposed to risks associated with investing in subordinated debt”.

In addition, the realization of a preferred equity investment typically depends on a liquidity event, such as a sale, refinancing or redemption, which may be delayed or unavailable due to market conditions, borrower performance or legal constraints on redemptions, including requirements for sufficient distributable reserves or necessary corporate approvals. As a result, the Fund may be unable to exit its investment within the expected timeframe or at an anticipated value.

While Investments in preferred equity, together with subordinated debt, are subject to a limit of no more than 50% of the total assets of the Fund as described in the section headed “Investment Policy – Risk Diversification”, any of the abovementioned risks relating to preferred equity may reduce the income the Fund receives or the value realized on its investment and may adversely affect the Fund’s performance and its ability to meet its investment objectives.

The Fund is exposed to risks associated with investing in private mortgage-backed securities

The Fund may invest in pools or tranches of private mortgage-backed securities. In general, if prevailing interest rates fall significantly below the interest rates on the underlying mortgage loans, the rate of prepayment on the underlying mortgage loans would be expected to increase. Conversely, if prevailing interest rates rise to a level significantly above the interest rates on the related mortgages, the rate of prepayment would be expected to decrease, which could reduce the returns on certain residual private mortgage-backed securities in which the Fund may invest.

RISK FACTORS

The rate of interest payable on private mortgage-backed securities may be set or effectively capped at the weighted average net coupon of the underlying assets themselves. Certain private mortgage-backed securities may provide for the payment of only interest for a stated period of time. As a result of the cap on interest rate, the return to [REDACTED] in such a security would be dependent on the relative timing and rate of default, and prepayments of mortgage loans bearing a higher rate of interest. For this reason, early prepayments will have a greater impact on the yield to [REDACTED] than with certain other debt instruments. Local applicable law may also affect the return to investors by capping the interest rates payable by certain mortgagors.

In addition to the foregoing risks, the legal and structural risks associated with private mortgage-backed securities include the possibility that, in a bankruptcy or similar proceeding involving the originator, the assets of the issuer could be treated as never having been truly sold to the issuer and could be substantively consolidated with those of the originator, or the transfer of such assets to the issuer could be voided as a fraudulent transfer. If the assets of the issuer are treated as never having been sold to the issuer or the transfer of such assets to the issuer is voided as a fraudulent transfer, the issuer could lose its entitlement to the assets which could have a material adverse effect on the income received by the Fund, the value of the Fund’s assets and the Fund’s ability to pay dividends according to its target.

As the Fund only has a contractual relationship with the issuer and not with the underlying Borrowers, the Fund will be looking to the issuer for payments in connection with the private mortgage-backed securities. This creates an additional counterparty risk beyond the counterparty risk of the underlying Borrowers. Further, as the Fund will not be the “lender of record” for the underlying loan portfolio, there may be associated risks that are both practical (e.g. receipt of indirect reporting from the Borrowers) and legal (e.g. relying on the issuer to enforce security).

For details of the Investment Manager’s approach to investing in private mortgage-backed securities, including the due diligence criteria and measures taken at initial structuring of the same, please refer to the section headed “Investment Strategy, Process and Policies – Investment Strategy – Private mortgage-backed securities”. Investments in private mortgage-backed securities are subject to a limit of no more than 25% of the total assets of the Fund as described in the section headed “Investment Policy – Risk Diversification”. Notwithstanding these mitigation measures, any of the abovementioned risks relating to private mortgage-backed securities may reduce the income the Fund receives or the value realized on its investment and may adversely affect the Fund’s performance and its ability to meet its investment objectives.

The Fund is exposed to risks associated with infrastructure-linked private debt investments

The Investment Manager may from time to time also consider debt exposures relating to infrastructure-linked real assets, where the underlying collateral consists of physical facilities essential to infrastructure operations. For further details of such strategy, please refer to the section headed Investment Strategy, Process and Policies – Elaboration of Investment Policy – Real estate asset classes.

Investments in debt exposure relating to infrastructure-linked real assets may subject the Fund to additional risks, including those set out below.

RISK FACTORS

Infrastructure-linked real assets may be subject to extensive regulatory and policy frameworks, and the application or enforcement of such frameworks may have a material impact on the revenues, operating conditions or creditworthiness of Borrowers. Governmental or regulatory authorities may revise tariff arrangements, modify applicable incentive structures, alter operational requirements, impose new compliance obligations, or intervene in the operations of relevant assets. Any such changes may adversely affect the operating performance or financial condition of Borrowers.

Certain infrastructure-linked real assets, such as renewable energy or waste-to-energy facilities, may depend on government incentives, subsidies or other policy support mechanisms, which may be amended, reduced or withdrawn. Any reduction or removal of such support may adversely affect the Borrower’s revenues, profitability or ability to service its debt obligations.

The revenues generated by infrastructure-linked real assets may be variable and sensitive to demand levels, usage patterns or market conditions. For example, Borrowers may experience changes in volumes processed, services delivered or other activity-based revenue drivers. Actual revenues may therefore differ from projections due to fluctuations in usage, operating conditions, prevailing economic environments or other external factors. Any revenue shortfall may impair a Borrower’s ability to service its debt. Furthermore, the performance of certain infrastructure-linked assets may rely on long-term assumptions or projections, including assumptions regarding usage, operating costs, inflation, or other factors relevant to the asset’s performance. These assumptions may prove inaccurate due to changes in market, economic, regulatory or operational conditions. If actual performance is materially worse than expected, Borrowers may experience reduced cash flows, increased costs or other pressures that adversely affect their ability to repay amounts owed to the Fund.

Some infrastructure-linked real assets may involve contractual or regulatory arrangements with governmental, municipal or quasi-government counterparties, including concessions, licenses or long-term service agreements. Such counterparties may unilaterally vary contract terms, delay payments, impose additional obligations, restrict operations, or exercise other rights that adversely affect the Borrower. Government counterparties may also have legal protections or immunities that limit recourse. Any such circumstances may materially and adversely affect the Borrower.

Although the Fund seeks to obtain security over collateral, infrastructure-linked real assets may be more complex to realize than traditional real estate assets. Enforcement may require regulatory approvals, specialist operational expertise, or compliance with sector-specific requirements, and the pool of potential purchasers for such assets may be limited. As a result, the Fund may experience delays or reduced recoveries in an enforcement scenario, and the value ultimately realized may be less than anticipated.

Infrastructure-linked real assets may also be subject to heightened risks of environmental, industrial, or catastrophic events, including natural disasters (such as floods, storms or seismic events), operational incidents, hazardous material exposures, utility-scale failures, system-wide outages or cyber-security breaches. Such events may result in interruptions to operations, require substantial capital expenditure, lead to environmental or regulatory liabilities, or otherwise materially impair the Borrower’s ability to service its obligations.

RISK FACTORS

While Investments in debt exposures relating to infrastructure-linked real assets are subject to the Investment Concentration Limit of 40% of the total assets of the Fund as described in the section headed “Investment Policy – Risk Diversification”, any of the above-mentioned events may have a material adverse effect on the Fund’s performance, financial condition, results of operations and ability to pay dividends in accordance with its target.

The Fund is subject to the risk of unexpected prepayments

The Fund will make private debt investments based on estimates or projections of that investment’s future cashflows (which will primarily consist of interest and principal receipts). These cashflows may be affected by, among other things: (a) interest rates, inflation rates and currency exchanges rates, as discussed below; (b) Borrower defaults, loan restructurings, grace periods, extensions, waivers and debt forgiveness and write-offs; and (c) prepayments of investments.

The impact and risk relating to prepayments (either through voluntary prepayments by the issuer or accelerations due to defaults) on debt instruments will be affected by a variety of factors, including interest rates and spreads. Unexpected prepayments may force the Fund to reinvest proceeds at lower yields or less favorable terms, which may have a material adverse effect on the income received by the Fund, the value of the Fund’s assets and the Fund’s ability to pay dividends according to its target. There can be no assurance that any Investment’s actual cashflows will equal or exceed those that are expected or that the targeted return on the Investments will be achieved.

The Fund is subject to counterparty credit risk in its hedging transactions and treasury operations

Hedging transactions involve the Fund entering into contracts with counterparties. Pursuant to such contracts, the counterparties agree to make payments to the Fund under certain circumstances as described therein. The Fund will be exposed to the credit risk of the counterparty with respect to any such payments or deliveries. In addition, the Fund will be exposed to the risk of being required to post additional collateral, including cash, to cover adverse mark-to-market value of such hedge. Not only is such collateral a diminution in the resources available to the Fund to make investments, but the collateral may be at risk if the counterparty’s credit quality deteriorates.

Additionally, although the Fund will generally only hold its uninvested cash (excluding operational cash) with banks rated (at the bank group level) at least A-1, P-1 or F-1 from S&P, Moody’s or Fitch respectively, or in one or more similarly rated money market or short-dated debt funds, a default by the bank or losses on the money market or short-dated debt fund would adversely affect the Fund. This risk will be of particular significance when the Fund has a significant amount of uninvested cash including immediately following the Listing and after each issue of new Shares pursuant to the Instrument.

The default of a counterparty in the Fund’s hedging transactions and treasury operations may have a material adverse effect on the performance of the Fund and its business, financial condition, results of operation, Net Asset Value and/or the market price of the Shares.

RISK FACTORS

Errors in financial models or incorrect analysis may impact the Fund’s return on Investments

Real estate projects rely on large and detailed financial models and forecasts. Assumptions are made in such models and forecasts in relation to a range of matters, including but not limited to property values, rental income, occupancy rates, operating expenses, financing costs, interest rates, inflation, applicable tax rates, and market conditions. These assumptions may diverge from actual outcomes, potentially resulting in lower-than-expected returns.

Errors in these or other assumptions, or in the methodologies used in such models and forecasts, may mean that the return on an investment is less than expected. In addition, incorrect or misinterpreted data may lead to modelling errors that ultimately negatively affect the return on the Investments. For example, a real estate project may include assumptions about property maintenance, refurbishment or tenant improvements. The timing and cost of such works may affect the cashflow forecasting assumed by the Fund in assessing the ability of the Borrower to service its debts. If these occur earlier than projected, or cost more than expected, the free cashflow of the Borrower may be reduced, potentially affecting its ability to service its debt.

Additionally, the Investment Manager makes use of financial models, whether developed either in-house or by third parties, for a range of purposes including but not limited to credit assessment and scoring, portfolio optimization and loan pricing, and errors in one or more of these models may mean that the returns on the Investments will be less than expected.

If any of these errors in financial models, cashflow forecasting or analysis occur, this may have a material adverse effect on the Fund’s performance and returns to Shareholders.

The Fund is reliant on the sufficiency of due diligence in relation to the Investments

Whilst the due diligence process in connection with the Investments may include site visits, meetings with management, review of documents, and engaging lawyers, technical consultants, independent valuers and financial model auditors, this may not reveal all facts that may be relevant in connection with an investment and may not highlight issues that could affect the Investments’ performance. Additionally, in some circumstances where the Fund is acquiring or lending secondary market loans, the due diligence reports that are available may be out of date or the Investment Manager may be limited by the extent of the due diligence that they are able to carry out. While all such factors are taken into account in assessing potential investments, any failure in the due diligence conducted by the Investment Manager to highlight relevant issues may result in the Fund acquiring an Investment that does not perform as expected.

Moreover, to the extent that the Fund invests in bonds or other securities, the information available will be limited to publicly available information, which may be less than would typically be received in relation to loan investments. This may further increase the risk that the Investment Manager does not have adequate information to identify risks associated with the Investments. Any such failure in the due diligence process may have a material adverse effect on the performance of the Fund and its business, financial condition, results of operation, Net Asset Value and/or the market price of the Shares.

RISK FACTORS

The Fund is exposed to risks associated with the ratings of bonds and loans

To the extent that the Fund invests in rated bonds, any withdrawal of such ratings, or an actual or expected downgrade, on the bonds may result in a decline in the market value of the bonds, and a reduction in their secondary market liquidity. This could impair the Fund’s ability to realize value from such Investments and may have a material adverse effect on the Fund’s performance, Net Asset Value and/or the market price of the Shares.

Defects in contractual documentation may expose the Fund to unforeseen liabilities

While contractual arrangements for real estate projects are typically structured to allocate and mitigate risks, there is no assurance that they will operate as intended. Despite technical and legal review, such documentation may prove ineffective in practice, for example, if a court does not uphold key provisions or interprets them in an unexpected way. This could result in unforeseen costs or revenue shortfalls that negatively impact the Fund’s returns. Given the common use of similar contractual frameworks across multiple investments, such issues may not be isolated and could affect a broader portion of the Fund’s portfolio, and consequently may have a material adverse effect on the Fund and its business, financial condition and results of operations.

The Fund lends to Borrowers whose ability to service their debt is dependent on the demand for their real estate assets or services

The Fund intends to make private debt investments to Borrowers whose primary focus is the ownership, operation, development, funding, management or provision of services to real estate assets or projects. If the demand for these real estate assets or services is lower than expected, the Borrower will have lower revenues than expected, impairing its ability to service its debts.

While the Investment Manager will carry out detailed due diligence and preliminary review ahead of making an Investment as further described in the section headed “Investment Strategy, Process and Policies – Investment Process – Preliminary review and due diligence”, the demand for real estate assets or services will depend on many complex and potentially interlinked factors outside the control of the Investment Manager and the Fund. These factors could include, but are not limited to macroeconomic conditions, interest rate movements, local factors specific to the region in which the Borrower operates, competition, changes in government policy (including taxation and property regulations) that may affect demand for the Borrower’s assets, the skill with which the Borrower manages and maintains the assets, and the pricing policies adopted by the Borrower. If a Borrower is unable to generate sufficient revenue to meet its debt obligations, this may have a material adverse effect on the Fund’s performance and returns to Shareholders.

RISK FACTORS

The Fund may be exposed to environmental liabilities suffered by the Borrower

The Borrowers’ operations may be subject to a variety of operating risks and to more extensive governmental regulation, including regulations that may, in certain circumstances, impose strict liability for pollution damage, and to interruption or termination of operations by governmental authorities based on environmental or other considerations.

Further, the operations of a Borrower could result in liability for personal injuries, property damage, oil or chemical spills, discharge of hazardous materials, remediation and clean-up costs and other environmental damages, and it could be liable for environmental damages caused by previous property owners. As a result, substantial liabilities to third parties or governmental entities may be incurred, the payment of which could have material adverse effect on a Borrower’s financial condition and results of operations, or such liabilities could be relevant for any enforcement action of the Fund in respect of its investment into the debt instruments of such Borrower.

To the extent that there are environmental liabilities arising in the future in relation to any real estate assets owned by a Borrower (including, for example, clean-up and remediation liabilities), that Borrower may be required to contribute financially towards such liabilities. This may increase the Borrower’s operating costs or divert its cash flows. If those liabilities materially impair a Borrower’s financial position or it is unable to meet these obligations, this may cause it to default and may have a material adverse effect on the Fund’s performance and returns to Shareholders.

The Fund may be exposed to risks of catastrophic loss suffered by the Borrower

A Borrower may attempt to maintain insurance coverage against liability to third parties and property damage as is customary for similarly situated businesses. However, there can be no assurance that insurance will be available or sufficient to cover any such risks. Insurance against certain risks, such as earthquakes, floods, typhoons, pollution, acts of war or terrorism may be unavailable, available in amounts that are less than the full market value or replacement cost of investments or underlying assets or subject to a large deductible. There can also be no assurance the particular risks which are currently insurable will continue to be insurable on an economic basis.

Inflation, changes in building codes and ordinances, environmental considerations and other factors might make it infeasible to use insurance proceeds to replace a property if it is damaged or destroyed. Under such circumstances, the insurance proceeds received by a Borrower might not be adequate to restore its economic position with respect to the affected property. There can be no assurance that any such losses would not adversely affect the interest of the Fund. Catastrophic events that are not fully insured may result in substantial or total loss of affected assets, reducing the Fund’s Net Asset Value and its ability to pay dividends according to its target.

RISK FACTORS

The Fund may be exposed to risks due to property defects suffered by the Borrower

Properties of the Borrowers may have design, construction, environmental or other defects or problems that may require additional capital expenditure, special repair or maintenance expenses or other obligations to third parties. Engineering and other reports that are relied upon in due diligence may be subject to inaccuracies or deficiencies, as defects may be difficult to ascertain with certainty due to the limitations inherent in the scope of the inspections and the techniques used therein. Costs or liabilities arising from such property or equipment defects may have a material adverse effect on the Borrowers’ earnings and cash flows, which may adversely affect the Borrowers’ ability to meet their debt obligations and may in turn have a material adverse effect on the Fund’s performance and returns to Shareholders.

The financial condition of tenants may affect Borrowers’ ability to repay the Fund

Adverse changes in the operation of any property, or the financial condition of any tenant, could have an adverse effect on a Borrower’s ability to collect rent payments and, accordingly, on its ability to repay its debt obligations. A tenant may experience a downturn in its business or financial condition and results in its failure to make rental payments when due. At any time, a tenant may seek the protection of applicable bankruptcy or insolvency laws, which could result in the rejection and termination of such tenant’s lease or other adverse consequences and thereby cause a reduction in the distributable cash flow of the relevant Borrower and its ability to repay the Fund. No assurance can be given that tenants will not file for bankruptcy protection in the future or, if they do, that their leases or tenancies will continue in effect. Should a tenant default under its lease or tenancy, it could be difficult to foreclose upon the tenant’s leasehold interest or to find a suitable replacement tenant.

The ability of the Borrower to find a suitable replacement tenant will be dependent upon many complex factors outside their control and outside the control of the Fund. These factors could include, but are not limited to: (a) general economic conditions; (b) the age and condition of the real estate assets at the time of the re-leasing; (c) regulatory changes or shifts in tenant demand that may occur in the future; and (d) the skill of the Borrower in marketing and negotiating the re-leasing. To the extent that the Borrower cannot find a suitable replacement tenant, or the terms of the replacement leases are worse than anticipated, the ability of the Borrower to service its debt may be impaired. This may adversely affect the income received by the Fund and the value of the Fund’s assets, which in turn may have a material adverse effect on the Fund’s performance and returns to Shareholders.

All of the above could have a material adverse effect on a Borrower’s financial position and its ability to service its debt. If a Borrower is unable to meet its obligations as a result of such tenancy default risks, this may have a material adverse effect on the Fund’s performance and returns to Shareholders.

The costs and availability of insurance may affect Borrowers’ ability to repay the Fund

The Fund may make Investments based on estimates or projections of the cost to Borrowers of maintaining insurance cover for, among other things, buildings, contents and third-party risks. The cost of insurance may be substantial. Where the cost of maintaining insurance is greater than assumed, the ability of the Borrower to service its debts may be negatively affected.

RISK FACTORS

Moreover, certain risks may be uninsurable in the market, such as those arising from force majeure events, or may be subject to exclusions or high excesses. In such cases, the financial burden of those risks may rest with the Borrower. If insurance costs are higher than expected or if uninsured events occur in respect of the Borrower, this may have a material adverse effect on the Fund’s performance and returns to Shareholders.

The Fund is exposed to risks associated with the operation of its Borrowers’ assets including Borrowers’ reliance on sub-contractors

The performance of a Borrower is, to a considerable degree, dependent on the performance of its sub-contractors, to whom services such as property management, operations and maintenance, construction, information technology, and facilities management may be outsourced. For example, the business and financial models for such Borrowers are typically based on the assumption that many of the operational risks are substantially transferred to sub-contractors. Where Borrowers have entered into subcontracts, the sub-contractors’ liabilities for the risks they have assumed are often subject to financial limits, and it is possible that these limits may be exceeded in certain circumstances. Any loss or expense in excess of such a cap would be borne by the Borrower, unless covered by insurance. Additionally, Borrowers may be exposed to cost or liability as a result of liability caps, default by or insolvency of a contractor, or defective contractual provisions.

Borrowers will typically subcontract design and construction activities. The sub-contractors responsible for construction will normally retain liability for design and construction defects for a statutory period following completion, subject to liability caps. In addition to this financial liability, the construction sub-contractor will often be required to return to site to carry out remedial works for a pre-agreed period. After the expiry of these limitation periods, the Borrower will not normally have recourse to any third-party for defects that arise thereafter. Any such defects may affect the ability of the real estate asset to generate rental income or sale proceeds or may require additional capital expenditure to repair. If a Borrower is required to replace a sub-contractor (e.g. due to its insolvency), its replacement may charge a higher price than the Borrower paid previously. The resulting increase in the costs of the Borrower may adversely affect its ability to service its debt to the Fund.

If any of these risks relating to the use of sub-contractors were to materialize for any Borrower, they may have a material adverse effect on the Fund’s performance and returns to Shareholders.

The Fund may be exposed to an increase or an acceleration in Borrowers’ lifecycle costs

Real estate may require periodic refurbishment, tenant improvements or major repairs. The timing of these works is a key aspect of the cash flow forecasting assumed by the Fund in assessing the ability of the Borrower to service its debts. Where such works occur earlier than projected, or cost more than expected, the free cash flow available to the Borrower may be reduced, potentially affecting its ability to service its debt and thereby adversely affecting the income received by the Fund and the value of the Fund’s assets. Such circumstances may have a material adverse effect on the Fund’s performance and returns to Shareholders.

RISK FACTORS

The Fund may be exposed to Borrowers’ employment-related liabilities

Some of the Borrowers will have employees. These Borrowers may be exposed to potential employer liabilities (including in respect of pension entitlements) under applicable legislation and regulations, which could have adverse consequences for the Borrower’s ability to service its debt, thereby adversely affecting the income received by the Fund and the value of the Fund’s assets, and consequently may have a material adverse effect on its Net Asset Value and/or the market price of the Shares.

The Fund may be exposed to Borrowers’ counterparty risks

A Borrower may be exposed to credit risk from a wide range of counterparties including, but not limited to: (a) tenants or lessees, whose rental payments may form a portion of the Borrower’s revenue; (b) subcontractors providing a range of services including property management companies, operation and maintenance companies, special purpose vehicles management and administration, construction companies and others; (c) insurance companies; and (d) banks providing bank accounts for the Borrower or hedging arrangements for currency or interest rate risks.

In the event of a counterparty default, the Borrower may face delays, increased costs due to significant difficulties in finding an alternative or replacement counterparty on the same or better terms or a loss of income. In some cases, such a default may immediately expose the Borrower to financial loss, in which circumstances the value of the Fund’s assets could be adversely affected.

Borrowers may be reliant on licenses or permits and the Fund is exposed to any consequences of default under these documents

Many Borrowers are reliant on licenses or permits in order to operate their businesses or projects. Any default by such Borrowers of the terms of such licenses or permits may result in their termination, which is likely to have a significant and adverse effect on the Borrower’s ability to continue to operate, and therefore to service its debt. Any such problems may adversely affect the income received by the Fund and the value of the Fund’s assets, which in turn may have a material adverse effect on the Fund’s performance and returns to Shareholders.

The Fund may be exposed to depreciation risk

Real estate assets will generally depreciate in value over time. When assessing Investments, the Investment Manager will make assumptions about the rate of depreciation of the underlying real estate asset. To the extent that the actual rate of depreciation is higher than that assumed, the future value of the assets will be lower than anticipated.

In certain cases the debt secured on real estate assets may not fully amortize over time out of rental income and may therefore be dependent upon the ability of the Borrower to either sell or re-finance those assets in order to repay its debt at maturity. If the value of the assets has declined by more than expected over time, the Borrower may be unable to repay the debt at maturity, and this may adversely affect the income received by the Fund and the value of the Fund’s assets, which in turn may have a material adverse effect on the Fund’s performance and returns to Shareholders.

RISK FACTORS

The Fund and the Investment Manager generally have no control over Borrowers’ decisions

The Fund will not normally have control over decisions taken by Borrowers, other than to a limited extent through the normal operation of loan or bond covenants, warranties and representations, or other contractual terms. This may result in Borrowers making decisions that are not in the interests of the Fund.

In some cases, the Fund may only hold a small percentage of a Borrower’s total outstanding loans or bonds, and therefore may not have the ability to block certain decisions made collectively by the lending group. This may result in the group of lenders making decisions that are not in the interests of the Fund. Additionally, in certain cases, the agent bank (in the case of loans) or the trustee (in the case of bonds) may make decisions related to the investment which may also not align with the interests of the Fund. If a Borrower or other decision-making party takes actions that jeopardize the Fund’s interests, this could have a material adverse effect on the Fund’s performance and returns to Shareholders.

Risks associated with the custody arrangements

The Fund has appointed DB Trustees (Hong Kong) Limited as its custodian to take into custody all Scheme Property, including the Fund Special Purpose Vehicles through which Investments may be held, as well as other assets of the Fund such as cash.

While the Custodian is regulated and required to comply with the Laws and Regulations, there can be no assurance that the Custodian, or any nominee, agent or delegate appointed for the custody of the Scheme Property, will not default, become insolvent, lose their license or otherwise fail to perform their obligations. In the event of insolvency, liquidation or other failure of the Custodian or any nominee, agent or delegate, or as a result of fraud, cyberattack, force majeure, or legal and jurisdictional uncertainties (including where assets are held outside Hong Kong), there may be a risk of loss, misappropriation or delay in the recovery of the Fund’s assets. The process of recovering assets may be subject to legal and practical uncertainties, and the recognition and enforcement of the Fund’s beneficial ownership rights may be limited by the laws and practices of the relevant jurisdictions.

In addition, the Fund is exposed to the risk of loss arising from operational failures by the Custodian or any nominee, agent or delegate, including negligence, omissions, errors or other operational incidents. Such events could result in the loss, unavailability or mis-segregation of the Fund’s assets, or delays in the execution or settlement of transactions. While the Fund and the Custodian have implemented controls and procedures to mitigate these risks, there can be no assurance that such risks will not materialize, and any such event could have a material adverse effect on the Fund’s performance and returns to Shareholders.

RISK FACTORS

Foreign investment clearance risk

Certain investments by the Fund could be subject to national security or investment clearance regulators which may have outsized impacts on transaction certainty, timing, feasibility and cost, among other things. If such regulator reviews one or more of the Investments, there can be no assurances that the Fund will be able to maintain or proceed with such Investments on acceptable terms. If such regulator imposes limitations on the ownership and control of an Investment, such Investment may incur heightened costs as a result of compliance with such limitations, and the Investment may lose value. Further, changes to the implementing laws and regulations, and agency practice, of such national security review regimes may limit the universe of suitable prospective acquirers for certain Investments that the Fund may exit and may make it more difficult for the Fund to realize value from such Investments.

RISKS ASSOCIATED WITH POTENTIAL CONFLICTS OF INTEREST

Situations may arise in which the interests of the Investment Manager, the Relevant Gaw Parties and their affiliates, directors, officers and employees may potentially or actually conflict with the interests of the Fund and the Shareholders. The following highlights certain potential conflicts of interests that should be carefully evaluated before making an [REDACTED] in the Fund.

Fees for services payable to connected persons

The Fund may engage the Investment Manager, Fund Directors or their connected persons to provide services (including accounting, legal, administration, and other services for the Fund with respect to the Investments) on terms that are determined by the Investment Manager to be arm’s length and fair and reasonable to the Fund. In such cases, these connected person service providers may earn fees or otherwise be reimbursed for performing such services, provided that: (a) such services providers are regarded as competent and have the resources to duly discharge their obligations under its terms of engagement or appointment, as well as comply with all relevant requirements set out in the UT Code; and (b) such fees or reimbursements may not exceed the rate that the Investment Manager determines, acting reasonably, would be payable by the Fund if such services were provided by third parties in the business of providing comparable services on an arm’s-length basis. Nevertheless, the Investment Manager may have a conflict of interest in determining the costs of such services to the Fund.

Notwithstanding the above, the selection and engagement of connected service providers shall also be subject to due diligence procedures and periodic review to ensure continued appropriateness, and such arrangements shall comply with the UT Code, including but not limited to the requirement that neither the Investment Manager nor any of its connected persons will retain cash or other rebates from brokers or dealers in consideration of directing transactions for the Fund to such brokers or dealers, as described in the section headed “Corporate Governance – Arrangements to Mitigate Conflicts of Interest – Connected service providers and fees”.

RISK FACTORS

Connected Person Investments

The Fund may engage in Connected Person Investments, being any Investment where the Borrower is: (a) a Fund Director, the Investment Manager or any of their “connected persons” as defined under the UT Code; or (b) a “connected person” of the Fund as defined under Chapter 14A of the Listing Rules.

Pursuant to the UT Code, all transactions (including but not limited to Connected Person Investments) carried out by or on behalf of the Fund must be executed at arm’s length and in the best interests of the Shareholders. Connected Person Investments may also only be made with the prior approval of the Audit Committee and the written consent of the Custodian and must also be disclosed in the Fund’s annual report.

Further, before making any Connected Person Investment, the Fund will obtain a valuation by the Valuation Agent in accordance with the valuation policy of the Fund, so as to ensure that the Connected Person Investment is conducted fairly and at arm’s length, as well as comply with the protocols set out in the section headed “Corporate Governance – Arrangements to Mitigate Conflicts of Interest – Connected Person Investments” including obtaining the approval of Shareholders by Ordinary Resolution where required.

Other investment funds and allocations of investment opportunities

The Investment Manager, Gaw Capital and their affiliates, directors, officers and employees also manage and/or advise other private funds or accounts with similar investment mandates to the Fund.

The Fund may co-invest with the Relevant Gaw Parties in the future, including with respect to investments in the Illustrative Portfolio. Such co-investments will be covered by a rule-based allocation policy that aims to ensure investments are allocated in a way that is fair, reasonable and equitable to all parties based on investable capital, investment objectives, and other investment constraints, such as diversification, to avoid the appearance of favoritism or discrimination. Details of this allocation policy and other corporate governance safeguards are further described in the sections headed “Investment Strategy, Process and Policies – Investment Process – Investment allocation and co-investment” and “Corporate Governance – Arrangements to Mitigate Conflicts of Interest – Allocation, co-investment and exit-related conflicts”. Such allocation policy could affect adversely the size of the position purchased or sold by the Fund.

In addition, certain executives and members of the Investment Manager may spend a portion of their business time and attention pursuing investment opportunities that do not fall within the investment objectives of the Fund for the other Relevant Gaw Parties and other than on behalf of the Fund. These executives have or may have economic interests in the other Relevant Gaw Parties and their investments as well as receive management fee and carried interests relating to these interests. Although these executives will ensure that they will still be able to dedicate sufficient time and attention to the management of the Fund, conflicts of interest may nonetheless arise in connection with allocation of time and resources between the Fund and those other Relevant Gaw Parties. Notwithstanding the conflicts mitigation measures described in the section headed “Corporate Governance – Arrangements to Mitigate Conflicts of Interest – Allocation, co-investment and exit-related conflicts”, there can be no assurance that all such conflicts will be identified or resolved in favor of the Fund.

RISK FACTORS

Two of the initial key personnel for the Fund (being Mr. Derek Wai Man MOK and Mr. Tak Wah TSE) will be solely dedicated to evaluating investment and divestment opportunities for the Fund. The remaining key personnel for the Fund (being Mr. Foster Siu Hang LEE) may, in his additional role as the Head of Credit Investments of Gaw Capital, also advise other funds and accounts managed by Gaw Capital, including the Private Funds.

Personal investments

The Fund Directors and certain directors, officers, employees, or affiliates of the Investment Manager may hold personal investments that are unrelated to the Fund. Where such personal investments are in asset classes, sectors or geographies that overlap with those targeted by the Fund, or where the performance of such personal investments is otherwise correlated with or adverse to the interests of the Fund, conflicts of interest may arise. The performance or financial returns on such personal investments may be at odds with those of the Fund. While the Investment Manager has adopted conflict of interest policies and procedures to identify, manage and mitigate such conflicts, including the measures described in the section headed “Corporate Governance – Arrangements to Mitigate Conflicts of Interest – Personal account dealing and outside interests”, there can be no assurance that all such conflicts will be identified or resolved in favor of the Fund.

Confidential information

The Investment Manager may, in the normal course of managing other client mandates or conducting other business unrelated to the Fund, receive confidential information that is subject to confidentiality obligations owed to those other clients. The Investment Manager may be unable to use or disclose such information for the purposes of the Fund without breaching those confidentiality obligations including where such information is material to a particular Investment (for example, sensitive operating data regarding the Investment). As a result, the possession of such information may preclude the Fund from engaging in certain transactions, require the Fund to refrain from taking certain actions, or otherwise impose restrictions on the Fund’s investment activities, notwithstanding that such transactions or actions might otherwise be in the interests of the Fund and its Shareholders.

RISKS RELATING TO LAWS, TAXATION AND REGULATION

Governmental and regulatory authorities may exercise supervisory, licensing, enforcement and intervention powers in ways that could adversely affect the Fund and its Investments

In the geographic location of the real estate assets or projects to which the Investments relate, governmental and regulatory authorities are actively involved in the ongoing supervision, regulation and enforcement of regulatory frameworks relating to financial services, taxation, land use, zoning, planning restrictions, environmental protection and safety, and other matters. The application and enforcement of such regulatory frameworks, whether through licensing requirements (e.g. requiring local money lender’s license or equivalent), supervisory actions, enforcement measures or regulatory intervention, could have the effect of increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Investments.

RISK FACTORS

In addition, the private debt industry globally is subject to increasing regulatory focus and enhanced scrutiny by regulatory authorities. Such scrutiny may result in increased regulatory requirements, restrictions on activities, additional compliance obligations, heightened reporting or disclosure expectations, or increased supervisory oversight. There can be no assurance that the Fund or the Investment Manager will be able to respond to such developments in a timely or cost-effective manner. Regulatory intervention or enhanced scrutiny may increase compliance costs, constrain investment activity, affect the structuring or viability of Investments, or otherwise adversely affect the Fund’s performance, Net Asset Value and ability to achieve its investment objective.

Other changes in laws or regulations may adversely affect the Fund’s business, Investments and the results of its operations

The Fund and the Investment Manager are subject to laws and regulations enacted by national, regional and local governments and institutions. These laws and regulations – and their interpretation and application – may change from time-to-time, and such changes could adversely affect the Fund’s business, Investments and results of its operations. The precise nature of the risks and uncertainties arising from legal or regulatory changes cannot be predicted and are outside the Fund’s control. In addition, political or economic uncertainty resulting from actual or proposed changes in applicable laws or regulations may also impact the Fund’s operations and performance. Any such developments may have a material adverse effect on the performance of the Fund and its business, financial condition, results of operation, Net Asset Value and/or the market price of the Shares.

The Fund is exposed to changes in the tax treatment of arrangements relating to its business or Investments

The Fund may suffer withholding tax on income and gains from Investments in the jurisdictions of those Investments or where such income or gain otherwise originates.

The Fund Directors and the Manager Directors will use all reasonable endeavors to ensure that the Fund is solely resident in Hong Kong. However, there is a risk that if the Fund were treated as resident, or as having a permanent establishment, or as otherwise being engaged in a trade or business, in any country in which it invests or in which the Investments are managed, all of its income or gains, or the part of such gain or income that is attributable to, or effectively connected with, such permanent establishment or trade or business, may be subject to tax in that country, which could have a material adverse effect on the performance of the Fund and returns to Shareholders.

RISK FACTORS

Initiatives to achieve a multi-national framework on corporate taxation may affect the tax treatment of the Fund

The law and any other rules or customary practice relating to tax, or its interpretation in relation to the Fund, its assets and any investment of the Fund may change during its life. In particular, both the level and basis of taxation may change. In particular, initiatives such as the OECD’s on-going global Base Erosion and Profit Shifting project or Pillar Two Global Anti-Base Erosion (GloBE) models which intends to achieve a multi-national framework on corporate taxation could substantially affect the tax treatment of the Fund. The OECD’s proposed changes under the BEPS project are being progressively implemented by tax authorities around the world and such implementation may affect the investors, the Borrowers and/or the Fund. Additionally, the interpretation and application of tax rules and customary practice to the Fund, its assets and investors by any taxation authority or court may differ from that anticipated by the Fund. Any such developments may have a material adverse effect on the performance of the Fund and its business, financial condition, results of operation, Net Asset Value and/or the market price of the Shares.

Anti-avoidance provisions which may be implemented or adjusted in the future could affect the Fund’s tax position

Various jurisdictions in which the Fund intends to make Investments have wide-ranging anti-avoidance provisions. These provisions target transactions that result in the avoidance, reduction or deferral of tax liabilities, and tax authorities may, at their discretion, adjust the Fund’s tax position to counteract such effects. Any such adjustments may adversely impact the Fund and its assets, which in turn could significantly affect returns to investors. These developments may have a material adverse effect on the performance of the Fund and its business, financial condition, results of operation, Net Asset Value and/or the market price of the Shares.

RISK FACTORS

[REDACTED] may, in certain circumstances, be exposed to adverse ERISA consequences

Shares may not be applied or subscribed for or acquired under the [REDACTED] nor under any future issuances of Shares by the Fund, by any person whose ownership of Shares may cause the Fund’s assets to be deemed “plan assets” for the purposes of ERISA or the U.S. Tax Code. However, the Fund cannot guarantee that equity interests in the Fund will not be acquired by, or transferred to, such an investor. If 25% or more of the total value of any class of equity interest in the Fund (determined after the most recent acquisition of any equity interest in the Fund and subject to certain other computational rules) were to be held by such persons, an undivided portion of the Fund’s assets could be required to be treated as “plan assets” subject to ERISA or the U.S. Tax Code. In such a case, the Fund and those responsible for advising the Fund and its assets could become subject to applicable requirements of ERISA and the U.S. Tax Code and could be obligated to cause the operations and investments of the Fund to be administered, consistent with those requirements, other than as the Fund and its advisers might otherwise think advisable. Moreover, it is not clear that, in such a case, the Fund or its advisers could comply with all applicable requirements of ERISA or the U.S. Tax Code. A failure of the Fund or its advisers to comply with any such applicable provision could result in injunctive or other relief that could adversely affect the Fund, its advisers and its investors and in the assertion of a tax or penalty with respect to transactions involving the “plan assets” deemed held by the Fund.

The Fund may be treated as a passive foreign investment company for U.S. federal income tax purposes

The Fund may be treated as a “passive foreign investment company” (often referred to as a “PFIC”) for U.S. federal income tax purposes, which could have adverse consequences on U.S. investors. The Fund has not undertaken to determine whether it was a PFIC for any prior taxable year, for the current year, or whether it is likely to be so treated for future years. A non-U.S. corporation generally will be considered a PFIC for any taxable year in which 75% or more of its gross income is passive income, or 50% or more of the average value of its assets are considered “passive assets” (generally, assets that generate passive income). This determination is highly factual. If the Fund is classified as a PFIC for any taxable year, holders of Shares who are U.S. taxpayers would be subject to adverse U.S. federal income tax consequences. Further, prospective investors should assume that a “qualified electing fund” election, which, if made, could serve as an alternative to the general PFIC rules and could reduce any adverse consequences to U.S. taxpayers if the Fund were to be classified as a PFIC, will not be available because the Fund does not expect to provide the information needed to make such an election. A “mark-to-market” election may be available, however, if the Shares are regularly traded. All prospective purchasers of Shares are urged to consult with their own tax advisers concerning the U.S. federal income tax considerations associated with acquiring, owning and disposing of Shares in light of their particular circumstances.

RISK FACTORS

FATCA-related risks

The U.S. Foreign Account Tax Compliance Act (“**FATCA**”) provides that a 30% withholding tax will be imposed on certain payments to certain foreign financial institutions, such as the Fund, including interests and dividends from securities of U.S. issuers, unless the Fund provides the withholding agent with certification to comply with FATCA and the Fund obtains and reports the name, address and taxpayer identification number of certain U.S. persons that own, directly or indirectly, an interest in the Fund, as well as certain other information relating to any such interest. The U.S. Internal Revenue Service (the “**IRS**”) has released regulations and other guidance that provide for the implementation of the foregoing withholding and reporting requirements. The United States Department of the Treasury and Hong Kong have entered into an intergovernmental agreement based on the Model 2 arrangement. Although the Fund will attempt to satisfy any obligations imposed on them to avoid the imposition of FATCA withholding tax, no assurance can be given that the Fund will be able to fully satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of FATCA, the Net Asset Value of the Fund may be adversely affected and the Fund and its Shareholders may suffer material loss.

The Fund’s ability to comply with FATCA will depend on each Shareholder providing the Fund or its agent with information and, where applicable, consents to report that the Fund requests concerning the Shareholder or its direct and, under certain circumstances, its indirect owners.

Please also refer to the section headed “Taxation –FATCA and Compliance with U.S. Withholding Requirements” for further details on FATCA and related risks.

All prospective investors and Shareholders should consult with their own tax advisers regarding the possible implications of FATCA and the tax consequences on their investments in the Fund. Shareholders who hold their Shares through intermediaries should also confirm the FATCA compliance status of those intermediaries.

RISK FACTORS

The ability of overseas Shareholders to bring actions or enforce judgments against the Fund, the Fund Directors, the Manager Directors and the Investment Manager may be limited

The ability of an overseas Shareholder to bring an action against the Fund may be limited under Hong Kong law. The Fund is a closed-ended fund [REDACTED] as a Hong Kong public OFC. The rights of holders of Shares are governed by Hong Kong law and by the Instrument. An overseas shareholder may not be able to enforce a judgment against some or all of the Manager Directors or Fund Directors, the Fund or the Investment Manager. Some of the Fund Directors or Manager Directors are or may be residents of non-Hong Kong jurisdictions such as the UK and/or the United States. Consequently, it may not be possible for an overseas shareholder to effect service of process upon the Fund, the Fund Directors, Manager Directors or the Investment Manager within the overseas shareholder’s country of residence or to enforce against the Fund, the Fund Directors, the Manager Directors or the Investment Manager judgments of courts of the overseas shareholder’s country of residence based on civil liabilities under that country’s securities laws. There can be no assurance that an overseas shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than Hong Kong against the Fund, the Fund Directors, the Manager Directors or the Investment Manager, or countries other than those in which judgment is made. In addition, Hong Kong or other courts may not impose civil liability on the Fund, the Fund Directors, the Manager Directors or the Investment Manager in any original action based solely on foreign securities laws brought against them in a court of competent jurisdiction in Hong Kong or other countries.

RISKS RELATING TO THE SHARES AND [REDACTED]

Shareholders have no right to require the redemption of their Shares

As the Fund is closed-ended, Shareholders have no right to require the redemption of their Shares. Accordingly, Shareholders may only be able to liquidate or dispose of their Shares through a sale of such Shares to third parties in the secondary market or to the Fund pursuant to its share buyback mandate. There can be no assurance that a Shareholder will be able to dispose of its Shares at the [REDACTED] or any price, or at all.

The Shares have never been publicly traded and the [REDACTED] may not result in an active or liquid market for the Shares

Prior to the [REDACTED], there has been no public market for the Shares and an active public market for the Shares may not develop or be sustained after the [REDACTED]. Although the Shares will be [REDACTED] on the Hong Kong Stock Exchange following the completion of the [REDACTED], this does not guarantee that a trading market for the Shares will develop or, if a market does develop, the liquidity of that market. Accordingly, any investor buying Shares may not necessarily be able to find other buyers should that investor wish to sell.

If a Shareholder needs to sell Shares at a time when no active market for them exists, the price received for the Shares, assuming an investor is able to sell them, may be lower than the price received if an active market did exist.

RISK FACTORS

The price of the Shares may decline after the [REDACTED]

The [REDACTED] of the [REDACTED] may not be indicative of the market price for the Shares after completion of the [REDACTED]. The Shares may trade at prices significantly below the [REDACTED] after the [REDACTED] and the price of the Shares may be volatile. The price of the Shares will depend on supply and demand for the Shares which in turn depends on many factors, which may change from time-to-time, including but not limited to: (i) the perceived prospects of the Investments and the real estate asset market; (ii) differences between the Fund’s actual financial and operating results and those expected by investors and analysts; (iii) changes in the Fund’s revenues or earnings estimates or analysts’ recommendations or projections; (iv) changes in general economic or market conditions; (v) the market value of the Fund’s assets; (vi) changes in market valuations of similar funds; (vii) increases in interest rates; (viii) the perceived attractiveness of the Shares against those of other securities; (ix) any future changes to the regulatory system, including the tax system; (x) the ability on the Fund’s part to implement successfully its investment and growth strategies and to retain its key management personnel; and (xi) broad market fluctuations.

For these reasons, among other things, Shares may trade at prices that are higher or lower than the attributable Net Asset Value per Share.

Any failure on the Fund’s part to meet market expectations with regard to future earnings and cash distributions may adversely affect the market price for the Shares. Shareholders may not get back their full investment amount. If the Fund is liquidated, it is possible that [REDACTED] may lose all or part of their [REDACTED] in the Shares.

The Net Asset Value per Share will be diluted if further issues are priced below the existing Net Asset Value per Share

For any issue of Shares or resale or transfer of Treasury Shares after [REDACTED], the Issue Price may be above, at or, in certain cases, below the Net Asset Value of the Fund. Where new Shares are issued or Treasury Shares are sold at a price less than the existing Net Asset Value per Share, this will result in dilution on a Net Asset Value per Share basis. For further details of the cases where the Issue Price may be less than the Net Asset Value per Share, please refer to the section headed “The Instrument of Incorporation – Issue of Shares and/or Convertible Instruments”.

Shareholders’ interests may be diluted by the issue of new Shares or conversion of Convertible Instruments into new Shares

The Fund may issue Shares or Convertible Instruments from time-to-time after [REDACTED] in accordance with the Laws and Regulations, the Instrument and the [REDACTED]. Any such issuance may dilute the interests and voting rights of existing Shareholders, particularly where new Shares are issued and are not offered to existing Shareholders, or existing Shareholders elect not to subscribe for such Shares; or Convertible Instruments are issued to parties other than existing Shareholders and subsequently converted into Shares.

RISK FACTORS

Under the Investment Management Agreement, 10% of the Management Fee will, if the Market Price of the Shares is the same or at a premium to Net Asset Value per Share (excluding Treasury Shares and taking into account any relevant transaction costs) on the date that the fee is payable and except for the Management Fee for the first two quarters after [REDACTED], be settled in the form of newly issued Shares or transfer of Treasury Shares in lieu of cash. Such issue of Shares or transfer of Treasury Shares to the Investment Manager will dilute Shareholder’s interest in the Fund. For further details of the above-mentioned remuneration arrangement, please refer to the section headed “Discount Control – Manager Fee Shares”.

Trading in the Shares may be suspended

[REDACTED] and potential [REDACTED] will not be able to [REDACTED], nor will [REDACTED] be able to [REDACTED], Shares on the Hong Kong Stock Exchange during any period in which trading of the Shares is suspended. The Hong Kong Stock Exchange may suspend the trading of Shares whenever the Hong Kong Stock Exchange or other relevant regulators determine that it is appropriate and in the interest of a fair and orderly market to protect investors. As the Fund is a closed-ended fund and Shareholders have no right to require redemption of their Shares, a suspension of trading may leave Shareholders with no means of liquidating or disposing of their [REDACTED] in the Fund for the duration of the suspension.

Shares may be subject to compulsory transfer

The Fund may compulsorily repurchase Shares if the Investment Manager reasonably suspects that a holding by a person breaches applicable laws, regulatory requirements, or the terms of the [REDACTED], or may result in adverse tax or regulatory consequences for the Fund or its stakeholders. In such cases, the Investment Manager may require the relevant person to transfer the Shares to another person by a prescribed deadline. Where such person fails to do so by the deadline, the Fund may repurchase the Shares at the prevailing market price at the time. For further details about the circumstances where Shares may be compulsorily redeemed, please refer to the section headed “The Instrument of Incorporation – Compulsory Transfer”.

Certain laws, rules and regulations affecting companies listed on the Hong Kong Stock Exchange do not generally apply to the Fund or to holdings of Shares

Rights of the Shareholders differ from, and may be less protected in certain respects than, those granted to shareholders of other companies (not being an OFC) listed on the Hong Kong Stock Exchange. Although the UT Code, the OFC Code and other rules and guidance published by the SFC may have provisions addressing certain issues similar to what the Listing Rules are intended to address, most of the provisions of the Listing Rules do not apply to the Fund or to the holding of Shares.

RISK FACTORS

The Shares may be [REDACTED] from the Hong Kong Stock Exchange

The Hong Kong Stock Exchange imposes certain requirements for the continued listing of securities, including the Shares, on the Hong Kong Stock Exchange. [REDACTED] cannot be assured that the Fund will continue to meet the requirements necessary to maintain the [REDACTED] of Shares on the Hong Kong Stock Exchange or that the Hong Kong Stock Exchange will not change the listing requirements.

If the Shares are [REDACTED] from the Hong Kong Stock Exchange, the Fund will be terminated in accordance with the Instrument, which prescribes for the realization of the Scheme Property and distribution of net cash proceeds to Shareholders. For further details, please refer to the section headed “The Instrument of Incorporation – Termination (otherwise than by winding up)”.

Transactions in the Shares involve charges payable by investors

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Shares on the Hong Kong Stock Exchange, investors may pay more than the Net Asset Value per Share when buying Shares on the Hong Kong Stock Exchange, and may receive less than the Net Asset Value per Share when selling Shares on the Hong Kong Stock Exchange. For further details of the charges, please refer to the section headed “Fees and Expenses – Charges payable by Shareholders when trading the Shares on the Hong Kong Stock Exchange”.

The forward-looking statement and information in this document may turn out to be inaccurate

This document contains forward-looking statements. These forward-looking statements are based on a number of assumptions regarding the Fund’s strategies and environment in which the Fund will operate in the future, which are subject to significant uncertainties and contingencies, many of which are outside of the Fund’s control.

Moreover, the Fund’s income is dependent on a number of factors, including the ability of the Fund and the Investment Manager to fully implement its strategies and the receipt of income and returns from each Investment. Such income and returns may decrease for a number of reasons, which may adversely affect the Fund’s ability to achieve its target distribution as some or all events and circumstances assumed may not occur as expected, or events and circumstances which are not currently anticipated may arise.

Since the forward-looking statements reflect only the Fund’s current view concerning future events, such statements necessarily involve risks, uncertainties and assumptions. These statements speak only as at the date of this document and reflect only the Fund’s views as at that time and the Fund undertakes no obligation to update them in light of new information, circumstances or future developments. While the Fund has no reason to doubt the reasonableness of its assumptions on which the forward-looking statements are based, there are known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Fund to be different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information.

RISK FACTORS

You should read the entire Document carefully and must not rely on any information contained in any other source, including press articles or other media regarding the Fund and the [REDACTED]

The Fund strongly cautions you not to rely on any information contained in the press articles or other media regarding the Fund and the [REDACTED]. Prior to the publication of this document, there may be press and media coverage regarding the Fund and the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this document. None of Relevant Persons has authorized the disclosure of any such information in the press or media, or accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication, or makes any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

To the extent that any such information is inconsistent or conflicts with the information contained in this document, each of the Relevant Persons disclaims responsibility for it and you must not rely on such information.

The foregoing list of risk factors and conflicts does not purport to be a complete enumeration or explanation of the risks and conflicts involved in an [REDACTED] in the Fund. Prospective [REDACTED] should read this entire Document and consult with their own advisers before deciding whether to [REDACTED] in the Fund. In addition, as the Fund’s investment program develops and changes over time, an [REDACTED] in the Fund may be subject to additional and different risk factors and conflicts.

KEY INVESTMENT HIGHLIGHTS

THE [FIRST] REAL ESTATE-FOCUSED PRIVATE DEBT FUND TO BE [REDACTED] IN HONG KONG

The Fund is the [first] real estate-focused private debt fund to seek a listing on the Hong Kong Stock Exchange, providing qualifying retail investors with access to an institutional-grade asset class that has historically been available primarily to professional or institutional investors through unlisted, closed ended private vehicles. As a [REDACTED] fund, the Fund operates under the regulatory oversight and investor protection safeguards pursuant to the Laws and Regulations, including but not limited to the SFO, OFC Rules, the OFC Code, the UT Code, the Takeovers Code, the Share Buyback Code and certain Listing Rules. The Fund targets risk-adjusted returns through a diversified portfolio of real estate secured debt, while also providing daily liquidity and trading flexibility that allows investors to manage their exposure dynamically on an ongoing basis without being subject to multi-year lock-ups that are typical of those unlisted private debt funds or private real estate funds.

According to the Industry Consultant Report, real estate private debt presents several structural characteristics that distinguish it from general corporate credit, such as being typically backed by identifiable physical assets that can be foreclosed upon an event of default, and may benefit from standardized loan covenants anchored in transparent, established property-level metrics such as loan to value ratios and debt service coverage ratios, which can provide lenders with a more direct and tangible layer of downside protection in stressed scenarios. Consistent with this, the Fund’s Investment Policy requires that at least 70% of its total assets be secured against the underlying real estate asset or project. In the case of subordinated debt or preferred equity, security is instead taken against the assets of the parent company of the Borrower (for example, shares in the Borrower).

SPECIALIST INVESTMENT MANAGER WITH A TRACK RECORD IN REAL ESTATE

The Fund will be managed by the Investment Manager, Gateway Capital (Hong Kong) Limited*, a Hong Kong real estate investment manager founded in 2005 and licensed under the SFO to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities. As of 31 December 2025, the Investment Manager had USD809 million in assets under management.

The Investment Manager is a subsidiary of GC Advisors Holdings Limited, being a private company incorporated in the Cayman Islands. GC Advisors Holdings Limited and its affiliates operate under the trading name “Gaw Capital”. Based on the Industry Consultant Report, Gaw Capital ranked as the second-largest Hong Kong-based manager in the private real estate segment in Asia-Pacific in terms of capital raised between 2021 and 2025. As of 31 December 2025, Gaw Capital had USD35.6 billion in assets under management and has offices across major Asia-Pacific markets. Since 2018, Gaw Capital’s private debt investment platform has deployed approximately USD1.27 billion across various completed transactions in the Asia-Pacific region with respect to the types of investments that would also fall within the Investment Policy of the Fund.

* a member of Gaw Capital

KEY INVESTMENT HIGHLIGHTS

According to the Industry Consultant Report, strong borrower relationships is a key success factor in the Asia Pacific and Middle East real estate private debt market, which is highly fragmented and relationship-driven, with high-quality opportunities sourced off-market through proprietary networks. Many high-quality borrowers, such as family-owned developers, mid-market sponsors, and repeat issuers prefer to work with lenders they trust based on prior successful transactions or longstanding personal connections. This dynamic reinforces the competitive position of incumbent asset managers with local presence and established reputations, while new entrants often face a significant time-to-competitiveness hurdle.

The Investment Manager’s extensive network of institutional-grade sponsors, developers, construction firms and co-lenders positions the Fund to benefit from proprietary sourcing, repeat lending opportunities and more favorable transaction terms. As a real estate specialist with deep market knowledge, cross-functional capabilities and on-the-ground presence across Asia-Pacific, the Investment Manager is differentiated from generalist corporate or private debt lenders through its ability to originate, diligence, structure, underwrite and execute complex real estate financings across the lifecycle of a project. The Fund is therefore well-positioned to capture opportunities that require specialist assessment and bespoke structuring support.

The Investment Manager believes the Fund will be well positioned to leverage its deep regional roots, longstanding borrower relationships and multi-jurisdictional execution track record, enhancing both sourcing and execution capabilities and enabling access to proprietary transactions that reflect the platform’s strength as a regional specialist.

ALIGNED INTERESTS AND OPPORTUNITIES FOR DIVERSIFIED EXPOSURE THROUGH A RULE-BASED CO-INVESTMENT FRAMEWORK

The Investment Manager may, independently of the broader Gaw Capital platform, determine to participate in selected investment opportunities alongside the Relevant Gaw Parties. While the Investment Manager maintains its own independent Public Fund Investment Committee, who determine the direction of the Fund, it also benefits from access to the deal pipeline of the broader platform and the opportunity to co-invest in opportunities that are attractive to both the Fund and the Relevant Gaw Parties.

While each such decision and evaluation is arrived at independently, the Investment Manager believes that co-investment, where suitable opportunities are available, offers a number of benefits to Shareholders: (i) the Fund and the Relevant Gaw Parties will typically seek to invest in the same tranche of debt and on the same terms, aligning their interests in such cases; and (ii) exposure to any single Borrower or underlying real estate asset is shared rather than concentrated within the Fund. Co-investment allows the Fund to participate in larger transactions of greater scale (up to its concentration limits), thus expanding the range of available opportunities. Such co-investments are governed by a rule-based allocation policy designed to ensure that opportunities are allocated among the Fund and the Relevant Gaw Parties on a fair, reasonable and equitable basis.

KEY INVESTMENT HIGHLIGHTS

EXPOSURE TO A DIVERSIFIED REAL ESTATE PRIVATE DEBT PORTFOLIO PRIMARILY ACROSS DEVELOPED MARKETS

The Fund will operate on a global mandate with an initial focus on mature jurisdictions that maintain sound legal frameworks for asset enforcement and recovery. The Investment Manager believes these markets offer a deep pool of real estate private debt opportunities supported by established legal regimes, of a conducive environment for achieving the Fund’s target dividends and distribution profile on a risk-adjusted basis.

Exposure to multiple markets across the Asia Pacific and Middle East regions is expected to reduce concentration risk while enabling the Fund to capture yield opportunities that arise due to market-specific dynamics. For example, in Hong Kong and Singapore, seasoned developers and owners of high-quality assets increasingly face liquidity gaps, driven in part by regulatory and structural constraints. Notably, the implementation of the Basel III final reform package from 1 January 2025 is prompting banks to tighten lending standards and loan-to-value ratios, creating short-tenor funding and refinancing demand that alternative financiers are well positioned to address. In Australia, opportunities span the fast-growing real estate and infrastructure private debt market—estimated at USD69.5 billion in 2025 and projected to reach USD131.6 billion by 2030—alongside mid-market residential developments where major banks often lack the agility to meet sponsor timelines. Selective allocations to South Korea and Japan may additionally provide exposure to hospitality-oriented assets and value-add repositioning projects in markets where traditional lenders have continued to adopt conservative credit postures.

Taken together, this multi-jurisdictional approach enhances the Fund’s ability to generate stable, risk-adjusted returns across cycles by balancing exposures to markets with differing economic drivers, regulatory frameworks, and credit demand patterns.

CAPITALIZING ON A STRUCTURAL FINANCING GAP IN REAL ESTATE PRIVATE DEBT

According to the Industry Consultant Report, the total AUM for real estate and infrastructure private debt in Asia-Pacific and the Middle East reached approximately USD161.4 billion in 2025, having expanded significantly from USD43.2 billion in 2020. The market is projected to grow to USD372.7 billion by 2030, representing an estimated CAGR of 18.2% from 2025. Private debt penetration is expected to rise from 8.4% in 2026 to 12.8% in 2030, and potentially to 19.5% by 2040 as the region matures toward partial convergence with Western benchmarks of approximately 41% in the United States and 21% in Europe. This rapid expansion reflects a structural shift in regional debt formation and the increasing institutional acceptance of private debt as a core component of real estate finance.

Regulatory frameworks post-global financial crisis have materially constrained the capacity of traditional banks to extend real estate debt, contributing to a persistent funding shortfall estimated at approximately USD180 billion across the region in 2025. The mismatch between borrower demand and bank lending capacity is especially pronounced in Australia and in certain real estate sectors, such as office, where credit availability has tightened materially. As a result, private debt has become a primary capital source for refinancing needs, transitional assets, value-add opportunities, and other situations requiring timely and bespoke financing solutions.

KEY INVESTMENT HIGHLIGHTS

The Fund is well positioned to address this structural demand-supply imbalance by providing capital which typically has greater flexibility and speed of execution relative to traditional bank lending, across senior secured, unitranche and other structures. The Investment Manager prioritizes senior secured and unitranche exposures, which offer enhanced creditor protections and greater control relative to higher-yielding but materially riskier junior positions. Consistent with the Fund’s Investment Policy, subordinated debt and preferred equity together are limited to no more than 50% of the Fund’s total assets at the time of investment, and for illustration purposes only, approximately 86.5% of the Illustrative Portfolio is committed to senior secured Investments. Prior to underwriting, the Investment Manager manages risk through conduct of due diligence prior to underwriting, including enforcement analysis, collateral valuation, and measured use of leverage assumptions to support construction of a resilient portfolio without reliance on back-leverage to enhance returns.

OPPORTUNITIES PRESENTED BY THE MACROECONOMIC ENVIRONMENT AND REAL ESTATE FUNDAMENTALS

According to the Industry Consultant Report, nominal GDP across key Asia-Pacific jurisdictions and the Middle East is projected to grow at stable long-term trajectories, with CAGRs ranging from approximately 3.4% to 4.9% between 2026 and 2030. This sustained economic expansion provides a robust macroeconomic foundation for real estate income stability and borrower debt-servicing capacity.

Across these jurisdictions, property transaction volumes are forecast to increase by approximately 20.0% to 25.0% between 2025 and 2028, contributing to continual refinancing and acquisition-driven financing needs. Prime office rents in core Central Business Districts are expected to rise by 2.0% to 3.0% annually through 2030, supported by limited new supply pipelines. Logistics and industrial rents are projected to grow at an even stronger pace of 3.5% to 4.5% per year, driven by accelerating e-commerce penetration and ongoing supply-chain reconfiguration across Asia-Pacific and the Middle East. Capital values across major property segments are similarly anticipated to stabilize following valuation resets, with recent unlisted property capital growth of approximately 2.1% across major wholesale funds in regions such as Australia, providing an additional layer of collateral support for credit exposures. Furthermore, government real estate and urban development spending across key markets is projected to reach approximately USD1,200 billion through 2030, underpinning broader sectoral activity.

Real estate is expected to remain one of the world’s largest industries, driven by long-term structural shifts including sustainability priorities, digitalization, evolving occupier preferences and the continued maturation of real asset capital markets. As the sector becomes more sophisticated, borrower demand for tailored, execution-focused financing solutions is expected to deepen, benefiting the Fund and other specialized private debt providers positioned to deliver bespoke capital.

Together, these macroeconomic and sectoral dynamics create a favorable backdrop for disciplined capital deployment, offering a multi-year runway for the Fund to originate high-quality real estate debt opportunities at attractive risk-adjusted spreads.

INVESTMENT POLICY

The full text of the Fund’s Investment Policy is set out below.

Investment Objective

The Fund’s investment objective is to provide investors with regular, sustained, long-term distributions and capital appreciation from a diversified portfolio of real estate private debt Investments that includes a mix of recurrent and non-recurrent income generating Investments.

Asset Allocation

The Fund intends to invest at least 90% of its total assets in debt exposures that satisfy the following criteria at the time of investment (“**Investment Criteria**”):

- (a) either recurrent or non-recurrent income generating real estate private debt Investments;
- (b) which are secured against the underlying real estate asset or project, or in the case of subordinated debt or preferred equity, against the assets of the parent company of the Borrower (for example, shares in the Borrower);
- (c) in one of the following real estate asset classes: (i) residential; (ii) logistics; (iii) industrial (excluding logistics); (iv) retail; (v) commercial (excluding retail); (vi) data centers; (vii) senior and assisted living; (viii) student accommodation; (ix) hospitality; (x) infrastructure (excluding data centers); and/or (xi) other asset classes where the Investment Manager considers appropriate;
- (d) with the Investment permitted to take various forms, including but not limited to senior debt, subordinated debt, unitranche debt, repurchase program, preferred equity and mortgage-backed securities; and
- (e) subject to the Investment Concentration Limits below.

The remaining 10% of total assets of the Fund may be invested outside the Investment Criteria, but still in compliance with the Investment Concentration Limits below, if the Investment Manager considers it to be suitable for the Fund and in compliance with the UT Code and other Laws and Regulations. Nonetheless, the Fund will not invest in the following:

- (a) equity investments or outright asset ownership, including direct ownership of the underlying real estate and/or interest in the holding company that owns the real estate (other than as described in the section headed “Investment Strategy, Process and Policies – Elaboration of Investment Policy – Investment form”);
- (b) non-performing loans;
- (c) credit default swaps or unfunded synthetic debt instruments; or

INVESTMENT POLICY

- (d) any cross-trades directly or indirectly between the Fund and the Investment Manager or Gaw Capital, including the Fund refinancing of any existing private debt investment held or managed by the Investment Manager or Gaw Capital.

Risk Diversification

The following concentration limits on Investments are applied at the time of each Investment (the “**Investment Concentration Limits**”). For the avoidance of doubt, these limits are applied to the Fund Special Purpose Vehicles, if any, on a see-through basis.

Diversification by Borrower	No more than 10% of total assets in any individual Borrower and its affiliates
Diversification by geographic location of the real estate assets or projects to which the relevant Investments relate	No more than: [REDACTED]% in Hong Kong; [REDACTED]% in Australia and New Zealand; [REDACTED]% in South Korea; [REDACTED]% in Japan; [REDACTED]% in Singapore; [REDACTED]% in Thailand and Vietnam; [REDACTED]% in the Middle East and [REDACTED]% elsewhere; in each case, of total assets
Diversification by asset class of the real estate assets or projects to which the relevant Investments relate	No more than 50% of total assets in residential assets and no more than 40% of total assets in any other single real estate asset class. Where Investments relate to mixed use assets, the Investment Manager shall apportion the Investment between such asset classes using an allocation method that is fair and reasonable, for example, by reference to the valuation reports for the underlying assets
Non-recurrent income Investments	No more than 30% of total assets (for all Investments) No more than 10% of total assets (sub-limit for non-construction loans)
Construction loans	No more than 40% of total assets
Subordinated debt and preferred equity	No more than 50% of total assets
Repurchase programs	No more than 30% of total assets
Private mortgage-backed securities	No more than 25% of total assets
Connected Person Investments	No more than 10% of total assets
Investments secured against the underlying real estate or project	At least 70% of total assets

INVESTMENT POLICY

Borrowings

The Fund may from time-to-time utilize borrowings for funding Investments and/or general corporate purposes, but such borrowings will not exceed 30% of the Fund’s Net Asset Value. For the avoidance of doubt, this limit is applied to the Fund Special Purpose Vehicles, if any, on a see-through basis.

Material Change

The Fund will obtain the prior approval of its Shareholders by Ordinary Resolution to make any material change to its published Investment Policy.

INVESTMENT STRATEGY, PROCESS AND POLICIES

ELABORATION OF INVESTMENT POLICY

Borrowers

The Fund intends to focus primarily on debt exposures to Borrowers whose primary focus is the ownership, operation, development, funding, management or provision of services to real estate assets or projects.

Geographic locations

While the Fund will have a global mandate, it is expected that the Investment Manager will initially focus on investments relating to real estate assets or projects located in Hong Kong, Australia and New Zealand, South Korea, Singapore, Japan, Thailand, Vietnam and the Middle East, where the Investment Manager has a more extensive track record.

When assessing a potential investment, the Investment Manager will take account of the risks and opportunities presented by different jurisdictions. These could include economic prospects, political and regulatory risks, judicial processes and demographic changes.

Geographic concentration limits apply as described in the Investment Policy.

Real estate asset classes

The Fund intends to invest in debt exposures relating to (and where applicable secured against) underlying real estate assets or projects in the following real estate asset classes: (i) residential; (ii) logistics; (iii) industrial (excluding logistics); (iv) retail; (v) commercial (excluding retail); (vi) data centers; (vii) senior and assisted living; (viii) student accommodation; (ix) hospitality; (x) infrastructure (excluding data centers); and (xi) other asset classes where the Investment Manager considers appropriate.

Real estate asset class concentration limits apply as described in the Investment Policy.

Recurrent and non-recurrent income Investments

The Fund intends to invest in a mix of debt exposures that are recurrent income in nature, being Investments which generate predictable contract-based recurrent revenue, as well as debt exposures that are non-recurrent income in nature, being Investments with non-periodic or irregular payments derived from the debt instruments. The latter may be subject to greater uncertainty in terms of timing and quantum of returns as further described in the risk factor headed “Non-recurrent income Investments may not generate predictable or recurring distributable income, and ongoing fees and expenses of the Fund will also affect overall potential investment return for investors and available cash for dividends.”

INVESTMENT STRATEGY, PROCESS AND POLICIES

To mitigate such risks, the Fund will invest in non-recurrent income Investments at varying life cycles, that are expected to be repaid at different times, to facilitate the Fund’s intention to pay regular dividends as per its dividend policy. Further, such non-recurrent income Investments will be limited to no more than 30% of the Fund’s total assets at the time of the Investment with a 10% sub-limit for those which do not relate to construction loans. Where an Investment involves both recurrent and non-recurrent income, the Investment Manager shall apportion the Investment on a pro rata basis by reference to such income’s contribution to total income, for the purpose of applying this limit. Where the terms of any Investment are amended to change the relative proportion of recurrent to non-recurrent income, this limit shall additionally be assessed at the time of such amendment. For the avoidance of doubt, a Borrower’s default to pay recurrent income will not, in and of itself, cause such recurrent income Investment to be reclassified as a non-recurrent income Investment.

Construction loans

The Fund may make loans to companies that have not yet completed the construction phases of their real estate project and/or which are not yet cash generative. Such construction loans may be senior or subordinated in nature. In some cases the Borrower is capable of paying interest during the life of the loan (in which case the construction loan is recurrent income in nature), but in most cases, interest payments during the project’s construction phase will be capitalized until the project is completed (in which case the construction loan is non-recurrent income in nature).

From the Borrower’s perspective, construction loans provide funding for projects without needing full upfront capital. For non-recurrent income construction loans, capitalized interest payments ease cash flow pressures during the construction phase, and other terms can also be tailored to the project offering more flexibility compared to standard real estate financing. From the Fund’s perspective, these construction loans generally have higher returns compared to standard mortgages. After completion of the construction phase, the valuation of the underlying project should increase to reflect its completed status, facilitating the Borrower’s disposal of the completed project at a higher price to repay the construction loan, or allow commercial banks to refinance the same.

Accordingly, the Fund’s ability to realize returns on construction loans, whether recurrent or non-recurrent income in nature, depends heavily on the successful completion of the underlying projects, the timely generation of cash flows, and the availability of refinancing or disposal opportunities post-completion. This involves risks including the following:

- Construction loans are subject to construction-related risks, including: (i) the risk of construction delays or significant cost overruns; (ii) the risk that completed properties may not ultimately achieve expected levels of sales proceeds for build-to-sell projects or rental performance for build-to-rent projects; and (iii) risks associated with new project commencement, such as the failure to obtain zoning, occupancy and other required governmental permits and authorizations, or the incurrence of development costs in connection with projects that are not pursued to completion.
- Should any of the above risks materialize, this could affect the valuation of the project. If the valuation of the completed project does not increase as anticipated, or if market conditions deteriorate, Borrowers may be unable to dispose of the project at a sufficient price or secure refinancing from commercial banks, which could impair their ability to repay the construction loan.

INVESTMENT STRATEGY, PROCESS AND POLICIES

- Further, if there is any default with respect to the construction loan, the realizable value of the underlying collateral (which may be the underlying project itself or other securities such as the shares of the asset-holding entity) may be lower than projected if the project remains uncompleted or is not meeting operational targets. Where the secured construction loan is subordinated in nature, the Fund’s exposure to loss in such circumstances is further heightened, as the Fund’s claim on the underlying collateral will rank behind that of any senior lender, meaning that the Fund may recover little or nothing from the collateral after senior claims have been satisfied. If the Fund is unable to realize the underlying collateral for the construction loan, or otherwise fails to recover value after a Borrower defaults, this may have a material adverse effect on the income received by the Fund, the value of the Fund’s assets and the Fund’s ability to pay dividends according to its target.

For further details, please see the risk factors headed “The Fund is exposed to risks associated with construction lending”, “The Fund is exposed to risks associated with investing in subordinated debt”, “The Fund may be unable to realize value from its Investments in the event of default or insolvency of a Borrower and [REDACTED] could lose all or part of their [REDACTED]”, and “The Fund is exposed to risks relating to the realization of collateral”.

Having regard to the above-mentioned risks, when assessing whether a construction loan is suitable for the Fund, the Investment Manager will take the following considerations into account in addition to its usual processes to mitigate and manage such risks.

Due diligence over the developer and the underlying project

- Assessment of the likelihood of project completion having regard to: (a) the track record and financial status of the developer and construction firm; and (b) the characteristics of the underlying project including its location, complexity and stage of development and prospects of sale following construction completion. Where required, specialized technical and other consultants will be engaged.

Preferred criteria

- Loans relating to projects that are relatively easier to build, for example projects which are only several stories tall, or are otherwise assessed to have a high likelihood of project completion following due diligence.
- Loans relating to projects that have a relatively reasonable level of pre-sale or pre-lease, where applicable.
- Loans that are senior and secured, where security can be enforced in the event of default by the Borrower including during their construction phase. Exceptions can be made for subordinated secured construction loans where there are risk mitigation features such as a clear source of repayment, strong track record and/or where the relevant construction contracts have fixed price and/or fixed time terms.

INVESTMENT STRATEGY, PROCESS AND POLICIES

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| Loan level and structural terms | • The Investment Manager will expect parameters such as the loan-to-value (LTV) ratio (as at construction completion), interest rate and loan seniority to be clearly documented, and will assess their appropriateness based on the risk profile of the underlying project. The Investment Manager will typically favor construction loans with a LTV ratio between 60% and 75% as calculated by reference to the gross development value of the project (which represents the expected value as at construction completion) as well as the market value of the land on an as-is basis. |
| Diversification of investment life cycles | • The Investment Manager will target construction loans relating to projects at varying stages of development, with such construction loans expected to be repaid at different times, to facilitate the Fund’s intention to pay regular dividends as per its dividend policy. |

Under the Investment Policy, Investment Concentration Limits will apply to construction loans, which shall not exceed 40% of the total assets of the Fund. For the avoidance of doubt, where construction loans are non-recurrent income in nature or subordinated in nature, they will also be subject to the Investment Concentration Limits applicable to non-recurrent income Investments and subordinated debt.

Interest rates

The Fund intends to primarily invest in fixed rate instruments, although it also retains flexibility to invest in floating rate and inflation-linked instruments where attractive. The Fund may convert cash flows on a fixed rate instrument into floating rate, or vice versa, by entering into interest rate swaps.

Duration

The Investment Manager intends to target a Portfolio where the average life of Investments is less than three years. This allows the Investment Manager to regularly adjust the composition of the Portfolio depending on market conditions at the time.

Currency

The Fund will typically make loans to Borrowers in the same currency that they operate in, unless that Borrower is able to enter into suitable currency hedging arrangements. This is to mitigate the risk that the Borrower’s credit risk increases due to adverse currency movements.

In the case where the currency of a loan to a Borrower is different to the base currency of the Fund, the Fund may enter into foreign exchange hedging arrangements to reduce the risk that adverse currency movements reduce the Net Asset Value of the Fund.

INVESTMENT STRATEGY, PROCESS AND POLICIES

Recourse and non-recourse loans

The Fund may invest in recourse loans, which give the lender the right to pursue the sponsor and/or the parent of the Borrower directly as a means of enforcement, as well as non-recourse loans, which limit the lender’s ability to collect beyond the sale value of the collateral.

Recourse loans would typically reduce the lender’s risk compared to non-recourse loans. On the other hand, non-recourse loans would typically offer higher interest rates compared to recourse loans. To mitigate the risk of non-recourse loans, lenders may require a lower loan-to-value ratio compared to recourse loans. The Investment Manager adopts a holistic approach in structuring investments, including whether they are to be on a recourse or non-recourse basis, having regard to investment-specific factors such as the borrower’s financial health and track record, as well as the other terms of the investment. A majority of the investments in the Illustrative Portfolio are expected to be on a recourse basis.

Investment form

The Fund may invest in debt exposures structured in various ways, including but not limited to loans, notes, bonds, preferred equity, repurchase programs and private mortgage-backed securities.

When investing in loans, the Fund (or the relevant Fund Special Purpose Vehicle) will typically seek to be “lender of record” but on occasion this may not be the case for example, where the Fund invests through participation loans (where a lead lender handles the loan with a Borrower and other lenders have a participation agreement that documents their share of and interests in the loan), provides back-to-back loans to the “lender of record” (where the Fund will typically also take security from the “lender of record” including assignment of the underlying loan with the Borrower) or private mortgage-backed securities (described below). In such situations, which may arise due to commercial and/or regulatory considerations, the Investment Manager will seek to ensure that any resultant additional risks for the Fund are appropriately mitigated. These additional risks could be practical (e.g. receipt of indirect reporting) or legal (e.g. relying on the lender of record to enforce security) in nature. These can be mitigated by, for example: (a) dealing with lenders of record with strong credit profile and good internal procedures; and (b) ensuring that documentation is robust to protect the Fund.

Although the Fund does not invest in equity, other than repurchase programs (described below) which have debt characteristics, it may from time-to-time make private debt investments which benefit from returns linked to equity investments, such as convertible bonds, preferred equity or loans with warrants. However, the Fund would only make such Investments where any conversion to equity was solely at the discretion of the holder of the Investment and the Fund would only exercise such a conversion feature in order to benefit from a near term realization event for the resulting equity (such as on a takeover of the Borrower).

Outside of repurchase programs, the Fund may receive equity in its Borrowers, or direct ownership of assets such as property, following a loan default or restructuring. In such cases, the Fund will look to exit that Investment via a trade sale at an appropriate time to facilitate repayment.

INVESTMENT STRATEGY, PROCESS AND POLICIES

Diversification

The Fund’s investment objective includes generating a diversified portfolio of senior and subordinated real estate private debt Investments that includes a mix of recurrent and non-recurrent income generating Investments. The Investment Manager shall maintain the Fund’s portfolio so that not more than 30% of the Fund’s total assets at the time of each Investment consists of non-recurrent income generating Investments (with a 10% sub-limit for those which do not relate to construction loans) and not more than 10% of the Fund’s total assets at the time of each Investment consists of Investments relating to any individual Borrower and its affiliates.

Under the Investment Policy, various Investment Concentration Limits will also apply with respect to geographic locations of the underlying real estate assets or projects relating to the Investments, real estate asset classes, subordinated debt, repurchase programs, private mortgage-backed securities and Connected Person Investments. In practice, the Investment Manager might seek to operate within tighter limits within these Investment Concentration Limits.

Following Listing, the Fund may raise additional capital from time-to-time to the extent that the Investment Manager believes that the Fund will be able to make suitable Investments. This may enable the Fund to achieve greater diversification of risk and to benefit from economies of scale in relation to the operational costs of the Fund. For information on how the Fund may issue further Shares, please see the section headed “The Instrument of Incorporation”.

Connected Person Investments

The Fund intends to primarily invest in debt exposures to Borrowers who are independent of the Fund and the Investment Manager.

However, since Gaw Capital manages approximately USD35.6 billion of assets predominantly in the real estate sector as at 31 December 2025, the Fund may from time-to-time evaluate opportunities to invest in Connected Person Investments, including but not limited to Investments where the Borrowers are companies and real estate funds directly or indirectly owned and/or controlled by Gaw Capital. Such Connected Person Investment opportunities may also be offered to other funds or accounts with similar investment mandates to the Fund, being the Private Funds, and where both the Fund and Private Funds choose to invest in the same opportunity, it would be allocated between them in accordance with the procedures set out in the section headed “Investment Strategy, Process and Policies – Investment Process – Investment allocation and co-investment”. For the avoidance of doubt, the Fund will not invest in another fund managed or advised by the Investment Manager or Gaw Capital, and there will not be any cross trades or offloading of existing group investments into the Fund.

Should any Connected Person Investment be considered appropriate for the Fund, the Investment Manager shall comply with all Laws and Regulations governing such Investments. Pursuant to the UT Code, all transactions (including but not limited to Connected Person Investments) carried out by or on behalf of the Fund must be executed at arm’s length and in the best interests of the Shareholders. Connected Person Investments may also only be made with the prior approval of the Audit Committee (the majority of whose members are independent non-executive directors of the Fund Board) and the written consent of the Custodian and must also be disclosed in the Fund’s annual report.

INVESTMENT STRATEGY, PROCESS AND POLICIES

Further, before making any Connected Person Investment, the Fund will obtain a valuation by the Valuation Agent in accordance with the valuation policy of the Fund, so as to ensure that the Connected Person Investment is conducted fairly and at arm’s length, as well as comply with the protocols set out in the section headed “Corporate Governance – Arrangements to Mitigate Conflicts of Interest – Connected Person Investments”.

As it is not the primary strategy of the Fund to invest in Connected Person Investments and to facilitate diversification of its Portfolio, the Investment Policy limits the aggregate of such Connected Person Investments to 10% of the total assets of the Fund applied at the time of each Investment. For the avoidance of doubt, the other Investment Concentration Limits, including those on individual Borrowers, shall equally apply to all Connected Person Investments.

INVESTMENT STRATEGY

The Investment Manager has identified the following specific strategies that it will pursue in identifying target Investments.

Senior debt

In the event of insolvency, senior debt will have a first claim on the assets of the Borrower and thus can be considered lower risk compared to other loans with lower claim priority. Moreover, in the event the debt is secured, which is normally the case in real estate financing, senior secured lenders will typically have a priority claim over the secured real estate assets through statutory or court led processes. Nonetheless, Investments in senior secured loans still involve risks which are summarized in the risk factor headed “The Fund is exposed to risks associated with investing in senior secured loans”.

The Fund intends to invest in a mix of senior debt that is recurrent income in nature, being investments which generate predictable contract-based recurrent revenue, as well as senior debt that is non-recurrent income in nature. For further details, please refer to the section headed “Investment Strategy, Process and Policies – Elaboration of Investment Policy – Recurrent and non-recurrent income Investments”. Under the Investment Policy, Investment Concentration Limits will apply to non-recurrent income Investments, which shall not exceed 30% of the total assets of the Fund at the time of investment with a 10% sub-limit for those which do not relate to construction loans.

INVESTMENT STRATEGY, PROCESS AND POLICIES

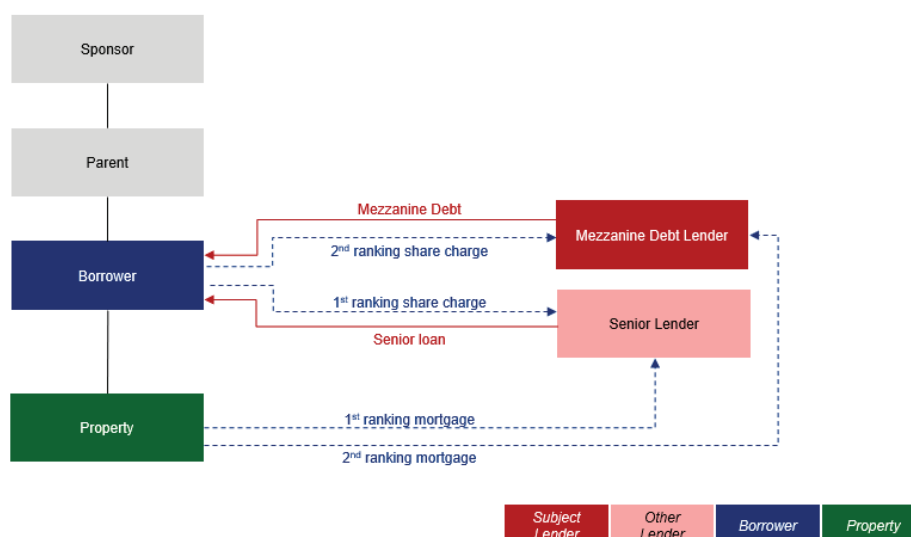
Subordinated debt

In relation to real estate financing, subordinated debt can take a number of forms including:

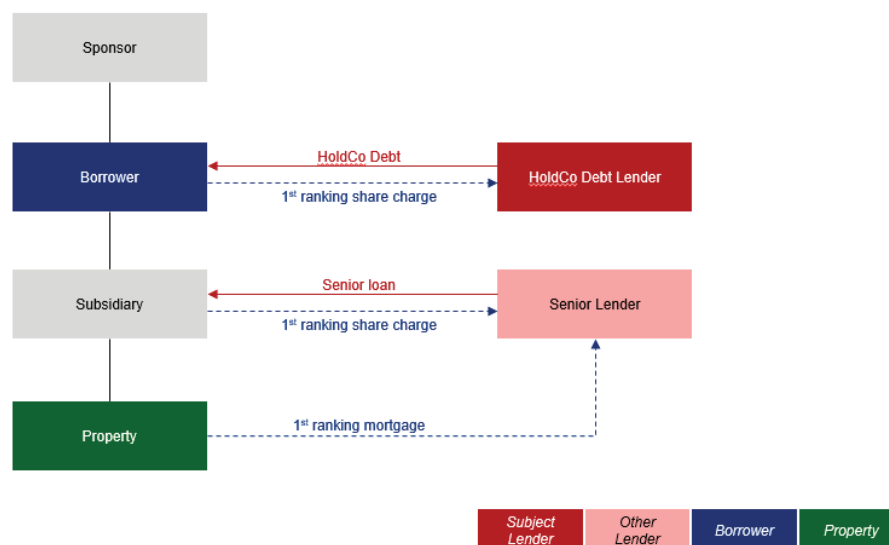
- (a) subordinated debt issued by the Borrower. Both senior debt and subordinated debt are serviced by the Borrower, but the subordinated debt will rank junior to the senior debt upon a default. Both senior and subordinated debt are often secured on the same assets, with subordination created by order of registration of security interest. In some cases, an intercreditor agreement may establish the respective rights of the senior and subordinated lenders to the same Borrower, for example, with respect to how collateral is handled in the event of enforcement or bankruptcy, although whether an intercreditor agreement can be agreed will depend on the particular investment and negotiations with the Borrower and other lenders. This structure is called “**Mezzanine Debt**”; and
- (b) senior debt issued by a parent company of the real estate asset holding company (“**Holdco Debt**”), which is structurally subordinated to the debt in its subsidiaries. This debt is primarily serviced by the subsidiary or subsidiaries to the parent company and is therefore reliant upon not just their profitability and cash flow but also their compliance with their debt covenants as well as laws and regulations affecting the remittance of funds to the parent company via one-off or regular distributions (including distributions paid in kind) and interest payment and repayment of intra-group shareholder loans. If Holdco Debt is secured, in most cases this will be against the assets of the parent company (including shares held by the parent company in the real estate asset holding company).

INVESTMENT STRATEGY, PROCESS AND POLICIES

For illustration purposes only, the following diagrams set out the typical holding structure for Mezzanine Debt and Holdco Debt investments:



- 1) There are two loans, one senior loan from the Senior Lender and another mezzanine loan from the Mezzanine Debt Lender, lending to the same Borrower, which is the property holding company.
- 2) The senior loan will take 1st ranking mortgage over the Property and 1st ranking share charge over the Borrower.
- 3) The mezzanine loan will take 2nd ranking mortgage over the Property and 2nd ranking share charge over the Borrower.
- 4) The mezzanine loan is subordinated to the senior loan through subordinated security.



- 1) There are two loans, one senior loan from the Senior Lender to the property holding company, and another holding company loan from the HoldCo Debt Lender to the Borrower, the parent of the property holding company.
- 2) The senior loan will take 1st ranking mortgage over the Property and 1st ranking share charge over the property holding company.
- 3) The holding company loan will take 1st ranking share charge over the Borrower, the parent of the property holding company.
- 4) The holding company loan is structurally subordinated to the senior loan by lending to the parent of borrower of the senior loan.

INVESTMENT STRATEGY, PROCESS AND POLICIES

In general, and across all these types of subordinated debt, any losses suffered by investors in a Borrower will be suffered firstly by the equity investors in the Borrower itself. Typically, only once the equity investors in the Borrower have suffered a complete loss of their investment will debt investors stand to make a loss. However, any subordinated debt will rank below senior debt, so the holders of subordinated debt will typically stand to make a complete loss on their investment before holders of senior debt experience any losses. In the view of the Investment Manager, the capital structures of the Borrowers to which the Fund seeks to generate subordinated exposure include sufficient equity so that any losses are likely to be borne by the equity investors in the Borrowers themselves rather than by the providers of subordinated and senior debt finance. For further details regarding the risks of subordinated debt, please refer to the risk factor headed “The Fund is exposed to risks associated with investing in subordinated debt”.

Under the Investment Policy, Investment Concentration Limits will apply to the above-mentioned subordinated debt, which together with preferred equity shall not exceed 50% of the total assets of the Fund at the time of the Investment.

Unitranche debt

Unitranche debt combines senior and subordinated debt into a single set of terms and blended interest rate for the Borrower, and allows multiple lenders to share first ranking priority if so negotiated between the lenders. This structure may be adopted when a Borrower requires a slightly higher loan-to-value ratio than for a typical senior loan, which the lenders consider to be acceptable after having considered the risks. The intercreditor terms and priority between the lenders are documented in the finance documents of the unitranche facility.

In a typical unitranche structure, the Borrower enters into a single facility agreement and grants one set of security documents, simplifying execution and ongoing administration. The detailed allocation of economics, rights and priorities between the senior and subordinated lenders is instead set out in a separate intercreditor agreement. This agreement governs matters such as the ranking of the senior and subordinated tranches, the application of recoveries, enforcement procedures and any standstill arrangements that apply in a default scenario. As a result, while the Borrower benefits from reduced complexity and a single blended pricing package, the economic substance for lenders remains similar to a traditional senior-and-subordinated capital structure.

From the Fund’s perspective, the credit characteristics of a unitranche investment depend on whether the Fund is participating in the senior tranche or the subordinated tranche embedded within the unitranche instrument. An investment in the senior tranche generally offers protections and recovery expectations similar to those of standalone senior secured debt. Conversely, an investment in the subordinated tranche typically entails a risk profile comparable to subordinated debt, including lower priority of payment and greater sensitivity to declines in asset value or operating performance.

INVESTMENT STRATEGY, PROCESS AND POLICIES

The risks associated with unitranche debt are therefore substantially similar to those applicable to senior or subordinated loans, depending on the tranche in which the Fund is invested. These include without limitation Borrower creditworthiness, collateral coverage and enforcement considerations and other risks described in the risk factors headed “The Fund is exposed to risks associated with investing in subordinated debt” and “The Fund is exposed to risks associated with investing in senior secured loans”. Having regard to the above-mentioned risks, depending on whether the underlying tranche is senior or subordinated, the Investment Manager will take into account similar considerations as it would for investing in senior debt or subordinated debt, as the case may be.

For the purpose of applying the Fund’s investment restrictions, where the Fund invests in the subordinated tranche of a unitranche loan, the Investment Manager will adopt a look-through approach and treat such exposure as subordinated debt in determining compliance with the above-mentioned 50% limit on subordinated debt and preferred equity Investments under the Investment Policy.

Repurchase programs

Repurchase programs are used when the enforcement risk of an Investment is uncertain, where the ownership title in the underlying real estate is transferred to the lender. Detailed structures vary case-by-case but call and put options will typically be in place to allow the lender to put back the asset to the borrower (demand repayment) and the borrower to call the asset (voluntary prepayment) at par value, with interest/coupon payments typically structured as an option premium payable by the borrower to the lender.

Although these programs are technically structured as an equity investment by the lender when it acquires title in the underlying real estate, in practice they function like a secured loan with the transferred real estate serving as collateral and the borrower’s repurchase obligation at a pre-agreed price economically replicating repayment of principal and interest. If the Borrower does not repurchase the asset, the Fund may, as with any other defaulted secured loan, seek to dispose of the asset and realize its return on the Investment.

From the Borrower’s perspective, repurchase programs can offer a path to financing where in the relevant jurisdiction the enforceability of a conventional mortgage or share pledge is uncertain or inefficient, or where balance sheet, tax or regulatory considerations favor a title-transfer model. They can also be tailored to accommodate special circumstances (for example, where the asset is still in stabilization period or requires remedial works) and can reduce immediate cash interest burden by characterizing consideration as option premiums with flexible timing, while preserving the Borrower’s ability to reclaim the asset via its call option once pre-agreed milestones are met or refinancing is available.

INVESTMENT STRATEGY, PROCESS AND POLICIES

From the Fund’s perspective, repurchase programs can provide enhanced structural protections and economics compared to conventional secured loans. These include: (i) the Fund obtaining legal title to the asset (or to the asset-holding vehicle) during the investment period, which can reduce the time, cost and uncertainty associated with enforcing security in a default scenario; (ii) the ability to lock in a pre-agreed put price that achieves the Fund’s target IRR; (iii) potential ability to incorporate robust covenants, information rights and step-in mechanisms to monitor and control downside risks; and (iv) enhanced oversight or influence over asset-level decisions during the investment period. These features may support higher target IRR relative to conventional senior lending while still providing the Fund with collateral-like protection.

The Fund’s ability to realize returns depends on the Borrower’s capacity to repurchase, the value and liquidity of the underlying asset and the enforceability of the structure. Key risks include:

- **Legal characterization and enforceability risk:** A repurchase program may be recharacterized by a court or insolvency officeholder as a financing rather than a sale-and-repurchase, or as a form of security interest. This could subject the transaction to security perfection, priority and stay rules, or alternatively trigger additional taxes and formalities applicable to true sales. There is also a risk that put/call options, repurchase price terms or default-related provisions may be found unenforceable due to local law restrictions or unmet procedural requirements.
- **Title, perfection and priority risk:** Transfer of title or ownership of the asset (or asset-holding vehicle) may not be fully perfected or may be affected by undisclosed encumbrances, defects, transfer restrictions or procedural delays in required registrations. Any such issues may impair the Fund’s control over the asset or its priority relative to other creditors.
- **Insolvency and clawback risk:** In a Borrower insolvency, the transaction may be challenged as a preference, undervalue transfer or other voidable transaction, or become subject to insolvency moratoria. Repurchase obligations may be treated as unsecured claims, and remedies such as specific performance may not be available, which could reduce recoveries.
- **Asset value and market liquidity risk:** The value of the underlying real estate may decline due to market conditions or asset-specific issues, and selling the asset to a third party may take longer or cost more than anticipated. These factors may reduce the Fund’s ability to recover its expected return if the Borrower fails to repurchase the asset.
- **Operational and management risk:** While the Fund delegates operation of the underlying real estate to the Borrower, it may as the title holder become responsible for certain asset-level obligations such as regulatory compliance, insurance and operating expenses. While the delegation arrangements will typically require the Fund to be reimbursed for such costs, operational issues or unexpected costs may nonetheless adversely affect recovery values.

INVESTMENT STRATEGY, PROCESS AND POLICIES

- **Regulatory and licensing risk:** Ownership or control of the asset or the holding vehicle may trigger licensing requirements, foreign ownership restrictions or ongoing regulatory obligations. Failure to comply could lead to fines, forced disposal or other sanctions.
- **Tax risk:** Transfers of title and subsequent repurchases may give rise to transfer taxes, stamp duty, value-added tax or other tax liabilities. The tax treatment of option premiums and repurchase price components may vary by jurisdiction and could affect the Fund’s net returns.

Having regard to the above-mentioned risks, when assessing whether an Investment in a repurchase program is suitable for the Fund, the Investment Manager will conduct due diligence on the Borrower, the asset and the proposed structure. This includes analyzing the Borrower’s financial strength, governance, track record and ability to repurchase the asset through refinancing or disposal. The Investment Manager will also review title and encumbrances, transferability, valuations, leasing profile, operating performance, physical condition, environmental and tax considerations, obtaining independent valuations or technical reports where appropriate.

The Investment Manager will evaluate the enforceability of the title transfer and option arrangements, the effectiveness of any ancillary security, and any risks of recharacterization or insolvency challenge. Local legal and tax advisers will typically be engaged to confirm steps for title perfection, registration and compliance with regulatory or licensing requirements. Structural protections—including covenants, information rights, reporting and step-in mechanisms—will be assessed to ensure they appropriately mitigate risks.

The Investment Manager will also review exit and recovery scenarios, including the Borrower’s ability to repurchase at the agreed price and, in downside cases, the Fund’s ability to sell the asset or otherwise realize value, taking into account asset liquidity, timelines, sensitivities to valuation movements and transaction costs. Opportunities with conservative entry valuations, clear repurchase mechanics and credible take out pathways will generally be favored. In this regard, the Investment Manager’s preferred exit route in respect of repurchase program Investments is the exercise of the put option to require the Borrower to repurchase the relevant asset, rather than a disposal of such asset by the Fund on the open market, although the Fund retains the ability to pursue a market sale where the Investment Manager considers it to be in the best interests of the Fund and its Shareholders.

Furthermore, the Investment Manager will consider the commercial terms of the Investment, including the IRR implied by the put price, the Borrower’s equity contribution, the strength of covenants and reporting requirements, and contractually require the Borrower to discharge the abovementioned operational, management responsibilities and other responsibilities of the Fund as if they were the property owner, as well as indemnify the Fund for the proper performance of these responsibilities. Transactions will typically be preferred where the Fund’s rights provide collateral-like protection and any regulatory, tax or operational obligations that cannot be delegated are manageable within the Fund’s resources.

Under the Investment Policy, Investment Concentration Limits will apply to repurchase programs, which shall not exceed 30% of the total assets of the Fund at the time of the Investment.

INVESTMENT STRATEGY, PROCESS AND POLICIES

Preferred equity

Preferred equity is a hybrid investment that combines features of both debt and common equity, sitting between them in a borrower’s capital structure. Preferred equity holders typically receive committed interest or dividend payments and an additional equity incentive, allowing them to participate in the potential upside of the underlying company or project. However, unlike common equity, preferred equity generally does not provide voting rights, and in an insolvency or liquidation scenario it ranks behind all debt obligations, including subordinated debt.

From the Borrower’s perspective, preferred equity provides a flexible capital solution that supports growth, stabilization or recapitalization without diluting its existing shareholders’ voting rights or transferring control. Because preferred equity is typically non-voting and ranks behind debt, it allows the Borrower to raise capital while preserving the existing ownership and governance structure. It also strengthens the Borrower’s capital base in a manner that is transparent to its shareholders and creditors, and can be tailored to project needs, for example, through deferred or payment-in-kind distributions during defined periods. Preferred equity therefore allows access to long-term capital while maintaining operational control and avoiding the immediate pressure of fixed amortization schedules.

From the Fund’s perspective, preferred equity may offer higher expected returns than senior or mezzanine loans, reflecting its subordinated position, while providing contractual protections not typically available to common equity. These may include priority distributions, defined payment mechanics, information and reporting rights, consent rights over specified material actions and, where agreed, board representation or observer rights to enhance operational oversight and enable early identification of financial or operational underperformance.

The Fund’s ability to realize returns on preferred equity investments depends on the Borrower’s operating performance, cash-flow generation and the availability of exit routes, including sale, refinancing or redemption. The following risks may materially affect outcomes:

- **Subordination and recovery risk:** Preferred equity ranks behind all debt in insolvency or liquidation and may have limited recovery if asset values decline.
- **Cash flow and payment risk:** Preferred returns depend on available cash flows and applicable corporate law constraints (e.g., distributable reserves) and may be deferred, reduced or paid in kind during weaker performance.
- **Control and governance risk:** Voting rights are typically not available or limited for preferred equity, and the Fund must rely on negotiated protections and reporting to safeguard its position.
- **Valuation and exit risk:** Realization depends on market conditions, operating performance and liquidity events; redemption timing may be affected by legal or financing constraints.

INVESTMENT STRATEGY, PROCESS AND POLICIES

Having regard to the above-mentioned risks, when assessing whether a preferred equity Investment is suitable for the Fund, the Investment Manager will review the Borrower’s financial strength, governance, management capability and capital structure, together with its business plan and projected cash flows to support preferred returns and the expected exit. The terms, such as the priority and mechanics of distributions, participation features, protective provisions, restrictions on additional indebtedness or issuances, and any board representation or observer rights, will be analyzed for adequacy and enforceability. Where permissible, the Fund will seek to negotiate security over the shares of the Borrower or other assets of the parent company of the Borrower, relying on standard security instruments secured against the preferred equity investment, as a means of enhancing the Fund’s recoverable position in the event of a default.

The Investment Manager will also evaluate the underlying project or company, including valuation, operating performance, competitive positioning and market conditions, and may obtain independent valuations, financial models and legal or tax advice as appropriate. Exit feasibility will be assessed across redemption, refinancing or sale pathways, having regard to legal requirements (including distributable reserves and corporate approvals), financing availability, timelines and sensitivity to downside scenarios. The Fund will generally favor opportunities offering a clear priority return, robust governance and reporting regimes, and realistic and achievable exit options within the expected investment timeframe. Specifically, when assessing the appropriateness of a preferred equity Investment, the Investment Manager will consider the LTV ratio and the last dollar value of the preferred equity position by reference to the entire capital stack of the relevant Borrower or project, taking into account all instruments that rank ahead of the preferred equity (including senior and subordinated loans and any other prior-ranking obligations). The Investment Manager will generally favor preferred equity Investments where the implied LTV and last dollar value, after accounting for all such prior-ranking instruments, remain at a level that is reasonable and provides an enhanced return commensurate with the subordinated risk profile of the preferred equity position.

Private mortgage-backed securities

Private mortgage-backed securities are investments backed by a pool of mortgages on real estate assets. They are typically created when an “originator” (usually banks or other financial institutions) establishes a special purpose vehicle “issuer” to invest in loans from the originator and/or third parties. The issuer will then issue securities to investors, which entitle those investors to periodic payments by the issuer funded by returns from the underlying loan portfolio (i.e. interest and principal repayments from such loans).

The underlying loan portfolios will continue to be legally and beneficially owned by the issuer. These securities are considered to be “asset backed” as any failure in the underlying loan portfolio will affect the issuer and its securities.

INVESTMENT STRATEGY, PROCESS AND POLICIES

Originator and investor motivations

Private mortgage-backed securities can help originators dispose of illiquid long-term mortgages to facilitate their capital recycling, transfer risk or obtain regulatory capital relief.

From the investor perspective, private mortgage-backed securities offer investors a steady stream of income generated by the regular principal and interest payments from the loan portfolio, which often offer higher yields compared to other fixed-income securities to compensate for their unique features.

Nature of private mortgage-backed security portfolio

The underlying loan portfolio of a private mortgage-backed security is not static. As loans are repaid or sold, the issuer may redeploy the proceeds into new loans. The terms and conditions of the private mortgage-backed securities will typically specify parameters regarding the replenishment of loans. The issuer will also typically focus on a particular level of seniority when initially structured, so as to appeal to a particular type of investor, with the replenished loans also focusing on the same level of seniority.

Impact of credit events

Credit events will result in changes in principal and interest payments from the loan portfolio, as the underlying borrowers have failed to service the debt. Further, additional costs will be incurred to manage the enforcement process of the underlying loans in the portfolio. As these events may impact the value of the private mortgage-backed security as well as its potential returns, how well the originator and issuer can manage their delinquency rate and loan-to-value ratio is important for the investor.

Investment considerations

When assessing whether a private mortgage-backed security is suitable for the Fund, the Investment Manager will take the following considerations into account in addition to its usual processes.

- | | |
|---|--|
| Due diligence over the originator and issuer | <ul style="list-style-type: none">• Assessment of the underwriting standards of the originator and issuer, for example, their lending criteria and quality of their own due diligence, as well as their creditworthiness. |
| Preferred criteria | <ul style="list-style-type: none">• At initial structuring, the Investment Manager will favor private mortgage-backed securities originated by banks, which invest in loans that have liquid collateral. The Investment Manager will also favor loan portfolios with a loan-to-value ratio between 50 and 70%.• With respect to replenishment, the Investment Manager will favor private mortgage-backed securities that maintain the same investment criteria when replenishing the portfolio (for example, with respect to liquid collateral, location and existing loan-to-value ratio). |

INVESTMENT STRATEGY, PROCESS AND POLICIES

- The Fund only intends to invest in private mortgage-backed securities that are not listed or quoted on any exchange.
- Historical Performance & Delinquency**
- At initial structuring, the Investment Manager will consider historical performance with respect to interest and principal payments, as well as delinquency rates, to gauge the acceptable loan-to-value ratio and pricing.
 - With respect to replenishment, the Investment Manager will monitor ongoing delinquency rates of the portfolio. The Investment Manager will review the replenishment stringently should delinquency rates (and potentially loan-to-value) continue to increase. The Investment Manager will also consider the macroeconomic, tax, regulatory and legal environment and trends to assess whether replenishment is warranted.
- Independent Credit Ratings Assessment**
- At initial structuring, an independent credit rating agency will typically be engaged to rate the private mortgage-backed security having regard to factors such as historical performance, delinquency rates and payment history to assist the Investment Manager gauge the acceptable loan-to-value ratio and pricing.
 - With respect to replenishment, the Investment Manager will expect that the credit rating of the private mortgage-backed security is maintained as the underlying loan portfolio is replenished and will actively monitor this. The credit rating will typically be reviewed annually, and if the credit rating is not maintained, the Fund may sell all or part of the private mortgage-backed security.
- Loan level and structural terms**
- At initial structuring, the Investment Manager will expect parameters such as the loan-to-value ratio, interest rate, payment frequency and loan seniority to be clearly documented, and will assess their appropriateness based on the risk profile of the underlying collateral.
 - With respect to replenishment, the Investment Manager will expect that new loans match the initial documented criteria and collateral profile.

INVESTMENT STRATEGY, PROCESS AND POLICIES

- | | |
|--|--|
| Counterparty risk | <ul style="list-style-type: none">• The Fund only has a contractual relationship with the issuer and not with the underlying borrowers. The Fund will be looking to the issuer for payments in connection with the private mortgage-backed securities.• This is an additional risk beyond the counterparty risk of the underlying borrowers, but one that the Investment Manager will seek to mitigate by conducting due diligence on the creditworthiness of the originator and issuer as noted above.• For the purposes of the Investment Concentration Limits, the Borrower will be regarded to be the counterparty to the Fund (i.e., the issuer) rather than the borrowers with respect to the underlying loan portfolio. |
| Risks of not being the “lender of record” | <ul style="list-style-type: none">• As the investor will not be the “lender of record” for the underlying loan portfolio, there may be associated risks that are both practical (e.g. receipt of indirect reporting) and legal (e.g. relying on the issuer to enforce security).• These risks can be mitigated by, for example: (a) dealing with lenders of record with strong credit profile and good internal procedures; and (b) ensuring that documentation is robust to protect the Fund. |
| Other specific risks | <ul style="list-style-type: none">• Please see the risk factor headed “The Fund is exposed to risks associated with investing in private mortgage-backed securities” for further risks relating to investments in private mortgage-backed securities. |

Geographical strategies

The Investment Manager is currently active in sourcing, assessing, executing, monitoring and exiting private loans for other funds secured by real estate assets and projects across a wide range of regions and countries, including but not limited to Hong Kong, Australia and New Zealand, South Korea, Singapore, Japan, Thailand, Vietnam and the Middle East. This geographical range gives the Investment Manager a high level of insight into relative lending conditions.

The Investment Manager considers there to be ample lending opportunities due to market dislocation across the above-mentioned jurisdictions driven by banks being constrained from lending due to regulatory policies and client/country/market exposure limits, despite the underlying collateral being satisfactory. Furthermore, the identified jurisdictions have robust laws pertaining to security and their enforcement, which is a priority for the Investment Manager with respect to the Fund.

INVESTMENT STRATEGY, PROCESS AND POLICIES

The relative attraction of one jurisdiction over another can change over time, as a result of changes in political, economic, regulatory or market conditions. For example, even if lending terms remain constant, lending into a specific jurisdiction may become more attractive if its political or economic risk profile improves. The converse is also possible.

The Investment Manager will look to direct its lending activities with respect to the Fund towards those jurisdictions with better lending terms. Moreover, since the average life of Investments in the Fund’s portfolio is expected to be relatively short at less than three years, the Fund has a high level of agility compared to other funds that have much longer-life illiquid investments (such as property). This means that, in the future, when capital is to be redeployed, the Investment Manager can reassess which countries are attractive and adjust the geographical composition of the portfolio accordingly.

Currently, the Investment Manager is of the view that Borrowers with real estate as collateral have more difficulty to gain avenues to cheaper lending and commercial banks are looking ways to dispose of their loan book within the real estate sector in the above-mentioned jurisdictions. As a result, bridge loans on residual real estate inventory and completed assets, construction loans, acquisition loans and working capital/value added loans are often seen in the market in these jurisdictions.

Real estate class strategies

The Fund seeks to provide investors with an attractive return which the Fund can earn compared to liquid credit or government bonds by addressing an underserved part of the debt market which is experiencing a significant ongoing shortfall in financing capacity.

In addition to choosing attractive jurisdictions, the Investment Manager believes that it can target higher risk-adjusted returns by investing in specific real estate asset classes that are potentially underinvested in by the broader real estate debt market, at the expense of real estate asset classes that are facing short term liquidity. Currently, for residential, commercial (including retail) and industrial (excluding logistics) assets, certain residual stock financing has been attractive as the existing lenders are imposing covenants that make it difficult for borrowers to dispose of their inventory. Also, uncompleted sites and projects often need last mile financing via construction loans to value add.

The Investment Manager may also consider debt exposures relating to infrastructure-linked real assets where the underlying collateral consists of physical facilities essential to infrastructure operations that exhibit real estate characteristics. These may include waste management facilities, renewable energy plants (such as solar, wind and waste-to-energy), energy-storage grids and battery facilities, as well as transport-related assets such as toll roads, logistics-related transport hubs and other transportation facilities. The Investment Manager considers such Investments to be comparable to traditional property-backed financing and, where aligned with the Investment Policy and Concentration Limits, may select such opportunities where they offer attractive risk-adjusted returns for the Fund.

INVESTMENT STRATEGY, PROCESS AND POLICIES

Other strategies

The Investment Manager retains the flexibility, within the Investment Policy, to modify the above strategies and/or adopt other strategies in response to changing market conditions. In addition, it may from time-to-time find potential real estate private debt Investments which, whilst not corresponding to a specific strategy, could nonetheless provide the Fund with an attractive risk-adjusted return. For the avoidance of doubt, any change to the Investment Policy will require Shareholders’ approval by way of an Ordinary Resolution.

INVESTMENT PROCESS

Investment origination

The directors and senior officers of the Investment Manager have significant experience working within the global real estate markets and have established close relationships with many of the key participants including equity investors, lenders, agents, real estate managers, service providers and market professionals.

The strategy for the Investment Manager with respect to the Fund will be to pursue both primary market transactions and secondary market opportunities (for example, trade-sale of loan portfolios by pre-existing lenders).

Primary market originations offer greater structuring control from both an economic return perspective and a risk management perspective. These transactions will generally consist of bilateral and “club” loans – arrangements involving a small group of lenders, which could include other funds or investment vehicles advised by the Investment Manager and/or Gaw Capital – alongside select syndicated loans with broader lender participation. This approach enables the Fund to proactively target geographic locations and real estate asset classes deemed attractive for the Fund’s risk-return profile, while also capturing additional value through upfront lending fees.

Secondary market opportunities are also attractive considering such purchases are usually at a discount. Sellers of these secondary loan trades are mostly commercial banks, typically encouraged to sell these loans due to the banks’ internal policies and strategies. Considering the original lenders are typically commercial banks, these loans typically have robust security packages as credit support. By correctly identifying the value of the secured real estate assets of these loans and acquiring these loans at a discount, these transactions could provide attractive risk-adjusted returns for the Fund.

Primary and secondary market deals will be sourced through the well-established networks of the Investment Manager, including relationships with real estate equity sponsors/investors, developers, construction firms, advisers, and co-lenders. Gaw Capital may also from time-to-time refer investment opportunities to the Investment Manager for the Fund. These opportunities may include co-investments with the Relevant Gaw Parties as well as Connected Person Investments.

INVESTMENT STRATEGY, PROCESS AND POLICIES

All originated deals (whether or not they proceed to the next stage of the investment process) will be tabled to the Public Fund Investment Committee for consideration. The Public Fund Investment Committee, which has delegated responsibility from the Manager Board for approving all investments and divestments by the Fund, comprises three Responsible Officers of the Investment Manager that are designated to its public fund platform. Two of the three members of the Public Fund Investment Committee shall be solely dedicated to evaluating investment and divestment opportunities for the Fund. For details of the Public Fund Investment Committee, please refer to the section headed “The Investment Manager – Public Fund Investment Committee”.

Preliminary review and due diligence

Preliminary review

The Public Fund Investment Committee will preliminarily review the investment opportunity to determine whether and to what extent it is appropriate for the Fund. In determining whether an investment opportunity is appropriate for the Fund, the Public Fund Investment Committee will consider whether the investment opportunity:

- o complies with the Investment Policy;
- o complies with the Investment Manager’s sustainability policy;
- o adds balance and diversification to the portfolio of the Fund, having regard to the target return and risk profile of the Fund;
- o exposes the Fund to unacceptable reputational or legal risk;
- o depending on the asset class of the underlying real estate, has a debt yield, being the net operating income of the underlying asset divided by the total loan amount, that is acceptable for the Fund;
- o where applicable, has a breakeven value, being the loan size per unit (for example, sqft or sqm), that is less (by a margin that is acceptable for the Fund) than the expected market price of the underlying collateral per unit based on comparable transactions (for example, lending at HKD10,000 per sqft breakeven value may be considered attractive if comparable transactions for the underlying collateral are averaging a materially higher figure per sqft);
- o has security perfection and enforcement regime acceptable for the Fund; and
- o has sufficient equity in the project or assets to allow the proposed leverage without undue risk to the Fund.

INVESTMENT STRATEGY, PROCESS AND POLICIES

Should the Public Fund Investment Committee choose to proceed with any investment opportunity following its preliminary review, the Investment Manager shall conduct due diligence to evaluate all project risks relevant to making an investment decision. Where appropriate, the Investment Manager will complement its analysis through the use of independent professional third-party advisers, including but not limited to technical consultants, financial, tax and legal advisers and valuation and insurance experts. These advisers will be engaged to conduct due diligence that is intended to provide an additional and independent review of key aspects and risks of a project, providing comfort as to the level of risk mitigation and the project’s ongoing performance. In addition, the Investment Manager will conduct site visits, and where appropriate, conduct meetings with the management of the Borrower and/or its advisers.

The table below summarizes the due diligence and credit considerations that the Investment Manager will apply where appropriate when assessing potential investments for the Fund.

Macro review	• Real estate and interest rate environment • Tourism, political and regulatory environment
Sub-sector review	• Trading comparison of the performance of the Borrower against its peers; the project against market comparables • Future/current supply of same class of asset • Market sentiment and price and liquidity trends of asset type in specific geographic location
Project/Fund review	• Liquidity of collateral (see below) • Sources of repayment: Regardless of whether loan is senior or subordinated, the Investment Manager will look at how the Borrower generates income and will request credit enhancements such as cash sweep undertakings, loan amortization and security over collection account where appropriate • Sensitivity analysis varying assumptions such as peers trading prices, replacement costs and interest rates • Companies/bonds: Ongoing financial, liquidity, operating and event risk analysis; management; access to capital (e.g. covenants/subordinated position versus other lenders) • Financial covenants such as debt service coverage ratio and minimal tangible net worth

INVESTMENT STRATEGY, PROCESS AND POLICIES

- Loan to value (LTV) ratio: The amount of debt divided by value of the assets collateralizing or otherwise backing the loan to the Borrower (the general preference being an LTV ratio of 80% or less)
 - Other financial metrics such as loan to cost ratio, breakeven value and/or debt yield, as applicable depending on the nature of the underlying real estate assets or projects
 - Ongoing review of financial model(s) including financial ratios
 - Site visits to inspect the underlying real estate assets or projects
- Documentation**
- Terms of the rental agreements, sale and purchase agreements and other documents (such as hotel management agreements and other operational documents)
 - Robustness of financing documents including loan and security agreement, intercreditor arrangements and hedging agreements.
 - All due diligence reports such as financial, tax, legal, enforcement memo and title deeds
 - Valuation reports with respect to the underlying real estate assets or projects
- Counterparty credit risk**
- Transactional counterparties such as tenants, assets operators, escrowed banks, facility/security agents, contractor/builder
 - Financial counterparties such as hedge providers

INVESTMENT STRATEGY, PROCESS AND POLICIES

Collateral	- The assessment of collateral, if any, and its value varies between different types of investments. In all cases, the Investment Manager will get a third-party valuation over the collateral. For real estate assets or projects that generate recurrent cash flow (such as retail, commercial or logistics assets), a discounted cash flow approach may be adopted. For construction assets, a residual approach may be used, which involves determining the gross development value and then deducting development costs and the developer’s profit margin. For assets that do not generate material cash flow, such as residential properties, a market comparison approach may be applied by benchmarking against transactions involving comparable assets. For other income-producing assets, an income capitalization approach may be used by applying the asset’s net operating income against an appropriate capitalization rate derived from comparable market transactions - Once the value of the collateral, if any, has been estimated, further consideration will be given to factors that may impact collection in the event of a foreclosure. Examples of these factors include sales costs; diminution of value arising from being a foreclosure sale; costs incurred in operating and maintaining the asset over the foreclosure period; foreclosure costs; and taxes. The Investment Manager will also seek independent legal advice with respect to enforcement of collateral in the relevant jurisdictions
Additional considerations for construction loans	See the section headed “Investment Strategy, Process and Policies – Elaboration of Investment Policy –Construction loans” for additional considerations
Additional considerations for repurchase programs	See the section headed “Investment Strategy, Process and Policies – Investment Strategy – Repurchase programs” for additional considerations
Additional considerations for preferred equity	See the section headed “Investment Strategy, Process and Policies – Investment Strategy – Preferred equity” for additional considerations
Additional considerations for Private mortgage-backed Securities	See the section headed “Investment Strategy, Process and Policies – Investment Strategy – Private mortgage-backed Securities” for additional considerations

INVESTMENT STRATEGY, PROCESS AND POLICIES

Sustainability policy

The Investment Manager has a comprehensive sustainability policy that emphasizes the integration of sustainability and climate-related factors into the investment and operation process.

- At the preliminary review stage, the Investment Manager evaluates potential opportunities, assessing their ESG and sustainability performance in the context of the Fund’s existing portfolio and current investment objectives. Any projects found to contravene sustainability principles or relevant regulatory requirements will not proceed to the next stage.
- At the due diligence stage, the Investment Manager will conduct internal due diligence, where the projects need to provide their ESG performance and disclosure. Borrowers will typically be required to sign an ESG declaration form to facilitate mutual sustainability visions, the establishment and maintenance of appropriate management systems, and the active review, monitoring and modification of management processes and business operations related to the underlying project. Key areas include business integrity, environmental stewardship, and social impact. Where practicable, the requirement is further extended to the Borrower’s employees and representatives.
- At the investment decision stage, the Public Fund Investment Committee reviews sustainability and climate-related risks and opportunities, where needed, identifying ESG concerns for further mitigation.
- At the post-investment stage, the investment’s ESG performance is actively monitored by the Investment Manager throughout the entire project cycle to ensure compliance with sustainability principles.

The Investment Manager is part of Gaw Capital, which is a signatory to the United Nations Principles of Responsible Investment (“UNPRI”) and ILPA Diversity in Action. The Investment Manager seeks to align its practices with these principles, where appropriate.

Negotiation of Investments

Where the proposed Investment is a bilateral loan, the Investment Manager will engage in negotiations with the Borrower directly on the terms of the relevant financing documentation. Where an Investment involves more than one lender, the lead lenders (the “Arrangers”) will typically negotiate directly with the Borrower on behalf of the lending group. To facilitate such negotiations, the Arrangers will seek to understand the required terms, including any non-negotiable positions, of each of the other participating lenders (the “Other Lenders”). Where the investment opportunity has been originated by the Investment Manager and/or Gaw Capital, the Fund will seek to act as an Arranger (to the extent such role is available to it) to lead the negotiations with the Borrower. In other cases, the Fund as one of the Other Lenders could still withdraw from the Investment should the negotiated terms fail to meet the Fund’s requirements or considerations.

INVESTMENT STRATEGY, PROCESS AND POLICIES

The structure of the financing documentation will depend on the composition of the lending group. Where the participating lenders are within the same tranche, the rights of the lenders as between themselves will typically be governed by the facility agreement entered into with the Borrower. Where the participating lenders are at different tranches (for example, senior and subordinated lenders), the rights of the lenders as between themselves will typically be set out in an intercreditor agreement. In each case, such documentation will be negotiated on an arm’s length basis having regard to market convention, including recommendation forms published by the APLMA or the LMA.

Facility Agreements

It is often the case that the rights of each lender under the facility agreement are separate, several and independent, and the facility agreement will give each lender the right to independently assign or transfer its participation in the loan to eligible transferees subject to the agreed transfer mechanics and conditions, create security over its rights under the facility (including in favor of a central bank or holders of its securities) and separately enforce its rights against the obligors, except as specifically provided in the facility agreement. Such exceptions include rights that are typically reserved to the majority lenders (the market standard of “majority lenders” being lenders holding more than two thirds of total commitments), such as the right to accelerate or direct the facility agent to accelerate the loan or cancel commitments upon an event of default by the borrower, and the right to exercise or direct the security agent to exercise rights, remedies, powers or discretions under the finance documents. Accordingly, where the Fund holds a minority position and does not represent the requisite majority, it cannot unilaterally compel the facility agent to take such enforcement action or require the security agent to enforce transaction security. The Fund may hold a minority position in certain syndicated facilities, including where it participates alongside the Relevant Gaw Parties or other co-lenders, although the Fund may also hold a majority or controlling position in bilateral or club transactions. Furthermore, any amounts recovered by a lender outside the standard payment mechanics (including through the exercise of set-off rights) are often subject to sharing provisions that require such recoveries to be paid through the facility agent and redistributed among the lenders on a pro rata basis and in accordance with payment waterfalls, and accordingly the Fund’s ability to retain the benefit of any individual recovery action may be limited in such circumstances.

The facility agreement also usually addresses, among other things, the consent thresholds required for amendments and waivers, including matters requiring majority lender consent (such as amendments to the facility agreement) and important matters requiring the consent of all lenders (such as payment extensions by the Borrower, changes to pricing matters and changes to the nature and scope of the guarantee and security), thereby preserving the veto rights of minority lenders on material matters.

INVESTMENT STRATEGY, PROCESS AND POLICIES

Intercreditor Agreements

Meanwhile, it is often the case that the intercreditor agreement addresses, among other things, the required consents for specified actions by the respective facility agents and lender groups, as well as detailed provisions governing the interaction between lenders in insolvency, enforcement, and distressed and non-distressed disposal scenarios and the application of proceeds, thereby providing all lenders with visibility as to such matters from the time of Investment.

The following matters are, in particular, typically addressed in an intercreditor agreement: (i) prior to the senior tranche discharge date, the right to direct the security agent to enforce the transaction security and to instruct the manner of any enforcement or distressed disposal is typically vested in the instructing group, which usually comprises the majority senior creditors (being senior creditors whose participations aggregate more than a specified percentage of total senior credit participations); (ii) any amounts received or recovered by a creditor outside the standard payment mechanics are subject to a turnover obligation requiring such amounts to be paid to the security agent for application in accordance with the agreed waterfall, which generally distributes recoveries to the senior creditors before the mezzanine creditors; (iii) following a distress event, the security agent is required to seek a fair market value in connection with any distressed disposal or liabilities sale, having regard to prevailing market conditions; and (iv) amendments to certain fundamental provisions (including the order of priority and subordination, the application of proceeds waterfall and the redistribution mechanics) require the consent of all senior lenders and mezzanine lenders.

With respect to transfers of loan participations, a senior lender or mezzanine lender may usually assign its rights or transfer by novation its rights and obligations in respect of the financing documents, provided that such assignment or transfer is in accordance with the terms of the relevant facility agreement and the transferee accedes to the intercreditor agreement; each lender’s right to transfer its participation is typically exercisable independently and is not contingent upon any other lender making a concurrent transfer.

A typical intercreditor agreement will include a number of structural protections which are protective towards the senior creditors. Prior to the senior tranche discharge date, the mezzanine creditors may be subject to a standstill on enforcement actions in respect of the mezzanine liabilities, subject to limited exceptions (including where a senior acceleration event has occurred or a mezzanine standstill period has elapsed without the relevant default being remedied or where majority senior lenders have given prior consent). Enforcement and disposal decisions are controlled by the instructing group, which as noted above comprises the majority senior creditors giving them priority influence over the timing and manner of any enforcement or distressed disposal prior to the senior tranche discharge date. In addition, the mezzanine lenders are afforded an option to purchase all (but not part) of the senior lender liabilities in certain circumstances specified in the intercreditor agreement (such as following a distress event or during a mezzanine standstill period) and subject to satisfaction of certain conditions (including payment of all senior liabilities, relevant costs and expenses and required cash cover), which, if exercised, would result in the senior liabilities being transferred in full at the time of transfer and the borrowers shall have no further liability owed to the senior lenders under the financing documents.

INVESTMENT STRATEGY, PROCESS AND POLICIES

Investment approval

All investments by the Fund must be approved by the Investment Manager, and in particular, through majority approval by its Public Fund Investment Committee, which has been authorized by the Manager Board to make investment decisions for and on behalf of the Fund.

The Public Fund Investment Committee will consider the potential investment by the Fund in the context of:

- (a) the rights of the Fund as lender under the terms of the facility agreement or intercreditor agreement to be entered into in connection with the relevant investment, including, for example, the consent thresholds required for enforcement actions, the turnover and sharing obligations applicable to recoveries, and the structural protections afforded to the Fund’s tranche, as further described in the sub-sections headed “Facility Agreements” and “Intercreditor Agreements” above;
- (b) the credit and other risks associated with the investment having regard to the above-mentioned factors summarized in this section headed “Investment Strategy, Process and Policies”;
- (c) its potential return both in absolute terms and relative to other investment opportunities; and
- (d) its effect on the overall composition of the Fund’s portfolio taking into account the Fund’s objective of holding a diversified portfolio of investments.

Additional corporate governance procedures will also be followed before any Connected Person Investment is approved by the Public Fund Investment Committee, as further detailed in the section headed “Corporate Governance – Arrangements to Mitigate Conflicts of Interest – Connected Person Investment”.

Investment allocation and co-investment

Allocation process and co-investments between the Fund and the Relevant Gaw Parties

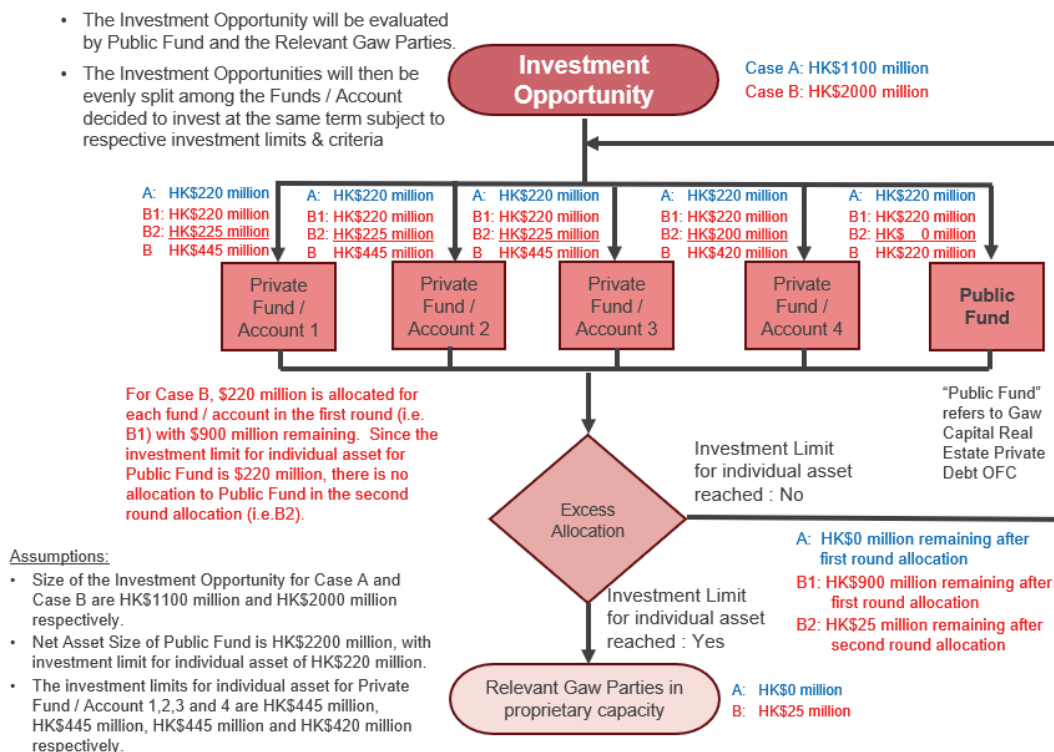
In addition to the services that the Investment Manager provides in connection with the Fund, the Investment Manager, Gaw Capital and their affiliates, directors, officers and employees also manage and/or advise other private funds or accounts with similar investment mandates to the Fund (“**Private Funds**”). These Private Funds are not authorized by the SFC nor available to the public in Hong Kong.

INVESTMENT STRATEGY, PROCESS AND POLICIES

While the Fund will not be able to co-invest with the Private Funds with respect to investments that those entities have already executed (including refinancing of those investments that do not already involve the Fund), the Fund may co-invest with the Investment Manager, Gaw Capital, their affiliates, directors, officers and employees, and the Private Funds (the “Relevant Gaw Parties”) in the future new investments. Co-investing with the Relevant Gaw Parties allows the Fund to participate in institutional-grade, large-scale real estate private debt investments (up to its concentration limits) which the Fund may not be able to fund in their entirety on a standalone basis, thereby broadening Shareholders’ exposure to a wider range of investment opportunities. Co-investing also allows the exposure to any single borrower or underlying real estate asset to be shared rather than concentrated within the Fund. Investing alongside with the principal sponsor of the Fund, being Gaw Capital ensures that the Relevant Gaw Parties have a direct economic interest in the performance of the same Investment, aligning their interests with those of the Shareholders. It is expected that these co-investments will make up a substantial portion of the Portfolio, and for illustration purposes only, approximately 75.6% of the Illustrative Portfolio is committed to co-investments with the Relevant Gaw Parties.

Such co-investments will be covered by a rule-based allocation policy that aims to ensure investments are allocated in a way that is fair, reasonable and equitable to all parties based on investable capital, investment objectives, and other investment constraints, such as diversification, to avoid the appearance of favoritism or discrimination.

With respect to each co-investment opportunity, the allocation policy will operate in the manner as summarized and illustrated below.



INVESTMENT STRATEGY, PROCESS AND POLICIES

- Firstly, the investment opportunity will be evenly split between the Fund and each Private Fund deciding to invest at the same price and terms (other than in the case of different tranche investments).
- Where the Fund or any of the Private Funds may not be able to invest on an equal basis, either because of investment limits imposed by the relevant fund’s investment policy or investment committee (being the Investment Policy and Public Fund Investment Committee in the context of the Fund), the “excess” allocation will be offered to the remaining funds on an equal basis, with the process repeated should there be any remaining excess until the investment limits for all funds are reached.
- Should there be any remaining allocation after completing this process, such excess may be allocated to the other Relevant Gaw Parties in their proprietary capacity. It is not expected that the Investment Manager or the Public Fund Investment Committee will take any proprietary position in any co-investment with the Fund. However, the other directors, officers and employees of the Investment Manager may take up part of the remaining allocation, subject to the following conditions being met: (a) the allocation process between the Fund and Private Funds has been exhausted; and (b) the Fund has taken up all that it is permitted to take up under the applicable investment limits.

The allocations amongst the Fund and the Relevant Gaw Parties will be clearly documented, together with reasons, including in situations where there are differential allocations between the funds. An allocation supervision committee comprising individuals representing the stakeholders with an interest in the fair and equitable allocation of investment opportunities (including one of the responsible officers of the Public Fund Investment Committee solely dedicated to evaluating investment and divestment opportunities for the Fund) shall review the resulting allocations at the time of the transaction to ensure that the allocation policy has been properly implemented. In performing its review, the allocation supervision committee shall not exercise discretionary or merit based allocation powers, and its role is limited to verifying that the allocation methodology has been properly applied. If a disagreement arises regarding application of the allocation policy, the matter is escalated to the Head of Compliance and Risk Management of Gaw Capital for determination. The Audit Committee of the Fund will also review the allocation policy on a regular basis as well as its implementation to ensure proper compliance.

Different tranche investments

There may also be exceptional situations where the Relevant Gaw Parties will invest in different tranches of investments to the Fund. In such situations, the Investment Manager will only proceed with such transactions where the Fund will invest in the senior tranche, while the Relevant Gaw Parties will invest in the subordinated tranche. If the Borrower is facing financial difficulties during the term of the Investment, the senior lenders (including the Fund) may consider enforcing its collateral by appointing reputable receivers and valuers. The disposal proceeds of the collateral will be distributed under the agreed waterfall, which would prioritize the senior lenders.

INVESTMENT STRATEGY, PROCESS AND POLICIES

Negotiation of transactional documents

To mitigate conflicts in these situations, the Investment Manager will seek to: (i) adopt market standard provisions, including but not limited to those published by the APLMA or the LMA; and (ii) ensure that decisions will be made by separate underwriting teams (being the Public Fund Investment Committee with respect to the Fund) using their own group of lawyers which strictly consider the decision from the perspective of one counterparty only.

Investment monitoring

Between the Investment Manager and the Borrower

For investments made by the Fund, pursuant to information undertaking covenants and other ongoing covenants and conditions, the Borrowers shall keep the Investment Manager informed regarding the Investment. The Investment Manager will receive a range of Borrower reporting communications, depending on the nature of the loan. For construction loans this would typically include a quantity surveyor report/certification monthly or quarterly. In other cases, the reporting may include updated asset valuations, “rent rolls”, operating performance reports, compliance certificates, management discussions or ad hoc information. In certain circumstances, such as in the event of a breach of covenant or an unremedied event of default under a loan agreement, asset management agreement, sales and purchase agreement or construction agreement, further information will be sought or commissioned and, reporting from and engagement with the Borrower will be increased. Waivers sought by the Borrower for any reporting requirements shall be approved by the Public Fund Investment Committee before being accepted by the Investment Manager.

Where a Borrower submits a request for a waiver, an extension of repayment obligations or relief in respect of a covenant breach, the Investment Manager will evaluate such request having regard to a range of factors, including: (i) the Borrower’s track record of timely interest payments and compliance with its information and reporting obligations; (ii) the Borrower’s willingness to cooperate and provide relevant information upon request; (iii) the nature, scope and potential impact of the request on the Fund’s position; and (iv) any proposed remedial measures or follow-up actions put forward by the Borrower in connection with such request. Requests that would materially affect key terms of the relevant Investment, such as the security structure, credit risk profile (such as the LTV ratio or last dollar value), pricing, tenor or other material economic terms, will not ordinarily be approved by the Public Fund Investment Committee unless accompanied by an appropriate proposal from the Borrower, such as the provision of further credit enhancement and/or the payment of additional fees, that is satisfactory to the Investment Manager having regard to the interests of the Fund.

INVESTMENT STRATEGY, PROCESS AND POLICIES

Should there be a credit event or change to a key credit indicator after an Investment is made, the Investment Manager will generally seek to first engage with the Borrower to understand the relevant risks and ascertain whether a collaborative solution can be agreed to mitigate such risks. As part of this engagement, the Investment Manager will assess whether the Borrower has the ability to cure the credit event and evaluate any proposed remedial measures put forward by the Borrower. For example, in the case of a payment default on an interest payment, the Investment Manager will assess whether the Borrower is able to provide an acceptable explanation as to why the interest payment has not been made and how the Borrower proposes to repay the outstanding sum together with any applicable default interest. Depending on those discussions, the Public Fund Investment Committee will ascertain whether the Investment Manager needs to escalate the matter. Where the Borrower’s explanation is not credible or convincing, or the proposed remedial measures are not considered reasonable, the Fund will, in the case of a syndicated or club loan, vote in favor of accelerating the loan, calling all outstanding principal, fees and other sums due and payable immediately. Where the Borrower is subsequently unable to repay all outstanding sums, the Fund will vote in favor of enforcing on the security. In the case of bilateral loans, the Fund as the sole lender may take such enforcement action unilaterally. Enforcement will typically be effected through the appointment of a receiver, who is appointed to ensure that the security is disposed of in a fair and transparent manner and who owes obligations to both the Borrower and the lenders. In addition to receivership, certain legal procedures may also be applicable in order to extract the maximum value from the collateral, depending on the circumstances and the nature of the collateral. For example, where the underlying asset is occupied by the Borrower or a third party, an application may be submitted to the courts to evict the occupier prior to or in connection with the disposal of the collateral. Whether those enforcement actions will proceed in the context of syndicated or club loans may depend on whether the requisite consent thresholds under the relevant agreement are met. For further details of the typical terms under a loan agreement and intercreditor agreement with respect to insolvency and enforcement proceedings, please refer to sub-section headed “Negotiation of Investments”. Please also see the risk factor headed “The Fund may be unable to realize value from its Investments in the event of insolvency of a Borrower or in the event of a Borrower default and [REDACTED] could lose all or part of their [REDACTED]” for risks relating to such recovery process.

The Investment Manager reviews all monitoring updates and has ultimate responsibility for ensuring that the internal ratings and valuations of the loans are correct and up to date. The following procedure has been implemented by the Investment Manager to facilitate this: (a) Investments shall be reviewed by the Public Fund Investment Committee at least twice a year; (b) following a review, minutes of the Public Fund Investment Committee’s decision are documented; (c) the minutes are then shared with the Valuation Agent and Custodian; (d) the Valuation Agent in addition to receiving monitoring memos and minutes shall have a quarterly call with the Investment Manager to go through each loan; and (e) changes in valuation are determined by the Valuation Agent pursuant to the Fund’s valuation policy and communicated through a formal quarterly valuation report prepared by the Valuation Agent. The Investment Manager and the Custodian shall each keep separate systems on loan positions including valuations which are to be reconciled each quarter.

INVESTMENT STRATEGY, PROCESS AND POLICIES

Between the Public Fund Investment Committee, the Manager Board and the Fund Board

On a quarterly basis, the Public Fund Investment Committee will convene with the Manager Board and the Fund Board to discuss and review the Fund’s portfolio, pipeline and strategy in detail including briefing the two boards on new investments that the Public Fund Investment Committee had approved for the Fund.

Cash awaiting investment

Cash awaiting investment, including during the Fund’s ramp-up period, will be held on behalf of the Fund in interest-bearing bank accounts, or in one or more similarly rated money market accounts or in short-dated debt funds or investments (such as fixed deposits, treasury bills or similar instruments), under the supervision of the Custodian.

Debt facilities of the Fund

As set out in the Investment Policy, the Fund may, from time-to-time, utilize borrowings for funding investments and/or general corporate purposes, but such borrowings will not exceed 30% of the Fund’s Net Asset Value. Borrowings will only be utilized where the Investment Manager considers this to be in the interest of the Fund.

The Fund does not currently have any debt facilities in place but may utilize borrowings subject to the above-mentioned limit and purposes, prior to utilizing the full amount of the [REDACTED].

Hedging and derivatives strategy

The Investment Manager intends to hedge substantially all of its Net Asset Value. However, the Investment Manager’s ability to effect such hedging strategy may be affected by currency market and credit conditions and as such, it cannot be guaranteed that all of the Fund’s Net Asset Value will always be hedged and there will be periods where the Fund’s Net Asset Value is only partially hedged.

The Investment Manager intends to engage in currency hedging through the use of forward, swap and options contracts with a view to protecting the Net Asset Value of the Fund in its base currency. The currency hedging strategy will be set and reviewed by the Investment Manager in consultation with a third-party hedging consultant if required.

Interest rate hedging may be carried out to help protect the Fund against falling interest rates in relation to Investments that do not have a minimum fixed rate of return acceptable to the Investment Manager. Interest rate hedging may also be carried out by the Investment Manager to help protect the Fund against increasing interest rates as and when any floating rate borrowings are entered into by the Fund.

The Fund will only use derivatives for hedging to reduce or manage risk, such as the aforementioned currency and interest rate hedging. The Fund’s net derivative exposure may be up to 10% of the Fund’s Net Asset Value.

ILLUSTRATIVE PORTFOLIO

INTRODUCTION

It is estimated that the Fund will deploy approximately 50% of the [REDACTED] within six months after [REDACTED] and 75% to 100% of the [REDACTED] within nine months after [REDACTED].

To facilitate this, the Investment Manager has identified potential near-term investments that meet the Investment Policy. From these potential investments, the Investment Manager has prepared a hypothetical portfolio (the “**Illustrative Portfolio**”) for illustrative purposes only. The Illustrative Portfolio has been constructed to meet the Investment Policy including Investment Concentration Limits while achieving an attractive risk and return profile.

In relation to the Illustrative Portfolio, the Investment Manager may prioritize investment opportunities that are especially attractive in terms of yield, credit quality or other specific terms, are advantageous to the overall composition of the actual Portfolio and/or may only be available for a limited amount of time relative to other similar assets in the Illustrative Portfolio.

There can be no assurance that any of the investments in the Illustrative Portfolio (the “**Illustrative Investments**”) will remain available for acquisition after the Listing in a timely fashion or at all, or if available, at what price (if a price can be agreed at all) the Illustrative Investments can be acquired by the Fund.

The Illustrative Investments have not yet been fully analyzed by the Investment Manager, and there can be no guarantee that the Fund will ultimately pursue all, or any, of these Illustrative Investments. Additional investment opportunities may become available which the Investment Manager consider to be preferable to the Illustrative Investments, and there can be no certainty to the order or timeframe in which the Fund will make any such Illustrative Investments. Accordingly, the individual holdings within the actual Portfolio may be substantially different to the Illustrative Portfolio described below.

The information below in relation to the Illustrative Portfolio is based on materials that have been made available by the prospective borrowers or intermediaries and are provided for illustrative purposes only. This information has not been independently verified by any of the Relevant Persons or any other party involved in the [REDACTED] and no representation is given in respect of such information. Further, as the Illustrative Investments are still pending due diligence and negotiations, assumptions have been made by the Investment Manager where information is unavailable or incomplete (for example, with respect to the duration of certain Illustrative Investments). Accordingly, the terms and features of these Illustrative Investments, if invested into by the Fund, may be substantially different to the summaries described below.

For the avoidance of doubt, the acquisition of the potential Illustrative Investments is subject to, among other things, the Investment Manager completing satisfactory due diligence in relation to such potential investments, the agreement of terms with the relevant counterparty, as well as the approval of the Investment Committee.

ILLUSTRATIVE PORTFOLIO

The Illustrative Portfolio

This is not the current actual portfolio of the Fund. For details of what this Illustrative Portfolio represents, please refer to the section headed “Illustrative Portfolio – Introduction” above.

None of the Investments in the Illustrative Portfolio is a Connected Person Investment.

Investment	Type ¹	HKD Equivalent (mil) ²	Proportion of Portfolio	Proportion of Investment ³	Real Estate Asset Class ⁴	Fixed/ floating	Remaining Tenor (months)	LTV Ratio ⁵	All-in interest rate per annum ⁶	Expected IRR per annum ⁷
Hong Kong, HKD denominated										
Hong Kong multi-asset portfolio repurchase facility	Repurchase program	229.1	10.00%	41.87% ⁸	Hospitality, Industrial and Retail	Fixed	24	55.97%	13.50%	14.20%
Hong Kong Yau Tsim Mong District commercial development	Senior secured construction loan	229.1	10.00%	47.23% ⁸	Commercial	Fixed	15	13.29%	12.00%	12.68%
Hong Kong Kwun Tong District commercial property	Senior secured refinancing loan	226.4	9.88%	100.00%	Commercial	Fixed	24	26.68%	12.00%	19.90%
Hong Kong Kowloon City District residential property	Senior secured refinancing loan	229.1	10.00%	84.85% ⁸	Residential	Fixed	12	42.45%	12.00%	13.16%
Hong Kong Yau Tsim Mong District commercial property	Senior secured loan	229.1	10.00%	38.18% ⁸	Commercial	Fixed	12	28.30%	11.80%	12.75%
Australia, AUD denominated										
New South Wales Sydney waterfront residential property	Senior secured acquisition loan	158.1	6.90%	35.22% ⁸	Residential	Fixed	12	74.28%	10.00%	10.62%
Victoria Melbourne residential development	Senior secured construction loan	157.8	6.89%	100.00%	Residential	Fixed	17	78.77%	11.06%	13.21%
New South Wales Chatswood residential property portfolio	Senior secured refinancing/ acquisition loan	199.3	8.70%	32.23% ⁸	Residential	Fixed	19	54.80%	8.80%	9.16%
New South Wales Bondi Beach residential development	Senior secured acquisition/ construction loan	229.1	10.00%	70.69% ⁸	Residential and Retail	Fixed	24	71.11%	10.25%	12.14%

ILLUSTRATIVE PORTFOLIO

Investment	Type ¹	HKD Equivalent (mil) ²	Proportion of Portfolio	Proportion of Investment ³	Real Estate Asset Class ⁴	Fixed/ floating	Remaining Tenor (months)	LTV Ratio ⁵	All-in interest rate per annum ⁶	Expected IRR per annum ⁷
South Korea, KRW denominated										
Greater Seoul Area residential development	Mezzanine acquisition loan	79.9	3.49%	100.00%	Residential	Fixed	18	83.33%	12.00%	12.70%
Other, USD or THB denominated										
Maldives hospitality property	Senior secured acquisition and capital expenditure loan	94.8	4.14%	100.00%	Hospitality	Fixed	24	28.94%	14.50%	15.33%
Thailand hospitality property	Senior secured refinancing loan	229.1	10.00%	77.17% ⁸	Hospitality	Fixed	12	69.61%	12.00%	12.93%
Total/Weighted Average		2,290.9	100.00%							

Notes:

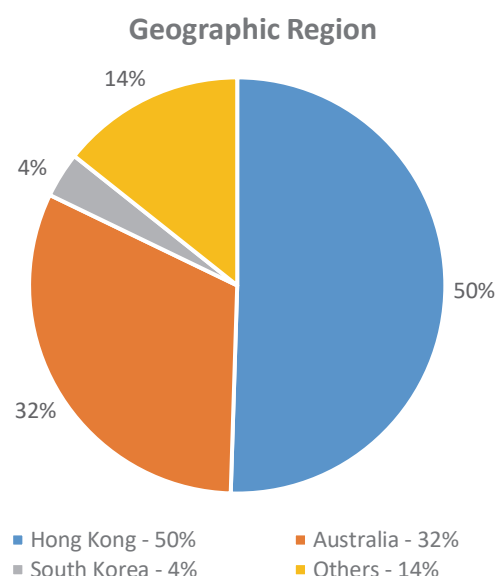
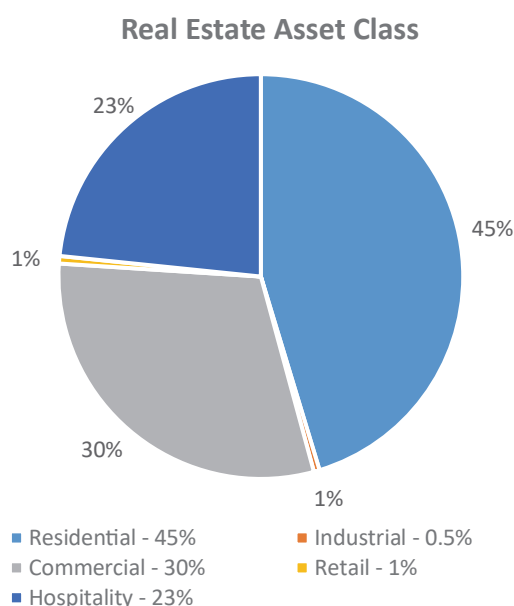
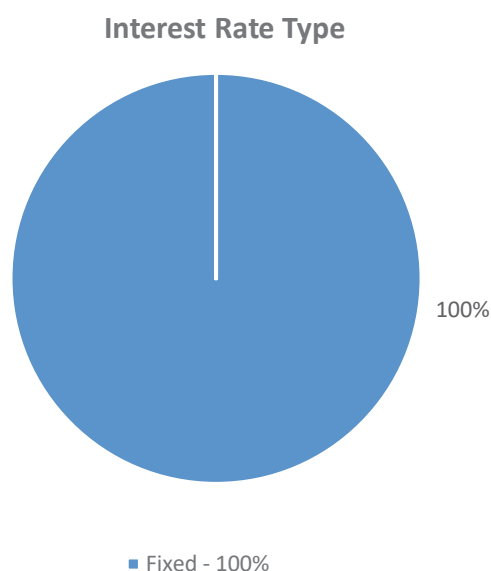
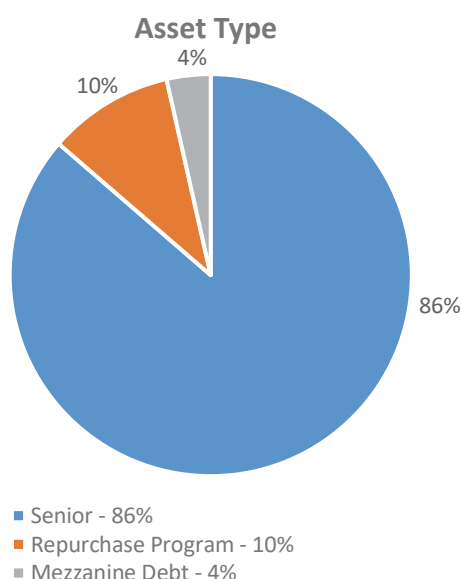
- (1) For further details of these types of Investments, please see the section headed “Investment Strategy, Process and Policies”.
- (2) The size of the Investment to be committed by the Fund, calculated based on exchange rates quoted by Bloomberg as at the Latest Practicable Date.
- (3) The size of the Investment to be made by the Fund (e.g. amount lent to the Borrower by the Fund) divided by the total size of the Investment (e.g. total amount lent to the Borrower by all lenders, including by any Relevant Gaw Parties, with respect to the same loan).
- (4) The asset class of the underlying real estate asset or project which is collateral for the Investment. For further details of these asset classes, please see the section headed “Investment Strategy, Process and Policies – Elaboration of Investment Policy – Real estate asset classes”.
- (5) The outstanding loan amount divided by the value of the underlying real asset collateral (being the gross development value of the project, which represents the expected value as at construction completion or the market value of the land on an as-is basis), both as at the Latest Practicable Date.
- (6) The total amount charged to the Borrower on a per annum basis, including interest and fees.
- (7) The internal rate of return per annum represents the discount rate that results in a net present value of zero for all projected cash flows of an Investment. The projected cash flows are based on assumptions underwritten by the Investment Manager and are subject to change. For the avoidance of doubt, the internal rate of return is calculated at the individual Investment level, and does not take into account any fees, costs or expenses incurred at the Fund-level. For further details of the fees and expenses of Fund, please refer to the section headed “Fees and Expenses”.
- (8) Potentially co-invested with Private Funds and/or connected persons of the Fund and/or Investment Manager.

ILLUSTRATIVE PORTFOLIO

Illustrative Portfolio Analysis

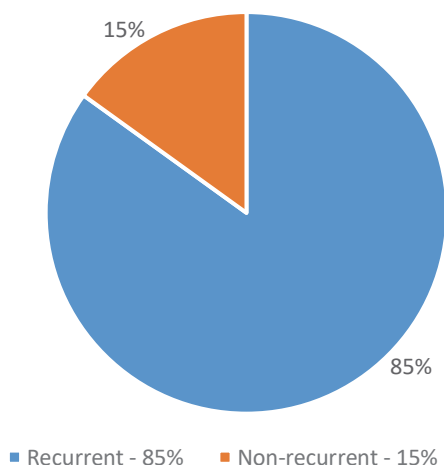
This is not the current actual portfolio of the Fund. For details of what this Illustrative Portfolio represents, please refer to the section headed “Illustrative Portfolio – Introduction” above.

The charts below show the Illustrative Portfolio by asset type, interest rate type, real estate asset class, geographic region, recurrent and non-recurrent income Investments, whether the loan is a construction loan, and whether the loan is secured, by reference to their contribution to the total assets of the Fund.

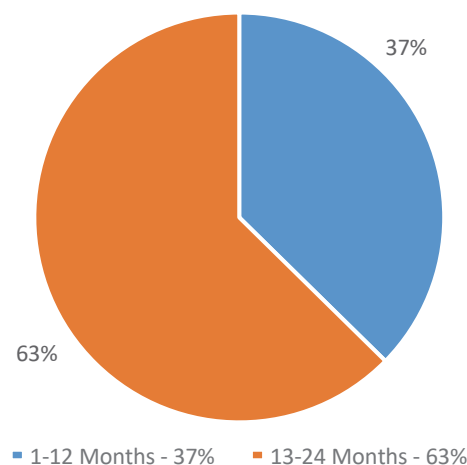


ILLUSTRATIVE PORTFOLIO

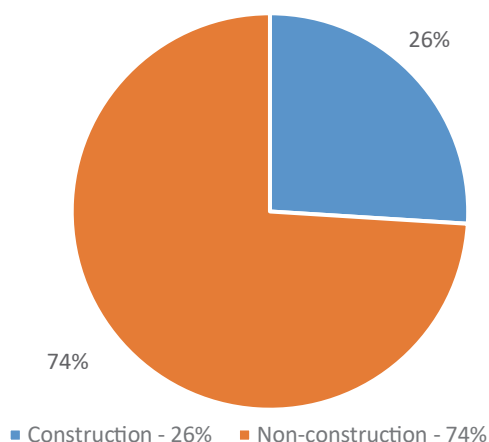
Recurrent vs. Non-recurrent Income



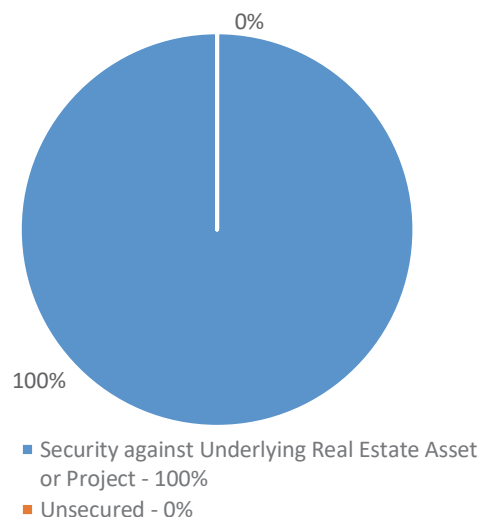
Tenor



Construction vs. Non-construction



Security Status



Summary of Illustrative Investments

The summaries below are based on information that has been provided by the prospective borrowers and are provided for illustrative purposes only. This information has not been independently verified by any of the Relevant Persons or any other party involved in the [REDACTED] and no representation is given as to its accuracy. Further, as such Investments are still pending due diligence and negotiations, assumptions have been made by the Investment Manager where information is incomplete (for example, with respect to the duration of certain investments). Accordingly, the terms and features of these Illustrative Investments, if invested into by the Fund, may be substantially different to the summaries described below.

ILLUSTRATIVE PORTFOLIO

Hong Kong, HKD denominated

Hong Kong multi-asset portfolio repurchase facility

This two-year HKD-denominated repurchase program is to acquire two serviced apartment properties, one industrial property, and one retail property to repay existing lenders. The two serviced apartment properties include one property with over 20 apartments located in the Wan Chai District, Hong Kong, and one property with over 90 apartments located in the Eastern District, Hong Kong. The industrial property has a gross floor area of over 10,000 sqft, is fully let, and is located in the Tsuen Wan District, Hong Kong. The retail property has a gross floor area of over 500 sqft and is located in the Eastern District, Hong Kong. The Borrower is a diversified investment company and a property developer with over 40 years of operating history, with an extensive portfolio of hotels, serviced apartments, retail shops, residential, commercial, and industrial buildings.

Under the repurchase program, the Borrower is expected to continue to operate and manage the underlying assets in the ordinary course of business. Net operating income generated by the properties is expected to be deposited into an escrow account and applied towards payment of the premium in respect of a call option granted by the Fund to the Borrower. Any surplus net operating income after payment of such option premium is expected to be retained by the Borrower, while any shortfall in the option premium would be payable by the Borrower to the Fund. In addition, the Fund is expected to receive an upfront fee calculated based on the principal amount and be granted a put option which is exercisable upon the occurrence of specified events, which are expected to broadly correspond to events of default under the repurchase program. The assumed IRR for this Investment has been calculated by reference to the principal amount to be extended under the repurchase program, as reduced by the upfront fee payable, the option premium and the tenor of the repurchase program.

Hong Kong Yau Tsim Mong District commercial development

This 15-month HKD-denominated senior secured construction loan is to finance the completion of an uncompleted commercial property development. The loan is secured by the development project, being a 21-storey commercial property located in the Yau Tsim Mong District, Hong Kong. The development project has a gross floor area of over 110,000 sqft and is expected to mainly feature tenants in the medical industry. The Borrower is a consortium of private funds and other investors.

The loan is expected to be drawn in five equal instalments over the 15-month tenor. Repayment of the loan is expected to be made in full at maturity from the proceeds of the sale of the property or, alternatively, from refinancing by the Borrower. The assumed IRR for this Investment has been calculated by reference to the principal amount of the loan, the interest rate of the loan, the drawdown schedule and the tenor of the loan.

ILLUSTRATIVE PORTFOLIO

Hong Kong Kwun Tong District commercial property

This 24-month HKD-denominated senior secured refinancing opportunity is to support the continued growth of a Hong Kong-based property developer. The loan is secured by the unsold area and units of a completed commercial office property located in the Kwun Tong District, Hong Kong. The property is a Grade-A commercial office property with over 20-storeys, has over 280,000 sqft of gross floor area, and is developed by the Borrower. The Borrower is a property developer with over 20 years of track record in developing commercial and industrial properties.

An interest reserve account is expected to be established to support the servicing of interest during the tenor of the loan, with such account to be maintained through initial funding and replenished thereafter from unit sale proceeds or Borrower contributions, as appropriate. Repayment of the loan is expected to be made from the Borrower’s disposal of units within the underlying property, with principal expected to be repaid during the tenor of the loan through such sale proceeds. The assumed IRR for this Investment has been calculated by reference to the principal amount of the loan, the interest rate of the loan, the upfront fee payable, the expected repayment profile of the loan and the tenor of the refinancing facility.

Hong Kong Kowloon City District residential property

This 12-month HKD-denominated senior secured loan is to refinance an existing construction loan. The loan is secured by a completed residential property located in the Kowloon City District, Hong Kong. The property is a mixed-use residential property with over 20 storeys, has over 90 residential units with over 18,000 sqft of saleable area, and a retail podium with over 4,000 sqft of gross floor area. The Borrower is a local property investment firm backed by an individual investor.

The loan is expected to be fully drawn at the beginning of the 12-month tenor. An interest reserve account is expected to be funded at the time of initial drawdown and maintained as a liquidity and credit support buffer for the loan rather than utilized for routine servicing of interest during the loan tenor. The amounts remaining in the interest reserve account are expected to be fully refundable to the Borrower upon repayment of the loan at maturity. Interest on the loan is expected to be serviced in cash by the Borrower throughout the loan tenor in accordance with the contractual payment schedule. Repayment of the loan is expected to be made in a single bullet payment at maturity. The assumed IRR for this Investment has been calculated by reference to the principal amount of the loan and the interest rate of the loan, and the expected repayment profile of the loan.

Hong Kong Yau Tsim Mong District commercial property

This 12 month HKD denominated senior secured loan is to finance the acquisition of a completed commercial office property located in the Yau Tsim Mong District, Hong Kong. The property is a mixed-use commercial office property with over 20-storeys, has over 180,000 sqft of marketing gross area, a retail podium, and over 70 car parking spaces. The Borrower is an individual.

ILLUSTRATIVE PORTFOLIO

The loan is expected to be fully drawn at the beginning of the 12-month tenor. An interest reserve account is expected to be funded at the time of initial drawdown and maintained as a liquidity and credit support buffer for the loan rather than utilized for routine servicing of interest during the loan tenor. The amounts remaining in the interest reserve account are expected to be fully refundable to the Borrower upon repayment of the loan at maturity. Interest on the loan is expected to be serviced in cash by the Borrower throughout the loan tenor in accordance with the contractual payment schedule. Repayment of the loan principal is expected to be made in a single bullet payment at maturity. The assumed IRR for this Investment has been calculated by reference to the principal amount of the loan and the interest rate of the loan, the upfront fee, and the expected repayment profile of the loan.

Australia, AUD denominated

New South Wales Sydney waterfront residential property

This 12-month AUD-denominated senior secured loan is to refinance a residential property and to finance the acquisition of an additional residential property. The loan is secured by the residential properties located in Sydney, New South Wales, Australia. The property is a waterfront detached house with site area of over 1,800 sqm featuring panoramic harbor views and an exclusive courtyard. The Borrower is a special purpose vehicle backed by a high-net-worth individual.

Interest accrued under this loan is payable monthly. Repayment of the loan is expected to be made at maturity from the Borrower’s refinancing or from the sale of one or both of the secured properties. The assumed IRR for this Investment has been calculated by reference to the principal amount of the loan, the interest rate payable and the tenor of the loan.

Victoria Melbourne residential development

This 17-month AUD-denominated senior secured construction loan is to finance the construction of a residential development. Completion of construction of the developments is expected to occur within the 17-month tenor. The loan is secured by the development project located in Melbourne, Victoria, Australia. The development project comprises 15 townhouses, offering a mix of 3 to 5-bedroom configurations, private open space, secure garage parking, and premium fixtures and finishes. The Borrower is a Melbourne-based developer with nearly 10 years of experience and a track record of luxury residential development projects.

This loan will be a non-recurrent income Investment. Interest accruing under the loan is expected to be payable on a payment-in-kind basis and capitalized in full, with no cash interest payable during the tenor. The loan is also subject to an upfront fee and a cash arrangement fee payable at drawdown. The Borrower is expected to pre-sell the townhouses during construction and to repay the loan at maturity using the proceeds from such presales, or alternatively from its refinancing. The assumed IRR for this Investment has been calculated by reference to the principal amount of the loan, the cash and payment-in-kind interest rates, the upfront and arrangement fees, and the tenor of the construction loan.

ILLUSTRATIVE PORTFOLIO

New South Wales Chatswood residential property portfolio

This 19-month AUD-denominated senior secured loan is to refinance a portfolio of 26 residential property titles and to finance the acquisition of six additional residential property titles. The loan is secured by the 32 total residential property titles located in Sydney, New South Wales, Australia. The properties have a combined site area of over 4,000 sqm. The Borrower is a special purpose vehicle backed by a family engaged in the property development business with other residential development projects across New South Wales.

This loan, which will be a non-recurrent income Investment, is expected to be fully drawn at the beginning of the 19-month tenor. The accrued interest under the loan is expected to be payable on a payment-in-kind basis and capitalized in full, with no cash interest payable during the tenor. Repayment of the loan principal is expected to be made in a single bullet payment at maturity. The assumed IRR for this Investment has been calculated by reference to the principal amount of the loan, the payment-in-kind interest rate, the arrangement fee drawdown, and the tenor of the construction loan.

New South Wales Bondi Beach residential development

This 24-month AUD-denominated senior secured loan is to finance the land acquisition and development of a mixed-use residential development. Completion of construction of the development is expected to occur within the 24-month tenor. The loan is secured by the development project located in Sydney, New South Wales, Australia. The mixed-use residential development project comprises five storeys with three luxury residential apartment units which offer a mix of 3 to 4-bedroom configurations including private swimming pools, spa and a penthouse, a retail unit across the lower ground and ground floors, and basement car parking. The Borrower is a special purpose vehicle backed by an individual property investor with over 20 years of experience in construction and property development.

The loan is expected to be drawn over the course of the 24-month tenor, with the first drawdown consisting of part of the principal, interest reserve, legal fees, facility management fee, establishment fee and broker fee, while the remaining monthly drawdowns consist of the costs required for construction and development. Interest on the loan is expected to be serviced in cash by the Borrower throughout the loan tenor in accordance with the contractual payment schedule. A line fee for the loan is expected to be capitalized in full, with no cash payment during the tenor. The loan is expected to be repaid in a single bullet payment at maturity. The assumed IRR for this Investment has been calculated by reference to the principal amount of the loan, the additional drawdown of fee expenses, the interest rate of the loan, the drawdown schedule, the interest rate differential, and the tenor of the loan.

ILLUSTRATIVE PORTFOLIO

South Korea, KRW denominated

Seoul residential development

This 18-month KRW-denominated mezzanine loan is to finance the acquisition of land for a residential development. The loan is bridge financing which is expected to be refinanced by project financing (e.g. a construction loan) to be subsequently arranged by the Borrower. The loan is secured by the land located in Seoul, South Korea. The land area is over 2,500 sqm and the development project comprises 20 storeys with over 20 ultra-luxury condominium units which offer private terraces and penthouses, and over 17,000 sqm of gross floor area. The Borrower is a special purpose vehicle backed by a real estate investment firm and a local property developer with a track record in ultra-luxury residential developments in Seoul.

The loan is expected to be fully drawn at the beginning of the 18-month tenor. The loan is expected to bear interest payable monthly, serviced in cash, and is subject to an upfront fee. Repayment of the loan principal is expected to be made in a single bullet payment at maturity from the Borrower's refinancing. The assumed IRR for this Investment has been calculated by reference to the principal amount of the loan, the interest rate of the loan, the upfront fees, the total vehicle costs and the tenor of the loan.

Others, USD or THB denominated

Maldives hospitality property

This 24-month USD-denominated senior secured facility is to finance the acquisition of a hospitality land title and the capital expenditure for the hospitality property. The facility is secured by the hospitality property located in Maldives. The property is a private island resort with over 70 villas that offers various facilities such as multiple food and beverage outlets, a kids' club and a water sports center. The borrower is primarily backed by a high-net-worth individual engaged in garment manufacturing businesses.

The loan is assumed to bear interest payable monthly and serviced in cash, and will be subject to an upfront fee and a cash arrangement fee. Repayment of the remaining principal is expected to be made at maturity from the Borrower's refinancing or from the sale of the hospitality property. The assumed IRR for this Investment has been calculated by reference to the principal amount of the loan, the interest rate of the loan, the upfront and arrangement fees and the tenor of the loan.

ILLUSTRATIVE PORTFOLIO

Thailand hospitality property

This 12-month THB-denominated senior secured facility is to refinance an existing shareholder loan. The facility is secured by a hospitality property located in Phang Nga, Thailand. The property is a beachfront resort with over 200 rooms that offers various facilities such as multiple food and beverage outlets, outdoor swimming pools, a fitness center, a spa and a kids’ club. The borrower is backed by a local family engaged in the hospitality business with ownership of another resort in Phang Nga, Thailand.

The loan is expected to be fully drawn at the beginning of the 12-month tenor. The loan is assumed to bear interest payable monthly, serviced in cash, and is subject to an upfront fee. Repayment of the remaining principal is expected to be made at maturity by the Borrower’s refinancing or from the sale of the hospitality property. The assumed IRR for this Investment has been calculated by reference to the principal amount of the loan, the interest rate of the loan, the upfront fees and the tenor of the loan.

DIVIDEND POLICY

The Fund intends to pay dividends on a quarterly basis for the periods ending 31 March, 30 June, 30 September and 31 December each year, starting from the first dividend described below, which will be primarily funded by the Fund’s net distributable income generated from its Investments and, in more limited cases such as during the initial ramp-up period before the [REDACTED] are fully deployed, from the Fund’s capital. It is estimated that the Fund will deploy approximately 50% of the [REDACTED] within six months after [REDACTED] and 75% to 100% of the [REDACTED] within nine months after [REDACTED].

For the first financial year, the Fund intends to target a dividend of HKD[REDACTED] per Share per annum, payable quarterly. The first dividend will be in respect of the period commencing on the [REDACTED] and ending on [REDACTED] 2027. Positive dividend payout does not represent positive investment return, and [REDACTED] may suffer losses in their investment.

The Fund Board and the Audit Committee will review the Fund’s dividend policy semi-annually after publication of the Fund’s annual and interim results, having regard to the performance of the Fund’s portfolio, the outlook for the Fund, the Fund’s fees and expenses, the impact of any leverage, as well as the working capital and liquidity requirements of the Fund. Amendments to the Fund’s dividend policy are permitted, and the latest dividend policy will be set out in the website of the Fund, the Product Key Facts Statement and/or other means to the extent required by the Laws and Regulations.

The target dividend stated above should not be taken as an indication of the Fund’s expected future performance or results over any period and does not constitute a profit forecast. It is intended to be a target only and there is no guarantee that it can or will be achieved. It should not be seen as an indication of the Fund’s expected or actual return. The Fund’s ability to pay the target dividend may be adversely affected by various factors including, without limitation, the Fund’s ability to deploy the [REDACTED] within the intended investment timeline, material changes in interest rates, currency exchange rates and other market conditions in the jurisdictions where the Fund invests, fluctuations in asset valuations and liquidity, Borrower defaults or delays in debt recovery, and changes in applicable laws, regulations or taxation that could impact Investment returns, all of which may be beyond the control of the Fund and the Investment Manager. Accordingly, potential [REDACTED] should not place any reliance on the target dividend in deciding whether to [REDACTED] in the Fund.

The Fund may, at its discretion, pay dividends out of capital. The Fund may also, at its discretion, effectively pay dividends out of capital, by paying dividends out of gross income while all or part of the Fund’s fees and expenses are charged to or paid out of the capital of the Fund resulting in an increase in distributable income for the payment of dividends by the Fund. Payments of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of a Shareholder’s original investment or from any such capital gains attributable to that original investment. Any such dividends may result in an immediate reduction in the Net Asset Value per Share and reduce the capital available for future investment. For the risks associated with dividends being paid out of the Fund’s capital, please refer to the risk factor headed “Dividends may be paid out of the Fund’s capital or effectively out of the Fund’s capital”.

DIVIDEND POLICY

The composition of dividends payable on the Shares (i.e. the amounts of dividends paid and the percentages of dividends paid out of: (i) net distributable income; and (ii) capital), if any, for a rolling 12-month period, will be available from the Investment Manager on request and will also be published on the Fund’s website at www.gawcapitalrepd.com (this website has not been reviewed by the SFC).

VALUATION

Valuation Agent

The Fund has appointed Deloitte Advisory (Hong Kong) Limited as the Valuation Agent to provide a quarterly valuation report to the Fund Board and the Investment Manager in relation to the Investments. The Valuation Days of these reports shall be the last Business Day of each calendar quarter, with the first Valuation Day being [31 December 2026].

The Valuation Agent has a valuations team of over 20 people with extensive experience in real-estate-backed private debt or other types of private investment valuations. The team is regularly involved in the valuation of multi-asset portfolios for investment fund clients, covering over several hundred investments per year across various capital structures, including debt investments. The Valuation Agent is not a member of the Investment Manager or its group of companies.

The Valuation Agent has been selected by the Investment Manager after exercising reasonable care, skill and diligence in ensuring that it possesses the appropriate level of knowledge, experience and resources to value the Investments held by the Fund. The valuation activities of the Valuation Agent will be subject to ongoing supervision and periodic review by the Investment Manager.

Valuation of the Investments held by the Fund

The Valuation Agent will value the Investments held by the Fund based on market prices, where available, and otherwise using a discounted cash flow methodology, pursuant to the following process:

- For Investments where market prices are available, the Investment Manager will obtain the market prices for such Investments from a range of independent market participants including commercial and investment banks and brokers in writing, or from independent data providers such as Bloomberg, which will then be provided to the Valuation Agent for their independent review. Market prices should reflect the size of the Fund’s holding.
- For Investments where market prices are not obtainable, or where the Investment Manager and Valuation Agent agree that the quoted market price does not reflect the best price that could be obtained for such Investment following a reasonable marketing period, the Valuation Agent will calculate the fair value for such Investment by applying a discount rate to the cash flows expected to arise from such Investment (or otherwise, if another method is more appropriate), with the underlying valuations and the report being subject to the Investment Manager’s review and checking each quarter. For the avoidance of doubt, the Investment Manager will retain responsibility for the valuation used in calculating the Net Asset Value of the Fund.

VALUATION

As part of its review procedures, the Valuation Agent will consider the discount rate that it believes the market would reasonably apply to each Investment, taking factors such as the following into account: (a) interest rates for the currency in which the relevant Investment is denominated; (b) movements of comparable debt markets; (c) general real estate market activity and investor sentiment, which the Valuation Agent assesses using its knowledge of the real estate market gained from discussions with market participants and from publicly available information on relevant transactions and publicly-traded real estate companies and real estate investment trusts; (d) changes to the economic, legal, taxation or regulatory environment; and (e) the performance of the underlying assets, including any actual or potential event in relation to the underlying asset that may be expected to have a material impact on the ability of the Borrower to meet its obligations to its lenders, such as operating performance failures, or the credit impairment of the underlying obligor.

For certain Investments, other methodologies than discounted cash flow analysis may be more appropriate. In such cases the Investment Manager shall agree on the appropriate methodology, analysis and assumptions with the Valuation Agent.

Such circumstances may include, without limitation, situations where reliable cash flow forecasts are not available or supportable, where there is recent transaction evidence or observable market pricing for the relevant Investment, or where the relevant Investment is credit-impaired, distressed, subject to enforcement or recovery proceedings, or otherwise requires an assessment by reference to collateral value, net asset value or expected recoveries. In such cases, the alternative methodologies that may be applied include, as appropriate to the nature and facts of the relevant Investment, a market approach, recent transaction price analysis, net asset value or adjusted net asset value analysis, broker or third-party quotes, or a recovery-based or collateral-based approach.

Where appropriate, internationally recognized accounting standards and industry best practices will be applied on a consistent basis when valuing Investments.

The Custodian [has approved] the Investment Manager and the Valuation Agent as qualified to value the Investments in accordance with the above valuation policy.

Due to the generally illiquid nature of the investments under the Investment Policy, some if not most of these investments do not have directly observable valuations. Accordingly, there are uncertainties involved in the valuation of these investments due to such valuations being heavily dependent on assumptions and models, and by extension, uncertainties in the Net Asset Value of the Fund. For further information of the associated risks, please refer to the risk factor headed “Valuation and liquidity risks associated with illiquid Investments”.

Valuation of the Fund’s Other Assets

The Net Asset Value of the other assets of the Fund, such as interest accrued on Investments, cash holdings (including money market funds) and derivatives, will be determined by the Fund Administrator in accordance with the accounting principles adopted by the Fund in its audited accounts, being IFRS Accounting Standards. This valuation principle is prescribed in the Instrument.

VALUATION

Below are the current IFRS Accounting Standards high-level principles that will be employed by the Fund Administrator when determining the value of the above-mentioned examples of other assets of the Fund:

- **Accrued interest:** The amount of accrued but unpaid interest in relation to each Investment as at the relevant Valuation Day.
- **Cash holdings (including money market funds):** In relation to bank accounts, the balance on the account as at the relevant Valuation Day; in relation to money market funds, the latest bid-side closing net asset value of each share or unit of such funds published on independent sources (e.g. Bloomberg) as at the relevant Valuation Day, or if such sources are not available, by other methodologies consistent with IFRS Accounting Standards as determined by the Investment Manager, multiplied by the relevant number of shares or units held.
- **Derivatives:** The mark-to-market valuation of each derivative contract, calculated in accordance with normal market practice, and based upon observable market parameters (e.g. interest rates) as at the relevant Valuation Day.

In relation to non-HKD assets and liabilities, the Fund will apply the relevant closing foreign exchange rate as at the relevant Valuation Day.

Net Asset Value of the Fund

The Net Asset Value of the Fund will be calculated by the Fund Administrator on a quarterly basis at each Valuation Day, in the base currency of the Fund, having regard to: (a) the Valuation Agent’s determination of the value of the Investments; plus (b) the value of other assets of the Fund as determined above; plus or minus (c) other balance sheet assets and liabilities such as receivables and payables. Calculations by the Fund Administrator will be in accordance with the accounting principles adopted by the Fund in its audited accounts.

The Fund will announce its Net Asset Value within 15 Business Days after the corresponding Valuation Day.

The Net Asset Value of the Fund at the [REDACTED] is expected to be equal to the [REDACTED] of HKD[REDACTED] assuming the [REDACTED] and the [REDACTED] are not exercised.

VALUATION

Suspension of Calculation and Reporting of Net Asset Value

After consultation with the Custodian and with prior notification to the SFC, the Investment Manager may at any time, having regard to the best interests of Shareholders, temporarily suspend the calculation and reporting of the quarterly Net Asset Value of the Fund during:

- any period when any of the principal markets or stock exchanges on which a substantial part of the Investments are traded is closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended;
- any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Fund, disposal or valuation of a substantial part of the Investments is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders or if, in the reasonable opinion of the Investment Manager, the Net Asset Value of the Fund cannot be fairly calculated; or
- any breakdown in the means of communication normally employed in determining the value of the Investments or when for any reason the current prices on any market of a substantial part of the Investments cannot be promptly and accurately ascertained.

Such suspension shall take effect upon its declaration and until the Investment Manager, after consultation with the Custodian and having regard to the best interests of Shareholders, declares an end to the suspension, except that such suspension shall terminate in any event on the first Business Day on which the Investment Manager reasonably considers that the condition(s) giving rise to the suspension have ceased.

Any suspension of the calculation of the Net Asset Value will be announced by the Fund immediately after the suspension and at least once a month during the period of suspension, with such announcement being available on the websites of the Fund and the Hong Kong Stock Exchange at www.gawcapitalrepd.com and www.hkexnews.hk.

DISCOUNT CONTROL

Introduction

The Shares may trade at a discount or at a premium to the Net Asset Value per Share. In situations where the Shares are trading at a discount, the Fund and the Investment Manager may deploy the following discount control measures.

Manager Fee Shares

Under the Investment Management Agreement, except for the Management Fee for the first two quarters after [REDACTED] (since no Shares may be issued by the Fund for the first six months from Listing):

- (a) if the Market Price of the Shares is the same or at a premium to Net Asset Value per Share (excluding Treasury Shares and taking into account any relevant transaction costs) on the date that the fee is payable, 10% of the Management Fee will be settled in the form of newly issued Shares or transfer of Treasury Shares, with the remainder of the Management Fee being settled in the form of cash; or
- (b) if the Market Price of the Shares is at a discount to Net Asset Value per Share (excluding Treasury Shares and taking into account any relevant transaction costs) on the date that the fee is payable, 100% of the Management Fee will be settled in the form of cash, from which the Investment Manager will use 10% to buy Shares on the Hong Kong Stock Exchange within two (2) Business Days of receipt.

The issued or purchased Shares or transferred Treasury Shares (being the “**Manager Fee Shares**”) will, pursuant to the Investment Management Agreement, be held by the Investment Manager and/or its affiliates subject to a three-year rolling lock-up period.

Where Manager Fee Shares are issued or transferred by the Fund in scenario (a) above, the Investment Manager shall receive such number of Manager Fee Shares (rounded down to the nearest whole number) as may be purchased for the relevant amount of Management Fee at the Market Price on the date that the fee is payable, provided that if any thresholds for triggering a mandatory offer under the Takeovers Code will be reached, the payment of that excess part of the Management Fee shall be settled in the form of cash instead of Manager Fee Shares.

The Fund and the Investment Manager may mutually agree to amend the Investment Management Agreement with respect to above arrangement on Manager Fee Shares, subject to the SFC’s prior approval and by giving not less than one month’s prior notice to Shareholders.

DISCOUNT CONTROL

Share Buybacks

The Fund may repurchase Shares as part of its discount control policy using surplus cash including surplus cash received from Investments. This may include on-market share buybacks on the Hong Kong Stock Exchange as well as off-market share buybacks from selected or all Shareholders. Such buybacks must comply with the Instrument as well as the relevant codes and guidelines issued by the SFC from time-to-time, including the Takeovers Code and the Share Buyback Code. For further information, please see the section headed “The Instrument of Incorporation – Redemption and Repurchase of Shares”.

Dividend Reinvestment Scheme

Pursuant to its Instrument, the Fund may approve a distribution reinvestment scheme under which eligible Shareholders may elect to receive all or part of their cash distribution in the form of newly issued Shares or existing Treasury Shares. It is intended that all Shareholders will be eligible to participate in the distribution reinvestment scheme, except where the Fund considers it necessary or expedient to exclude certain overseas shareholders after making enquiries on the legal restrictions under the law of the relevant place as well as the requirements of the relevant regulatory body or stock exchange in that place.

The decision as to whether to offer a dividend reinvestment scheme in respect of any dividend will be made by the Fund at the time the relevant dividend is declared by the Fund, with the terms and conditions for the same to be disclosed in a circular to Shareholders. Shareholders approval will also be obtained for the distribution reinvestment scheme where required under the relevant Laws and Regulations, for example, where the Fund will issue Shares at a discount to the Net Asset Value per Share pursuant to 8.11(e)(iii) of the UT Code.

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Transaction Costs in connection with the [REDACTED]

The Investment Manager estimates the total transaction costs for the [REDACTED] to be approximately HKD[REDACTED]. Assuming [REDACTED] of HKD[REDACTED] (assuming the [REDACTED] and the [REDACTED] are not exercised), the [REDACTED] are estimated to be approximately HKD[REDACTED] after deduction of the transaction costs.

These transaction costs comprise expenses relating to the [REDACTED], which includes [REDACTED], professional fees paid and payable to legal advisers and other independent professional advisers, printing costs, [REDACTED] costs, advertising and marketing related expenses (including roadshow expenses), costs relating to the establishment of the Fund and license of the Investment Manager and other administrative expenses.

Ongoing Fees and Expenses of the Fund

The Fund is responsible for its ongoing operational costs and expenses which include, but are not limited to, fees and expenses associated with the acquisition, holding or divestment of any investments, fees and expenses for any other corporate exercises of the Fund, fees and expenses of its directors, delegates, service providers, auditors, legal counsel and other independent professional parties, [REDACTED] costs, regulatory costs, bank charges, printing expenses, Fund Directors’ insurance premiums, taxes, as well as administrative and other fees and expenses.

The above includes the following ongoing annual fees to be charged to or paid out of the assets of the Fund and will reduce potential return for [REDACTED].

Annual Fee	Amount	Accrual, calculation and payment frequency
Investment Manager	Base fee of 1% of Invested Assets.	Base fee shall accrue daily and be calculated and payable quarterly, based on the unaudited financial statements prepared by the Fund Administrator, subject to annual true-up adjustment based on the Fund’s audited accounts for the relevant financial years. Performance fee shall accrue daily based on the unaudited financial statements prepared by the Fund Administrator, and be calculated and paid annually based on the Fund’s audited accounts for the relevant financial years.

FEES AND EXPENSES

Annual Fee	Amount	Accrual, calculation and payment frequency
	Performance fee if the following sum is a positive number: (a) 20% of the Hurdle Outperformance; minus (b) the aggregate performance fees which have been paid in prior Performance Allocation Periods.	Please see the sections headed “The Investment Manager – Fees, Costs and Expenses of the Investment Manager” and “Fees and Expenses – Performance fee payable to the Investment Manager” for further details.
Custodian	The aggregate of the following based on the Invested Assets plus cash and cash equivalents: (a) First USD[REDACTED]: 0.0375%; (b) From USD[REDACTED] up to and including USD[REDACTED]: 0.0350%; (c) From USD[REDACTED] up to and including USD[REDACTED]: 0.0325%; and (d) Over USD[REDACTED]: 0.0300%; subject to a total minimum fee of USD77,500 per quarter (USD310,000 per annum).	Fees shall accrue daily and be calculated and payable quarterly, based on the unaudited financial statements prepared by the Fund Administrator.

FEES AND EXPENSES

Annual Fee	Amount	Accrual, calculation and payment frequency
Bond Custodian	(a) For the Portfolio held by the Bond Custodian which is held by Euroclear or Clearstream: 0.012% of the value of Relevant Securities held by the Bond Custodian. (b) For the Portfolio held by the Bond Custodian which is held through other depositories and/or clearing systems: To be quoted upon request For the above purposes, the Relevant Securities means the value of the Investments in the form of securities.	Fees shall accrue daily and be calculated and payable quarterly, based on the value of Relevant Securities held by the Bond Custodian.
Portfolio Administrator	The aggregate of the following based on the Invested Assets plus cash and cash equivalents: (a) First USD[REDACTED]: 0.025%; (b) From USD[REDACTED] up to and including USD[REDACTED]: 0.0225%; and (c) Over USD[REDACTED]: 0.02%, subject to a total minimum fee of USD20,000 per quarter (USD80,000 per annum)	Fees shall accrue daily and be calculated and payable quarterly, based on the unaudited financial statements prepared by the Fund Administrator.
Account Bank	For the Fund: Per annum charge per currency account, for example, USD5,000 per account opened in Hong Kong and USD10,000 for one KRW account, and one USD account opened in South Korea. For each Fund Special Purpose Vehicle (if any): USD10,000 per annum.	For the Fund: Fees shall accrue daily and be calculated and payable quarterly, based on the number of accounts opened and jurisdictions in which those accounts are opened. For each Fund Special Purpose Vehicle (if any): Fees shall accrue daily and be calculated and payable quarterly.

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Annual Fee	Amount	Accrual, calculation and payment frequency
Fund Administrator	The aggregate of the following based on the Net Asset Value of the Fund: (a) First USD[REDACTED]: 0.1%; (b) Over USD[REDACTED]: 0.06%, subject to a minimum fee of USD100,000 per annum and a maximum fee of USD500,000 per annum. A related company of the Fund Administrator, Apex Corporate Solutions (HK) Limited, will also receive fees of USD52,500 per annum for the provision of corporate services pursuant to the Corporate Services Agreement.	Fees shall accrue daily and be calculated and payable quarterly in advance, based on the unaudited financial statements prepared by the Fund Administrator.
Valuation Agent	Monthly valuation fee depending on the number of Investments which is expected to range between 0.07% and 0.09% of Invested Assets per annum.	

The Fund shall provide written notice to the Shareholders in respect of any alteration to the above-mentioned annual fees in accordance with the Laws and Regulations applicable to the Fund.

The Investment Manager estimates that the aggregate annual ongoing fees and expenses of the Fund to be approximately [REDACTED]% of the Net Asset Value of the Fund as at the [REDACTED] (expected to be equal to the [REDACTED] of HKD[REDACTED], assuming the [REDACTED] and the [REDACTED] are not exercised). Such ongoing fees and expenses may and will typically be deducted from the assets of the Fund where permitted by the Instrument and the Laws and Regulations, and may vary from year-to-year.

Performance fee payable to the Investment Manager

Calculation of performance fee

The Investment Manager is entitled to a performance fee in respect of each financial year of the Fund (“**Performance Allocation Period**”). The first financial year of the Fund shall end on 31 December 2027.

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The performance fee shall be paid if the following sum is a positive number: (a) 20% of the Hurdle Outperformance (as defined below); minus (b) the aggregate performance fees which have been paid in prior Performance Allocation Periods. The performance fee shall accrue daily based on the unaudited financial statements prepared by the Fund Administrator, and be calculated and paid annually based on the Fund’s audited accounts for the relevant financial year.

For the avoidance of doubt, no performance fee shall be refunded to the Fund in any circumstances.

Hurdle Outperformance

The “Hurdle Outperformance” shall be equal to:

[REDACTED]

FEES AND EXPENSES

No equalisation arrangement

There is no equalisation arrangement in respect of the calculation of the performance fees. That means there is no adjustment of equalisation credit or equalisation losses on an individual Shareholder basis based on the timing the relevant Shareholder acquires or disposes of the relevant Shares during the course of a Performance Allocation Period or thereafter. The Shareholder may be advantaged or disadvantaged as a result of this method of calculating the performance fee.

For instance, a Shareholder may be advantaged if they acquire their Shares during a Performance Allocation Period when the adjusted Net Asset Value per Share is below the Hurdle Amount and subsequently disposes their Shares when the Net Asset Value per Share has increased towards but before it exceeds the Hurdle Amount, and thus, no performance fee is payable (indirectly via their shareholding in the Fund) even though the Shareholder potentially has made a profit if the market price of the Shares increased during the time in which they held their Shares.

Likewise, a Shareholder may be disadvantaged if they acquire their Shares during a Performance Allocation Period when the adjusted Net Asset Value per Share is above the Hurdle Amount at the end of that Performance Allocation Period and subsequently disposes their Shares when the Net Asset Value per Share has decreased. Under such circumstances, the Shareholder shall bear (indirectly via their shareholding in the Fund) the performance fee for the Performance Allocation Period in which they acquired their Shares (assuming such fee is payable after deduction of aggregate performance fees paid to date), even though they potentially suffered a loss if the market price of the Shares decreased during the time in which they held their Shares.

It is also noted that, in general, closed-ended funds such as the Fund may trade at a discount or at a premium to their net asset value. There is no assurance that the Shares will trade at a price that is equal to the Net Asset Value per Share, as the market price of the Shares may be determined by other factors such as the market supply and demand for the Shares. For further details, please see the section headed “Risk Factors – The Fund is a closed-ended fund and the Shares may trade at a discount to the Net Asset Value per Share after [REDACTED] and discount control measures may not be effective”.

[REDACTED]

[REDACTED]

FEES AND EXPENSES

[REDACTED]

FEES AND EXPENSES

[REDACTED]

FEES AND EXPENSES

[REDACTED]

FEES AND EXPENSES

[REDACTED]

Charges payable by Shareholders when trading the Shares on the Hong Kong Stock Exchange

The following is a summary of charges payable by Shareholders when trading the Shares on the Hong Kong Stock Exchange for and after the [REDACTED].

Fee	For the [REDACTED]	After the [REDACTED]
Brokerage	1.0% of the [REDACTED]	Market price
AFRC transaction levy	0.00015% of the [REDACTED]	0.00015% of the trading price
Hong Kong Stock Exchange trading fee	0.00565% of the [REDACTED]	0.00565% of the trading price
SFC transaction levy	0.0027% of the [REDACTED]	0.0027% of the trading price

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Development of the Real Estate Private Debt Market in Asia-Pacific and the Middle East

The modern Asia-Pacific and the Middle East real estate private debt market is a direct result of post-GFC regulatory reforms intended to de-risk the global banking sector. The progressive implementation of Basel III and IV standards, which are fully taking effect in key financial hubs in Asia like Hong Kong and Singapore in 2024 and 2025, has fundamentally altered lending economics. These accords mandate rigorous capital adequacy requirements, compelling traditional banks to hold significantly higher reserves against commercial real estate (income-producing real estate assets) exposures and retreat from complex transactions. The regulatory tightening is creating a critical refinancing wall for seasoned developers and accelerating the region’s structural shift away from bank dominance.

Consequently, major banks have retreated to low-yielding, core assets to preserve capital, creating a structural funding gap for high-quality transitional projects, driven by distinct regional catalysts. For example, domestic liquidity constraints in South Korea and strict regulatory controls on investment lending in Australia have opened underserved market segments to non-bank lenders. Simultaneously, sovereign diversification mandates in the Middle East are fueling demand for flexible private capital to support mega-projects that often exceed the single-borrower concentration limits of traditional regional banks. This shift drove the Asia-Pacific and the Middle East real estate and infrastructure private debt market to exceed USD161.4 billion by 2025. Despite this growth, private debt represents only approximately 6% of regional real estate financing in 2024 and 7.3% in 2025, which is starkly lower than the 41% in the US and 21% in Europe. With traditional banks currently holding approximately 93% of Asia-Pacific and the Middle East real estate debt in 2025, this disparity highlights a massive structural growth opportunity as regulatory pressure accelerates the region’s shift away from bank dominance.

Market Size of Real Estate and Infrastructure Private Debt by Selected Economies

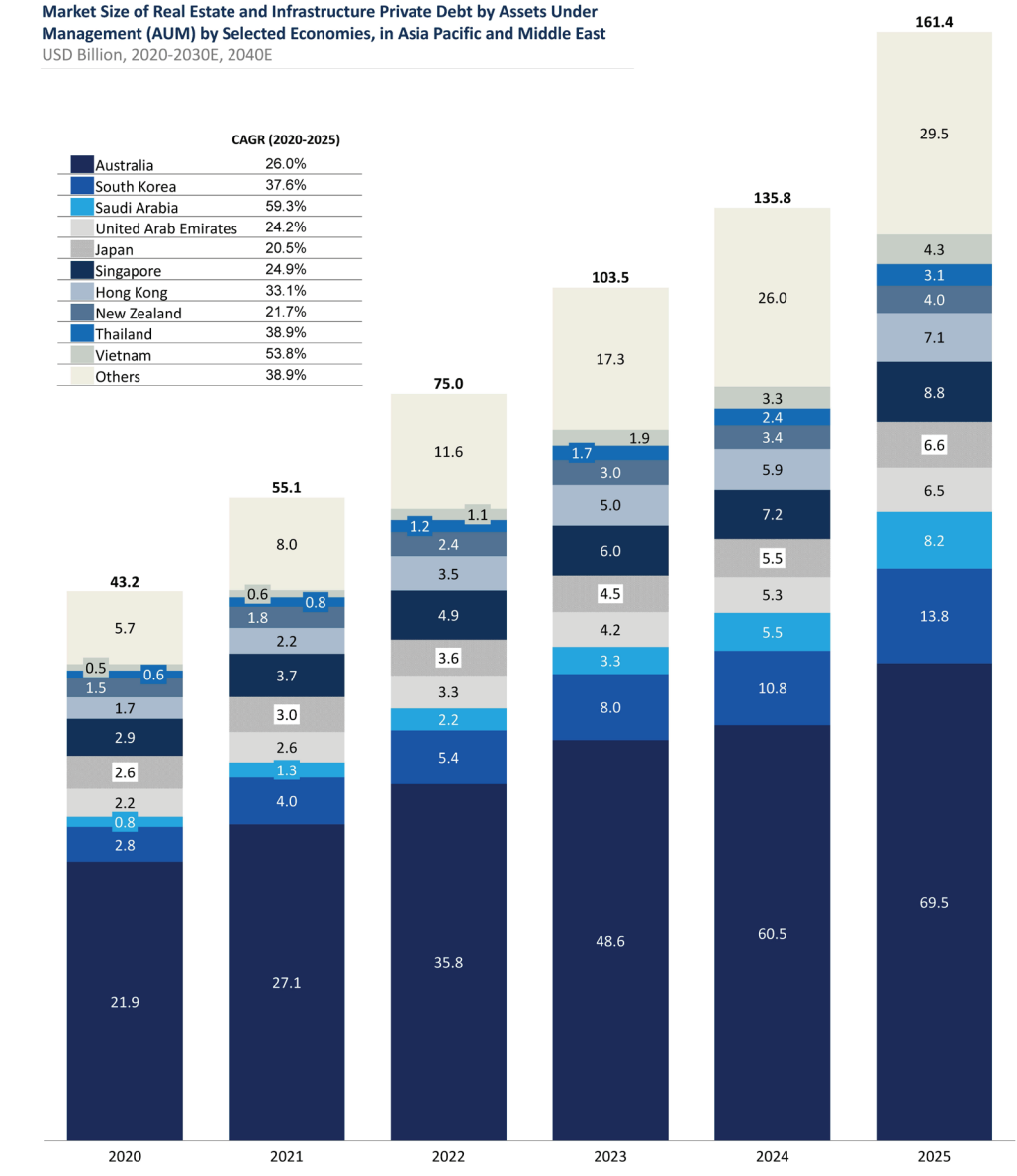
The Asia Pacific and the Middle East real estate and infrastructure private debt market by selected economies has expanded significantly from USD43.2 billion in 2020 to USD161.4 billion in 2025, representing a CAGR of 30.2%. The acceleration correlates with broader debt tightening as non-bank lenders captured market share from traditional institutions adjusting to capital adequacy requirements. The asset class is projected to enter a phase of sustained institutional expansion and reach approximately USD372.7 billion by 2030, which reflects a long-term shift where private debt becomes a permanent component of regional capital structures.

Australia accounts for approximately 43% of regional AUM in 2025, reflecting its status as the most mature private debt landscape in Asia-Pacific. The dominance is supported by an established institutional investor base and a conducive regulatory environment, where Australian Prudential Regulation Authority (“APRA”) standards have encouraged traditional banks to focus on core mortgages, leaving private debt as a primary funding channel for middle-market developers. South Korean expansion is primarily driven by the real estate Project Financing (“PF”) liquidity crunch, a funding freeze affecting specific property developments that was precipitated by the Legoland Korea default in late 2022 and persisted through 2024, as funds provide rescue capital following the retreat of securities firms. Saudi Arabia utilizes private debt for Vision 2030 initiatives that frequently exceed statutory bank concentration limits. These regulatory caps, mandated by the Saudi Central Bank (“SAMA”), restrict a bank’s total exposure to a single borrower or project group. Singapore and Hong Kong act as origination hubs, with

INDUSTRY OVERVIEW

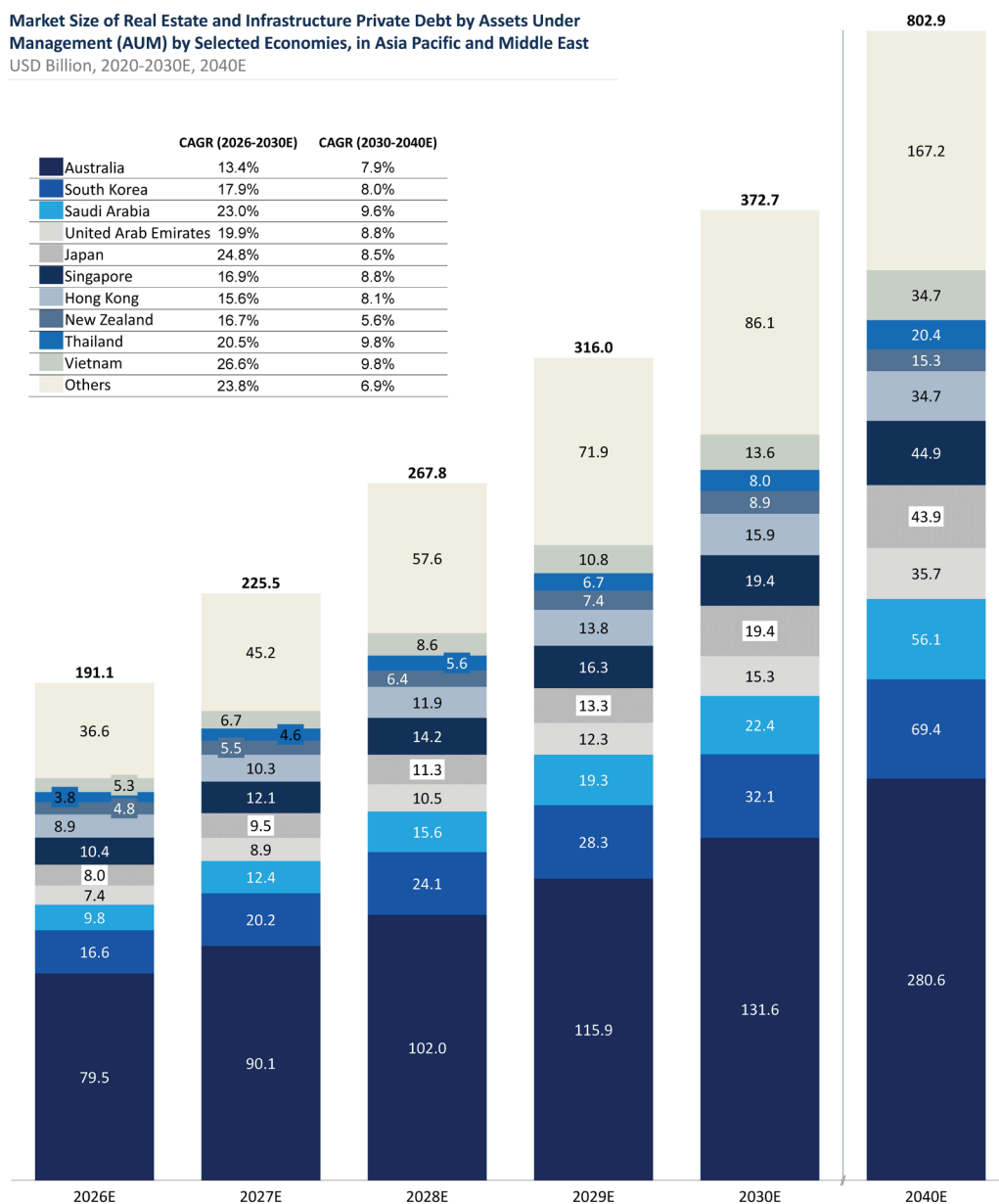
Hong Kong specifically addressing liquidity gaps for trophy assets where banks have reduced loan to value ratios. Japan remains a niche solution for mezzanine financing in hospitality and residential upgrades where domestic banks remain conservative. In Thailand, expansion is driven by strict loan to value regulations and elevated household debt, prompting private funds to step in and finance mid-tier developments and hospitality repositioning as local banks tighten their underwriting standards. Meanwhile, Vietnam’s market growth is catalyzed by a severe liquidity crunch following regulatory crackdowns on corporate bond issuance, positioning private debt as essential rescue capital for stranded residential and industrial projects.

Market Size of Real Estate and Infrastructure Private Debt by Assets Under Management (AUM) by Selected Economies, in Asia Pacific and Middle East
USD Billion, 2020-2030E, 2040E



INDUSTRY OVERVIEW

Market Size of Real Estate and Infrastructure Private Debt by Assets Under Management (AUM) by Selected Economies, in Asia Pacific and Middle East
USD Billion, 2020-2030E, 2040E



Source: Frost & Sullivan

INDUSTRY OVERVIEW

Market Size of Real Estate and Infrastructure Private Debt by Building Types in Asia-Pacific and the Middle East

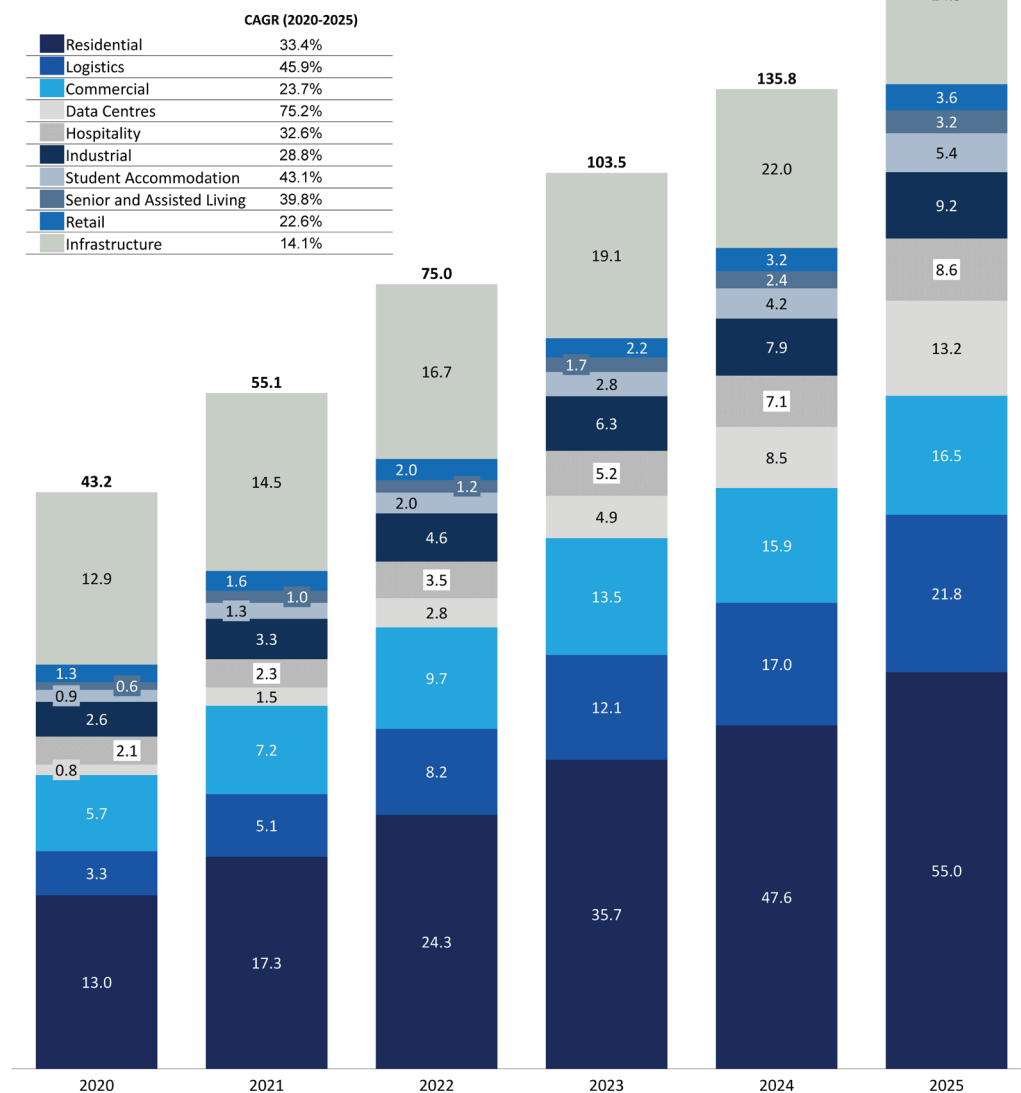
The Asia-Pacific and the Middle East private debt market is shifting structurally toward “Living” sectors and prime real estate which reflects a strategic alignment with long term demographic trends. Residential remains the dominant segment driven by structural shortages in key markets like Australia. With banks facing Basel IV capital constraints, private debt for residential segment in Asia-Pacific and the Middle East has become an established funding channel for developers and is forecast to reach USD118.6 billion by 2030, representing a CAGR of 15.4% from 2026. The Student Accommodation and Senior and Assisted Living sectors in Asia-Pacific and the Middle East are also expanding, with market sizes of USD6.5 billion and USD4.1 billion, respectively, in 2026, increasing by a 22.0% CAGR to USD14.4 billion and by a 26.5% CAGR to USD10.5 billion, respectively, in 2030. These assets benefit from drivers such as Japan’s aging demographic and Australian student flows which offer portfolio stability against broader volatility.

In the Commercial sector, the focus is on high quality assets facing a liquidity gap. As traditional lenders reduce Loan to Value ratios, private lenders are stepping in to finance prime office and retail properties in supply constrained Central Business Districts. Hospitality debt has also emerged as a distinct opportunity following the tourism recovery, particularly in Japan and Southeast Asia. Private debt is actively filling the funding gap for asset upgrades and renovations where traditional banks remain conservative regarding cyclical cash flows.

Concurrently, Asia Pacific and Middle East infrastructure private debt has emerged as a rapidly expanding and complementary asset class, growing from USD12.9 billion in 2020 to USD24.9 billion in 2025, representing a CAGR of 14.1%. Such growth is underpinned by a structural shift in financing for essential assets, as private lenders step in to fund the region’s massive requirements for energy transition, transport modernization, and digital infrastructure. Regional demand is becoming increasingly distinct, for instance, Australia faces an urgent need to fund approximately 10,000 km of new transmission lines to meet its 2030 renewable energy targets; Japan requires extensive private capital to modernize aging transport infrastructure, where over 30% of bridges and tunnels now exceed 50 years of age; and the Middle East, particularly Saudi Arabia, is actively utilizing private debt to fund Vision 2030 large-scale projects that frequently exceed the single-borrower limits of domestic banks. In Japan and South Korea, significant gaps also remain in grid modernization and digital connectivity projects required to meet national net-zero commitments, with private debt acting as a supplementary source of flexible capital. Looking ahead, the Asia-Pacific and Middle East infrastructure private debt sector is projected to maintain robust momentum, with assets under management forecast to reach USD49.5 billion by 2030 (a CAGR of 14.1% from USD29.2 billion in 2026) and further expand to USD122.2 billion by 2040, driven by long-term sovereign mandates and the increasing withdrawal of traditional banks from long-tenor project financing.

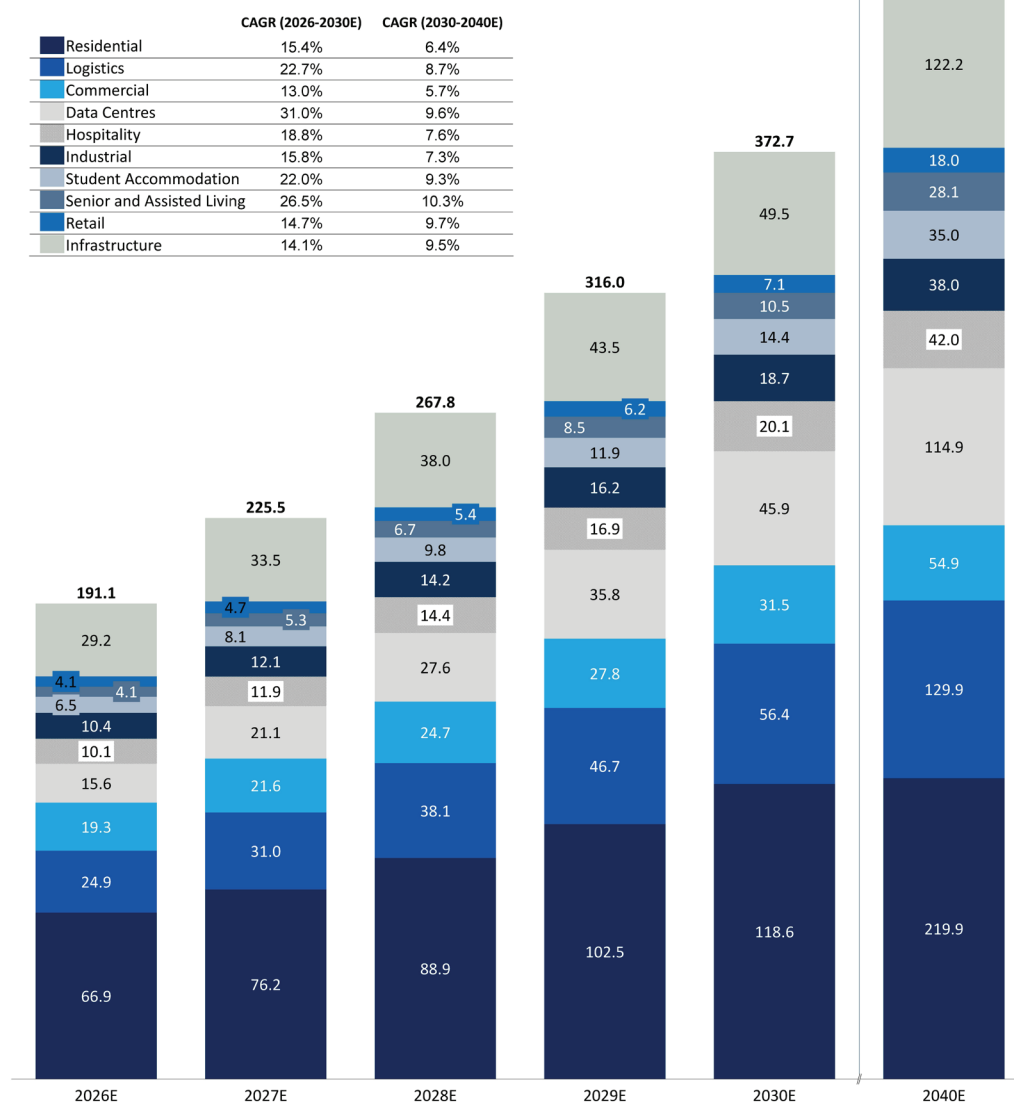
INDUSTRY OVERVIEW

Market Size of Real Estate and Infrastructure Private Debt by Assets Under Management (AUM) by Building Types, in Asia Pacific and Middle East
USD Billion, 2020-2030E, 2040E



INDUSTRY OVERVIEW

Market Size of Real Estate and Infrastructure Private Debt by Assets Under Management (AUM) by Building Types, in Asia Pacific and Middle East
USD Billion, 2020-2030E, 2040E



Source: Frost & Sullivan

Note: (i) Figures reflect the Addressable Asia-Pacific & the Middle East Market, Mainland China domestic markets are excluded; (ii) the 'Infrastructure' category excludes Logistics and Data Centers, which are tracked as distinct asset classes. 'Infrastructure' here represents core physical systems and networks, primarily encompassing Energy & Power (e.g., renewables, grid transmission), Mobility (e.g., toll roads, airports, seaports), Utilities, and Telecom networks.

INDUSTRY OVERVIEW

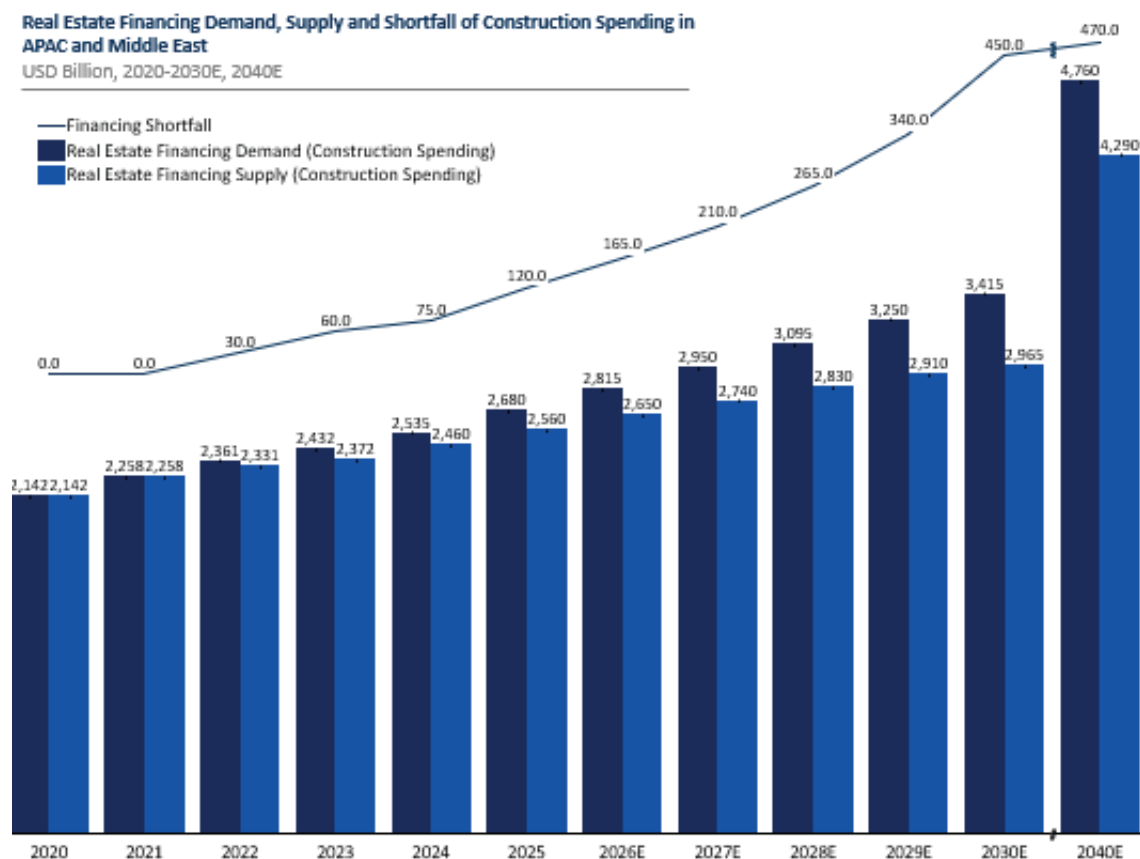
Real Estate Financing Demand, Supply and Shortfall in Asia-Pacific and the Middle East

The financing demand of real estate is categorized into three segments: (i) construction spending, defined as the demand from building output across residential, commercial and industrial sectors (excluding civil infrastructure); (ii) investment transaction, representing the demand from income-producing assets traded annually; and (iii) real estate debt maturities, which refer to the demand from volume of real estate loans reaching their term limit that require refinancing.

Historically, construction financing was balanced between 2020 and 2021 as fiscal stimulus ensured capital supply matched the approximately USD2,142 billion to USD2,258 billion in annual demand. A divergence emerged in 2022 as demand rose to USD2,361 billion while supply growth began to lag, creating an initial liquidity deficit of USD30 billion.

Looking forward, financing demand is forecast to expand from USD2,815 billion in 2026 to USD3,415 billion by 2030 which is supported by sustained urbanization. In particular, the construction segment is further bolstered by public sector commitments; government real estate and urban development spending across key jurisdictions is projected at USD1,200 billion through 2030, providing a macro-economic floor for new building output. Conversely, available bank capital is modeled to reach only USD2,965 billion by 2030. The deceleration reflects the impact of Basel III and IV regulations which have increased capital requirements for construction lending, compounded by heightened risk sensitivity among traditional lenders amid fluctuating interest rate environments. The resulting structural shortfall is projected to widen from USD165 billion in 2026 to USD450 billion by 2030, creating a specific opportunity for alternative lenders to fund viable projects that fall outside the stricter regulatory constraints of conventional banks.

INDUSTRY OVERVIEW



Source: Frost & Sullivan

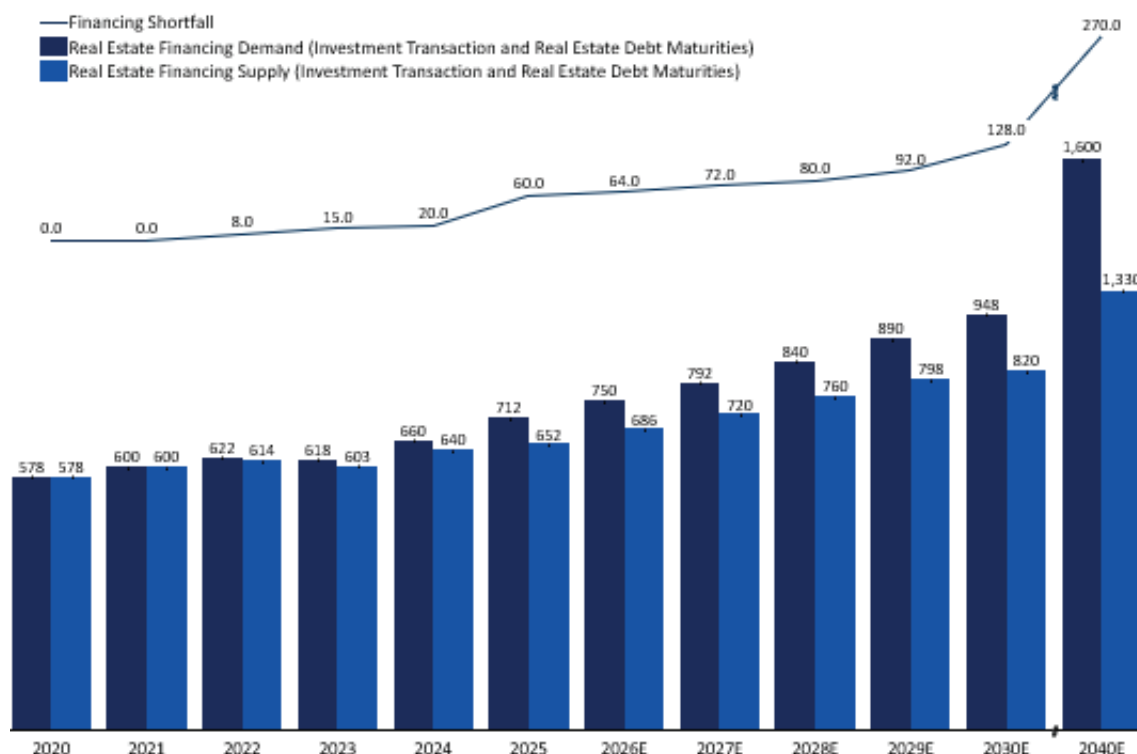
Note: Figures reflect the Addressable Asia-Pacific & the Middle East Market, Mainland China domestic markets are excluded

INDUSTRY OVERVIEW

In the investment and real estate maturities segment, during 2020 and 2021, the market saw limited financing shortfall, as available capital fully met the annual demand of approximately USD577.5 billion to USD600.0 billion. The absence of a shortfall during this period was primarily driven by regulatory relief measures and loan payment moratoriums, which prevented the recognition of non-performing loans and suppressed widespread distress. A deficit first materialized in 2022 at USD8.0 billion and expanded to USD60.0 billion by 2025.

Looking ahead, property transaction volumes are projected to increase 20-25% from 2025 to 2028, creating continuous refinancing and acquisition financing demand. Sector-specific rental growth further supports this segment; prime office rents in core Central Business Districts are forecast to grow at 2.0% to 3.0% annually through 2026-2030, driven by limited new supply. Additionally, logistics and industrial rents are projected to increase 3.5% to 4.5% annually through 2030, supported by e-commerce penetration and ongoing supply chain reconfiguration across Asia-Pacific and the Middle East. Accordingly, total financing demand for investment and real estate maturities segment is expected to grow from USD750.0 billion in 2026 to USD948.0 billion in 2030, representing a CAGR of 6.0% during 2026 to 2030. While capital supply is also increasing, it is not keeping pace with the volume of maturing debt and new transaction activity. Consequently, the financing shortfall is projected to increase to USD128.0 billion by 2030. The trend highlights a growing need for supplementary capital solutions to bridge the difference between the refinancing requirements of asset owners and the liquidity available in the senior banking market.

Real Estate Financing Demand, Supply and Shortfall of Investment Transaction and Real Estate Debt Maturities in APAC and Middle East
USD Billion, 2020-2030E, 2040E



Source: Frost & Sullivan

Note: Figures reflect the Addressable Asia-Pacific & the Middle East Market, Mainland China domestic markets are excluded

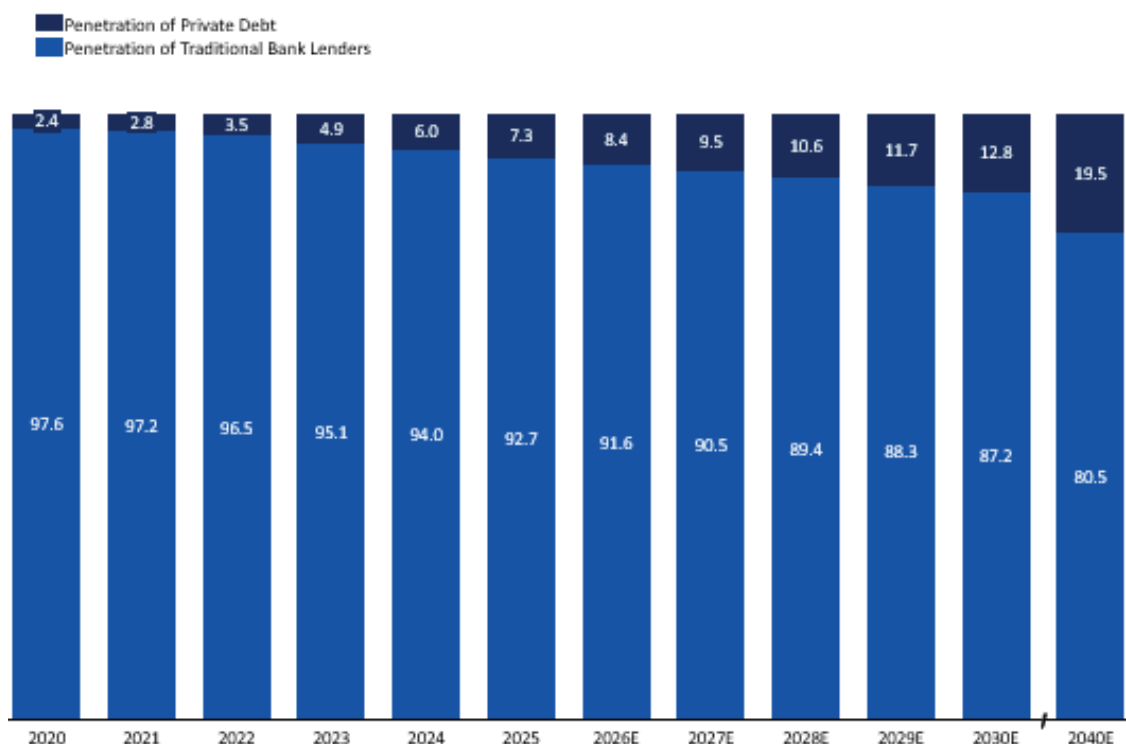
INDUSTRY OVERVIEW

Private Debt and Traditional Bank Lenders Penetration in Asia-Pacific and the Middle East

In Asia-Pacific and the Middle East, private debt’s penetration in real estate debt financing by loan volume remains modest but is expanding rapidly amid bank retrenchment and structural demand for flexible capital. As of 2025, private debt accounts for an estimated 7.3% of total outstanding commercial real estate debt volume.

Private debt’s penetration in real estate debt financing by total outstanding commercial real estate debt in Asia Pacific is expected to rise from 8.4% in 2026 to 12.8% in 2030, driven by anticipated AUM increases in key markets, and potentially reach 19.5% by 2040 as the market matures toward partial convergence with Western levels of 41% in the US and 21% in Europe. These trends reflect complementary non-bank lending filling refinancing and development gaps while banks retain primacy in core senior financing.

Private Debt Penetration of Real Estate Debt Financing vs. Traditional Bank Lenders in APAC and Middle East, by Total Outstanding Commercial Real Estate Debt
%, 2020-2030E, 2040E



Source: Frost & Sullivan

Note: Figures reflect the Addressable Asia-Pacific & the Middle East Market, Mainland China domestic markets are excluded

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Development Outlook by Selected Economies

Asia-Pacific and the Middle East have historically relied on bank financing, with banks holding approximately 94% of real estate debt in 2024, but the landscape is shifting rapidly due to regulatory pressure and maturing cycles, with following examples demonstrating such:

- **Australia** exhibits the most pronounced shift following 2017 APRA controls on investment lending. With the real estate and infrastructure private debt market estimated at USD69.5 billion in 2025 and projected to reach USD131.6 billion by 2030, non-bank lenders have become the primary funding source for mid-market residential developments where major banks lack agility.
- In **South Korea**, a significant stress test is underway following the 2022-2023 Legoland crisis. With elevated household debt levels creating systemic concerns, regulators have tightened macro-prudential caps to reduce the financial sector’s total debt exposure. The regulatory pressure has forced domestic securities firms and insurers to contract their balance sheets and prioritize capital reserves over new project financing. Consequently, international private debt now provides essential liquidity to high-quality assets caught in the local debt crunch.
- **Hong Kong** structural change coincides with the January 1, 2025 implementation of Basel III reforms. As traditional lenders manage concentration risk and face a maturity wall of refinancing needs, private debt offers vital flexible liquidity to seasoned developers navigating market cycles.
- In **Japan**, domestic bank capital remains abundant and inexpensive but is deployed through highly standardized, risk-averse debt models. Private debt captures valuable opportunities in complex transactions, such as non-recourse loans for foreign investors, asset refurbishment, or situational restructuring, where local banks struggle to underwrite efficiently. Furthermore, the historically low-interest-rate environment in Japan leaves traditional banks with thin margins, making the intensive due diligence required for bespoke or ‘value-add’ real estate transactions commercially unviable for them.
- Demand in **Singapore** is driven by cross-border complexity rather than market distress. While Singapore’s banking sector is highly advanced, local traditional lenders prioritize standardized domestic debt and conservative cross-border exposures in line with 2024/2025 market risk standards. Private debt captures a distinct opportunity by utilizing flexible mandates to finance intricate, multi-jurisdictional structures, such as bridging capital for regional portfolios or specialized financing for family offices, which often fall outside the rigid underwriting parameters and geography-specific limits of traditional commercial banks.

INDUSTRY OVERVIEW

- The **Middle East** is emerging as a rapidly growing frontier, driven by sovereign economic diversification agendas like Saudi Vision 2030 and the UAE’s non-oil strategy. With the real estate and infrastructure private debt market in Saudi Arabia alone surging tenfold since 2020 to reach USD8.2 billion in 2025, demand is fueled by massive large-scale projects that often exceed the single-borrower concentration limits of regional banks. Additionally, as regulators in the region align with global Basel standards, local banks are tightening real estate exposure, creating a clear opening for private debt managers to fund construction and transitional assets in hubs like Riyadh and Dubai.
- **Thailand** exhibits a widening funding gap as household debt reached approximately 87% of GDP by late 2025, which led the Bank of Thailand to maintain strict macroprudential controls. Private sector debt growth, representing the annual rate of new lending to businesses and households, slowed to a marginal 0.4% year-on-year by November 2025. Furthermore, a significant maturity wall exists with over 260 billion baht in real estate developer bonds due between late 2025 and 2026. Such conditions have compelled commercial banks to adopt highly conservative lending postures toward the real estate sector. Private debt provides critical liquidity for project completion and hospitality redevelopment, especially as developers face lower loan approval rates and a buildup of residential inventory in the mass market segment.
- **Vietnam** represents a high growth market for alternative debt following the 2022 liquidity crisis in the domestic corporate bond sector. State Bank of Vietnam debt growth targets and intensified regulatory oversight have limited the capacity of commercial banks to fund large scale real estate projects. Private debt funds are increasingly active in providing structured debt and rescue capital for the completion of high quality residential and industrial assets. Institutional lenders leverage flexible mandates to navigate the evolving legal landscape and provide certainty of execution where traditional debt remains restricted.

Drivers of Real Estate Private Debt

- **Structural Bank Deleveraging and Regulatory Displacement:** Regulatory pressure remains the primary catalyst for private debt expansion as Basel III and IV frameworks force traditional lenders to conserve capital. Such trend is exacerbated by specific regional policies: in Australia, APRA’s strict risk-weighting on development exposures limits bank capacity for residential projects, while in Saudi Arabia, rapid expansion has pushed many domestic banks near their Single Obligor Limits. Consequently, banks have retreated from mid-market and cyclical sectors, creating persistent funding gaps that private debt providers are positioned to fill.
- **Funding Gap and Refinancing Pressures:** The Asia-Pacific and the Middle East real estate market face a notable financing shortfall, recording at USD180 billion in 2025. The gap is most pronounced in Australia, South Korea, and Saudi Arabia, with these three economies estimated to collectively account for approximately USD112 billion (comprising roughly USD80 billion, USD20 billion, and USD12 billion respectively) of the region’s total USD180 billion financing shortfall in 2025. These conditions are increasing demand for alternative capital solutions, including rescue financing, mezzanine debt, and other private debt structures, as traditional lenders step back.

INDUSTRY OVERVIEW

- **Maturity Compression and Banking Sector Tightening:** Widespread use of “extend-and-amend” arrangements in 2023–2024 has deferred a substantial portion of real estate debt maturities into the 2025–2026 period, creating a concentrated refinancing wave. At the same time, banks have tightened debt standards and increased all-in borrowing costs in response to heightened economic uncertainty and regulatory scrutiny. This dual pressure is pushing borrowers toward private debt providers offering more flexible structures, such as unitranche facilities and senior-stretch loans. Globally, the real estate maturity wall reached USD1 trillion in 2025, and is expected to rise to USD1.15 trillion in 2026 and peaking at USD1.26 trillion in 2027; although Asia-Pacific and the Middle East’s exposure is less severe, it remains significant in office-heavy portfolios. In this environment, private debt is increasingly positioned as a vital source of transitional and bridge financing.
- **Valuation Resets and Loan to Value Stress:** Ongoing valuation adjustments across Asia-Pacific and the Middle East, fueled by cap-rate expansion of 50–200 basis points, have resulted in elevated effective loan to value ratios, frequently breaching covenant thresholds even where headline loan to value limits remain unchanged. This has created technical default risks on otherwise performing loans. In Australia, MSCI data indicate office capital values reached a cyclical trough in early 2025 after declining 21.8% from peak levels, before finding firm stabilization in the second half of the year, culminating in 1.1% capital growth in Q4 2025 and lifting full-year unlisted property capital growth to 2.1% across major wholesale funds. In South Korea, office values fell 8–13% and logistics values fell 15–20% from peak levels over the past three years, despite solid leasing fundamentals. These valuation resets are rendering conventional senior refinancing challenging and are driving demand for higher-loan to value private debt solutions, including mezzanine and preferred equity structures.
- **Regulatory and Policy Constraints:** Prudential regulations continue to reinforce conservative lending behavior among banks across the Asia-Pacific and the Middle East region. In Hong Kong, the Hong Kong Monetary Authority (“HKMA”) has standardized the maximum loan to value ratio at 70% for all residential and non-residential properties, including commercial, industrial, and standalone car parking spaces, regardless of value or usage, following adjustments in October 2024 that reverted countercyclical measures to pre-2009 levels; the debt servicing ratio (“DSR”) limit has similarly been unified at 50%. These caps remain particularly restrictive during periods of declining asset values, as they limit banks’ ability to provide flexible refinancing or additional lending to borrowers facing valuation pressures. In Australia, the Australian Prudential Regulation Authority’s (“APRA”) APS 220 framework imposes tighter requirements on the treatment of non-performing loans and restructured exposures, while from February 2026, new debt-to-income (“DTI”) lending limits cap high-DTI residential mortgages (DTI $\geq 6\times$ income) at no more than 20% of new lending for both owner-occupier and investor portfolios, further constraining banks’ balance sheet flexibility for real estate-related exposures. These Basel-aligned prudential standards, combined with similar oversight in markets such as South Korea, where tighter project-finance regulations and stressed debt service ratio measures have been applied, are directly expanding the addressable market for private debt providers. These alternative lenders can now step in to offer tailored, collateralized financing solutions to fill gaps in transitional, distressed, or mid-market real estate lending.

INDUSTRY OVERVIEW

- **Long-Term Structural Opportunity Set:** The convergence of a maturing debt wall, widespread valuation corrections, and persistent regulatory headwinds is creating a durable and expanding opportunity set for real estate-backed private debt across key Asia-Pacific and the Middle East markets, particularly Australia, South Korea, Hong Kong SAR. These structural drivers are expected to persist beyond the current interest rate cycle, sustaining demand for non-bank capital to address funding shortfalls, support asset stabilization, and enable value-add and transitional investment strategies. While the region currently represents only 5–12% of global private debt allocations, Asia-Pacific and the Middle East is well positioned to capture an increasing share of real estate financing as traditional lenders continue to apply disciplined underwriting standards and mid-market funding gaps remain pronounced.

Future Trends of Real Estate Private Debt

- **Manager Specialization:** The Asia-Pacific and the Middle East private debt landscape is maturing, with managers increasingly shifting from broad, generalist mandates to specialized strategies that build competitive advantages through deep vertical expertise by geography and asset class. This segmentation enables more accurate risk pricing, stronger origination networks, and superior risk-adjusted returns in the region’s diverse markets. For example, managers are increasingly bifurcating their approaches by deploying conservative senior secured lending in mature markets while targeting higher-yield mezzanine or special situations in emerging jurisdictions. Others are building pure-play real estate strategies focused entirely on niche areas like developer financing, transitional assets, or opportunistic loans to capitalize on local bank retrenchment. The trend toward specialization, driven by fragmented regulatory environments, varying economic cycles, and distinct borrower needs, is expected to intensify as regional private debt assets under management continue to grow, further enhancing performance dispersion and attracting institutional capital seeking alpha in targeted segments.
- **ESG Integration:** Sustainability has evolved from a compliance requirement to a core structural element in regional private debt. Lenders are increasingly deploying green loans and sustainability-linked loans (“SLLs”) that embed ESG covenants and margin ratchets. These mechanisms, now estimated to be present in roughly 50% of regional private debt loans, adjust interest rates based on the borrower’s achievement of specific KPIs, such as emissions reductions or obtaining certifications like LEED and NABERS. Driven by regulatory alignment (e.g., ASEAN Taxonomy) and institutional investors prioritizing net-zero mandates, these structures help mitigate long-term asset obsolescence risk. As capital increasingly targets energy transition and digital infrastructure, ESG-linked financing is expected to become a universal standard by 2026.

INDUSTRY OVERVIEW

Challenges of Real Estate Private Debt

- **Asset valuation uncertainty due to rate volatility:** Persistent interest rate volatility creates significant uncertainty in asset valuations. Elevated borrowing costs and fluctuating capitalization rates have compressed property values in sectors such as office and retail, which complicates collateral assessments and heightens the risk of Loan to Value covenant breaches. The environment challenges the ability of lenders to mark positions confidently, necessitating conservative underwriting standards and increased scrutiny regarding downside protection.
- **Evolving Regulatory Requirements Across Multiple Jurisdictions:** The diverse regulatory landscape across Asia-Pacific poses a substantial barrier to scalability. Variations in enforcement mechanisms, tax regimes, and capital rules influenced by Basel III/IV demand sophisticated compliance frameworks and localized expertise. Frequent policy adjustments, such as enhanced scrutiny of non-bank lending in South Korea and Australia, can extend transaction timelines and introduce execution risks for cross border deals, heavily favoring managers with established on the ground networks.

COMPETITIVE LANDSCAPE OF REAL ESTATE PRIVATE DEBT MARKET

Competitive Landscape

- The Asia-Pacific private real estate fund management landscape is highly competitive and concentrated among a small number of leading players. ESR Group and GLP Capital Partners dominate the logistics and industrial sectors, leveraging their extensive regional platforms and strong fundraising track records. Gaw Capital Partners and PAG (Pacific Alliance Group) are prominent Hong Kong-based firms with successful opportunistic and value-add strategies across the region.

Gaw Capital Partners is the second-largest Hong Kong headquartered private real estate fund manager in the Asia-Pacific region in terms of capital raised from 2021 to 2025.

Ranking of Private Real Estate Fund Manager by Capital Raised in Asia Pacific, 2021 to 2025					
Ranking	Manager	Headquarters	Capital Raised (USD Million)	AUM (USD Million)	Market Share
1	Company A	Singapore	10,032	60,900	8.7%
2	Company B	Singapore	8,927	79,000	7.8%
3	Company C	New York	8,448	320,000	7.4%
4	Company D	Hong Kong	7,129	55,000	6.2%
5	Company E	Shanghai	7,049	19,000	6.1%
6	Company F	Los Angeles	6,567	121,300	5.7%
7	Company G	New York	6,484	104,000	5.7%
8	Company H	New York	5,887	89,000	5.1%
9	Company I	Beijing	5,279	8,000	4.6%
10	Company J	Singapore	4,841	97,800	4.2%
11	Company K	Beijing	4,560	7,000	4.0%
12	Company L	San Francisco	4,128	23,600	3.6%
13	Gaw Capital	Hong Kong	4,105	35,600	3.6%
14	Company N	New York	3,798	28,000	3.3%
15	Company O	New York	3,303	15,000	2.9%

Source: PERE, Frost & Sullivan

INDUSTRY OVERVIEW

Entry Barriers

- **Access to Deal Flow:** Origination in Asia-Pacific is highly fragmented and relationship driven, with high quality opportunities often sourced off market through proprietary networks. New entrants lacking local connections to family-owned businesses and mid-market developers struggle to access bilateral deal flow, while the region’s legal and cultural diversity creates a significant barrier to effective pan regional sourcing.
- **Cost of Capital:** Fundraising is heavily concentrated among established managers as institutional investors perceive higher risks in the relatively underdeveloped Asia-Pacific and the Middle East sector. New entrants face prolonged fundraising cycles and often require higher return premiums to compensate for perceived illiquidity and market complexity. This capital scarcity creates a high entry barrier compared to incumbents with proven deployment histories.
- **Operational Infrastructure:** Success requires significant upfront investment to navigate diverse licensing, tax, and compliance regimes across jurisdictions. The complexity of managing bespoke cross border deals necessitates specialized local teams and technology platforms. High operational costs and talent shortages in credit analysis create substantial execution risks for new platforms attempting to replicate the capabilities of established firms.
- **Proven Track Record:** Institutional investors prioritize managers with demonstrated performance through economic cycles, particularly those with experience in restructuring and security enforcement. A lack of historical data creates a self-reinforcing barrier where unproven funds face heightened skepticism, whereas incumbents benefit from the credibility required to negotiate favorable terms and attract stable capital.

Key Success Factors

- **Speed of Execution:** Speed is a critical differentiator in a market characterized by time sensitive, bilateral transactions. Borrowers prioritize rapid decision making and funding certainty. Established managers with streamlined local approval processes can secure high quality off market opportunities, while new entrants often face execution delays that relegate them to more competitive or lower tier transactions.
- **Risk Assessment Discipline:** Disciplined underwriting is essential given the bespoke nature of transactions and varying enforcement regimes across Asia-Pacific and the Middle East. Successful managers rely on proprietary data and deep local expertise to structure robust downside protection. In contrast, unproven entrants often lack the historical loss experience required to accurately price risk, increasing their exposure to enforcement challenges and credit losses.

INDUSTRY OVERVIEW

- **Relationships with Borrowers:** The opaque nature of the Asia-Pacific and the Middle East market create high barriers to entry as high quality borrowers prioritize trusted lenders with a demonstrated history of reliability. Incumbents benefit from proprietary deal flow and favorable terms through established networks, whereas new entrants face significant time to competitiveness hurdles and increased reliance on intermediaries to access deal flow.

Comparison between Real Estate Private Debt compared to General Corporate Debt

- **Collateral and Security:** Real estate private debt is primarily secured by tangible physical assets which provides robust downside protection through foreclosure rights and standardized covenants focused on property metrics like loan to value and Debt Service Coverage Ratios (DSCR). In contrast, general corporate debt relies on intangible enterprise value and operating cash flows, with covenants tied to financial health indicators such as EBITDA and leverage ratios, offering less inherent asset backed security.
- **Risk Profile and Volatility:** The asset class generally exhibits lower volatility due to its exposure to long term trends such as demographics and housing demand. While sensitive to interest rate cycles and valuation shifts, it avoids the higher operational volatility associated with general corporate debt which is driven by business performance variability, industry cycles, and idiosyncratic borrower risks.
- **Borrower Appeal and Flexibility:** Real estate debt appeals to developers and operators seeking execution certainty and financing terms aligned with specific property lifecycles. General corporate debt primarily targets small to medium enterprises and sponsors seeking flexible growth capital, where borrowers value the customization and speed that non-bank lenders provide in complex or underserved scenarios.

THE FUND

The Fund

The Fund is a closed-ended fund [REDACTED] as a Hong Kong public OFC, being an investment fund [REDACTED] in corporate form with variable capital and limited liability under Hong Kong law. OFCs can accommodate either open-ended or closed-ended funds, with the Fund being a closed-ended fund.

The Fund was [REDACTED] in Hong Kong under the SFO on [•] 2026 with business registration number [•]. It is [REDACTED] by way of its Instrument filed with the Companies Registry of Hong Kong on, and effective as of, [•] 2026.

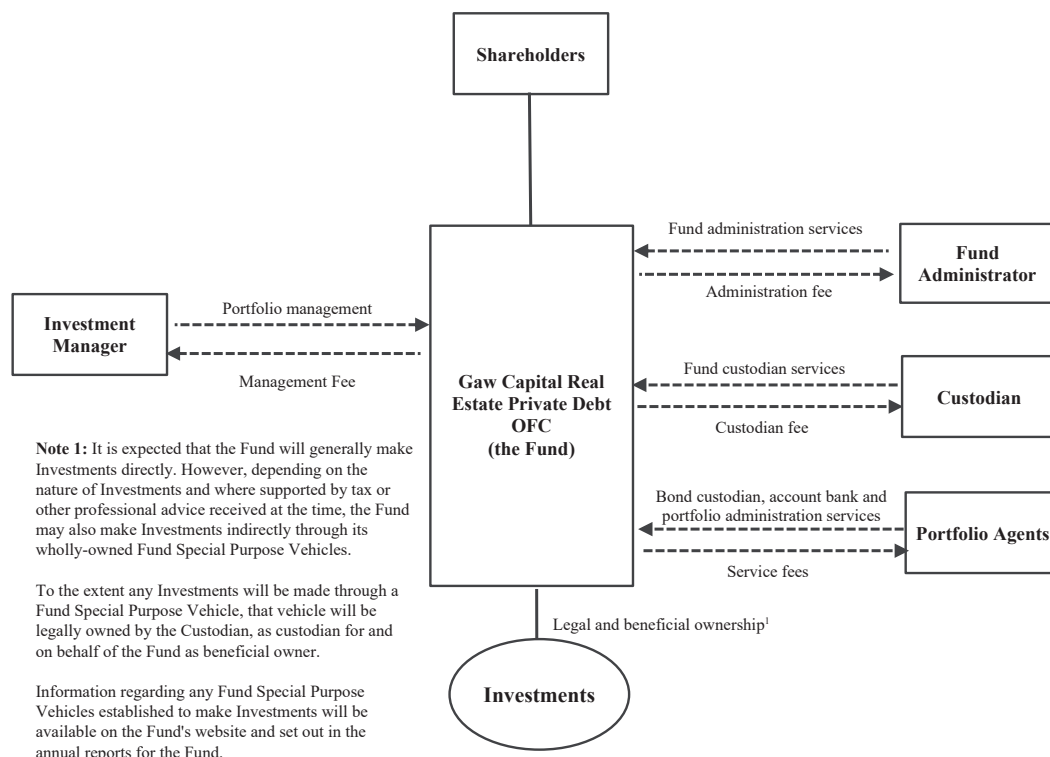
The Fund is [REDACTED] with the SFC under Section 112D of the SFO. It is also [REDACTED] as a collective investment scheme by the SFC under Section 104 of the SFO and is a fund falling within Chapter 8.11 of the UT Code.

SFC [REDACTED] and [REDACTED] do not represent a recommendation or endorsement of the Fund nor do they guarantee the commercial merits or performance of the Fund or its performance. They do not mean that the Fund is suitable for all [REDACTED] nor do they represent an endorsement of its suitability for any particular [REDACTED] or class of [REDACTED].

Structure of the Fund

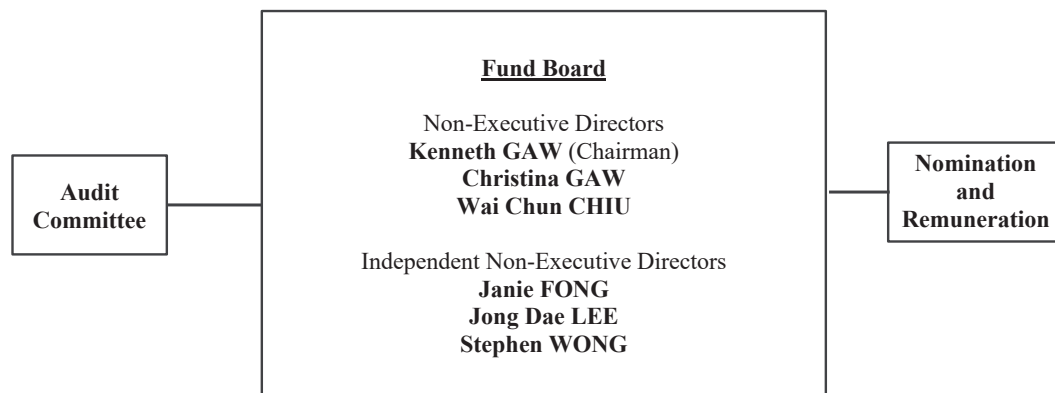
The following diagram depicts the structure of the Fund, and the contractual relationships among the Fund, the Investment Manager, the Fund Administrator, the Custodian and the Portfolio Agents.

THE FUND



Governance Structure

The diagram below shows the governance structure of the Fund.



THE FUND

Fund Board

The Fund Board is initially made up of six directors, comprising three Non-Executive Directors and three Independent Non-Executive Directors. The following table sets forth information regarding the Fund Directors as at the date of this document:

Name	Age	Position
Kenneth GAW	56	Chairman and Non-Executive Director
Christina GAW	53	Non-Executive Director
Wai Chun CHIU	41	Non-Executive Director
Janie FONG	60	Independent Non-Executive Director
Jong Dae LEE	67	Independent Non-Executive Director
Stephen Tsi Chuen WONG	59	Independent Non-Executive Director

Chairman and Non-Executive Director

Kenneth GAW

Mr. GAW has over 30 years of real estate investment and management experience globally. He co-founded Gaw Capital in 2005 and is currently its President and Managing Principal. Prior to co-founding Gaw Capital, Mr. GAW worked in the structured finance and corporate finance groups at Goldman Sachs. Mr. GAW also serves as the Managing Director of Pioneer Global Group Limited (SEHK: 0224) and was previously a director of Dusit Thani Public Company Limited until 2018, a director of Home Inns Hotels and Management Inc until 2016 and a director of Wah Kwong Shipping Holdings Limited until 2000. Mr. GAW holds a Bachelor of Science, Magna Cum Laude, in Applied Mathematics and Economics from Brown University.

Non-Executive Directors

Christina GAW

Ms. GAW has over 30 years of experience in the capital markets field. She joined Gaw Capital in June 2008 and is currently its Managing Principal, Global Head of Capital Markets & Co-chair of Alternative Investments. Prior to joining Gaw Capital, Ms. GAW was a Managing Director at UBS, heading up the Asia Pacific Capital Introduction effort for alternative products; and prior to that, she was the Head of Regional Sales in Equities Distribution at UBS as well as an Executive Director within the global banking and markets team of Goldman Sachs from January 1994 to May 2002. Ms. GAW also serves as an Executive Director of Pioneer Global Group Limited (SEHK: 0224), as well as an independent non-executive director of JD Logistics (SEHK: 2618).

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Ms. GAW is also active in public service and is currently an honorary advisor of Hong Kong PropTech Association, a strategic council member of InspiringHK Sports Foundation and an advisor of Teach for Hong Kong and Time Auction, the executive committee member, facilities committee chair and finance committee member of Hong Kong International School, board member of Stellart International School of Arts, and independent manager of TWGHs S. C. Gaw Memorial College. She also previously served as an independent non-executive director of CLP Holdings Limited (SEHK: 0002) from 2020 to May 2026, a member of the Listing Committee of The Stock Exchange of Hong Kong Limited from 2022 to 2024, a board member of The Women’s Foundation and the council member of Lingnan University in Hong Kong. Ms. GAW holds a Bachelor of Science in Business Administration from the University of San Francisco.

Wai Chun CHIU

Mr. CHIU has over 17 years of experience in the financial services industry. He joined Gaw Capital in 2014 where he is currently a Managing Director, Principal and the Chief Financial Officer. Prior to joining Gaw Capital, Mr. CHIU worked in PricewaterhouseCoopers Hong Kong. He is a Certified Public Accountant in Hong Kong, a member of the Royal Institution of Chartered Surveyors and a Financial Risk Manager. Mr. CHIU holds a Bachelor of Business Administration in Accounting and Finance, with First Class Honors, from the Hong Kong University of Science and Technology.

Independent Non-Executive Directors

Janie FONG

Ms. FONG serves as Senior Managing Director of East West Bank. California-based East West Bank is a wholly-owned subsidiary of East West Bancorp, Inc., a publicly owned company in the United States with operations in Asia. Ms. FONG practiced law as a licensed California attorney up until the 2000’s. Ms. FONG also represented the State of California in Asia in fostering economic, trade and diplomatic ties between Asia and the United States.

Ms. FONG has served as an Independent Non-Executive Director of Hon Kwok Land Investment Co., Limited (SEHK: 160) since being appointed in 2019. She served on the Commission on Strategic Development of Hong Kong, is on the Harvard Kennedy School of Government’s Women’s Leadership Board, is on the Global Business Advisory Board to Global: SF and served on various not-for-profit boards, including the Hong Kong-America Center for the Fulbright Program. Ms. FONG is a member of the California State Bar and holds a Bachelor of Arts from the University of California Los Angeles.

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Jong Dae LEE

Mr. LEE is an entrepreneur and investor in a range of companies with extensive experience in identifying, structuring and negotiating investment transactions in Asia and the United States. Mr. LEE is an advisor of Palantir Technologies Korea LLC, a subsidiary of Palantir Technologies (Nasdaq: PLTR). Mr. LEE was previously a director of Crowdworks, a KOSDAQ-listed Korean agentic AI company until February 2026. Mr. LEE co-founded Carret Private Investments Limited, an asset management firm with core business in wealth management and private principal investing, in 2015 and held directorship and managing partner positions at the firm. From 2007 to 2012, Mr. LEE was the chairman, CEO, executive director, vice chairman, chief compliance officer at ERA Mining Machinery Limited (SEHK: 8043). Also, during this time, Mr. LEE was Non-Executive Chairman of Asian Logic Inc., a pioneer in online gaming and software based in the Philippines, which went public in the UK AIM market in 2007. From 2003 to 2007, Mr. LEE was CEO and Executive Director of China Health Group (SEHK: 0673).

Mr. LEE is of counsel of Lee International IP and Law Group, a Korean law firm. Prior to this, Mr. LEE practiced law at Coudert Brothers. Mr. LEE has held and currently holds leadership positions at the Young Presidents’ Organization, both regionally in Asia and in Hong Kong Chapter, and was the Chair of the Young Presidents’ Organization Gold Hong Kong Chapter from 2012 to 2013. Mr. LEE holds a Juris Doctorate Degree from Georgetown University Law Center, Washington, DC and Bachelor of Arts in Economics (with honors) from Haverford College, Haverford, Pennsylvania.

Stephen Tsi Chuen WONG

Mr. WONG has extensive experience in investment banking, particularly with equity, equity-linked, debt and structured financings in Asia and the United States as well as international mergers and acquisitions. Mr. WONG currently serves as a managing partner and member of the investment committee at Valley Capital Partners, a leading Silicon Valley-based venture capital firm recognized for their early-stage investments in transformative enterprise technology, next generation cybersecurity, AI transformation of businesses, and breakthrough innovation in collaboration tools, SaaS, and workflow technology. He also serves as an independent non-executive director of Techtronic Industries Company Limited (SEHK: 669).

Mr. WONG previously served as a Managing Director, co-head of the Real Estate Group in Asia ex-Japan and chairman of Hong Kong investment banking at Goldman Sachs. During Mr. WONG’s 19-year tenure at Goldman Sachs, he covered the firm’s wide institutional and corporate clientele in Asia (including Hang Seng Index constituents) and the United States. He also supported building the firm’s franchises in Hong Kong, China and real estate investment banking in Asia (ex-Japan) across local and international companies. In 2020, Mr. WONG was the recipient of the firm’s prestigious John L. Weinberg Award, which recognizes the person within the Goldman Sachs global investment banking division who most exemplifies the firm’s business principles and standards.

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In addition, Mr. WONG serves as a member of the Board of the Stanford Law School Venture Fund, Stanford, California, the Advisory Board of Factify, Tel Aviv, the Board of Directors of Poxel.ai, Salt Lake City, the Board of Trustees of Hobart and William Smith Colleges, New York, a member of the Board of Directors of The Jackie Robinson Foundation, New York, and is a published author of three books on historical baseball collectibles by Smithsonian Books, Washington D.C.

Mr. WONG holds a Bachelor of Arts in Economics, cum laude, from Hobart and William Smith Colleges, and a Juris Doctorate from Stanford Law School.

Fund Board Committees

The Fund Board has the power to delegate to committees consisting of members of the Fund Board. Two board committees have been established to assist the Fund Board in discharging its responsibilities. These board committees have been set up with clear terms of reference to review specific issues or items and then to submit their findings, recommendations and decisions to the Fund Board for consideration and endorsement. Unless the decision-making power has been vested in the relevant committee by the Fund Board, the ultimate responsibility for making final decisions rests with the Fund Board and not the committees. Further details regarding the two committees of the Fund Board are set out below.

Audit Committee of the Fund

The Audit Committee comprises at least three Fund Directors, with the majority being independent non-executive directors of the Fund Board and at least one of the members being an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise. At Listing, the members of the Audit Committee will be Mr. Jong Dae LEE (chair), Ms. Janie FONG and Mr. Stephen Tsi Chuen WONG.

The principal duties of the Audit Committee are to: (a) review the interim and annual financial statements of the Fund; (b) investigate any activity within its terms of reference; (c) oversee the Fund’s relationship with the external auditor; (d) discuss any issues arising from the audits and any matters raised by the external auditor; (e) assess the risk management and internal control systems; (f) review the effectiveness of the internal audit function; (g) review the valuation policies and processes of the Fund; (h) monitor the financial aspects of the Fund; (i) review the Fund’s dividend policy semi-annually after publication of the Fund’s annual and interim results; (j) review on a regular basis the investment allocation policy applicable to the Fund and its implementation to ensure proper compliance; and (k) review and approve Connected Person Investments. The Audit Committee meets twice a year with the external auditor and is provided with sufficient resources to discharge its duty and access to independent professional advice at the Fund’s expense if necessary.

Nomination and Remuneration Committee of the Fund

The Nomination and Remuneration Committee comprises at least three Fund Directors. At Listing, the Nomination and Remuneration Committee comprises Mr. Kenneth GAW (chair), Ms. Janie FONG and Mr. Stephen Tsi Chuen WONG.

THE FUND

The principal duties of the Nomination and Remuneration Committee are to: (a) review the structure, size and composition (including the skills, knowledge and experience) of the Fund Board and its committees; (b) develop the criteria for identifying individuals qualified to become members of the Fund Board; (c) assess the independence of the independent non-executive directors of the Fund Board; (d) make recommendations to the Fund Board on the appointment and reappointment of directors subject to the approval of Shareholders by Ordinary Resolution where required; and (e) review and make recommendations to the Fund Board in respect of the remuneration packages of individual directors of the Fund Board. The Nomination and Remuneration Committee meets once a year and is provided with sufficient resources to discharge its duty and access to independent professional advice at the Fund’s expense if necessary.

Investment Manager

As a closed-ended fund [REDACTED] as a Hong Kong public OFC, the Fund is legally required to have an investment manager who is responsible for managing the Fund’s assets. The Instrument permits the Fund Directors to entrust to and confer upon the Investment Manager any of their relevant powers, duties, discretions and/or functions exercisable by them as Fund Directors. Pursuant to the Instrument, the Fund and the Investment Manager have entered into the Investment Management Agreement, under which the Investment Manager has been given overall responsibility for the discretionary management of the Fund’s assets. Further information on the Investment Manager is set out in the section headed “The Investment Manager”.

The Fund Administrator

The Fund has appointed Apex Fund Services (HK) Limited as the administrator of the Fund pursuant to the Fund Administration Agreement. The Fund Administrator’s duties include attending to the general administrative requirements of the Fund, such as the maintenance of accounting and statutory records. Details of the Fund Administration Agreement are set out in the section headed “Fund Administration Agreement and Corporate Services Agreement”.

The Custodian

The Fund has appointed DB Trustees (Hong Kong) Limited as custodian to the Fund pursuant to the Custody Deed. DB Trustees (Hong Kong) Limited is a company incorporated in Hong Kong and registered as a trust company under section 77 of the Trustee Ordinance. It is qualified to act as a depository for collective investment schemes authorized under the SFO and has been licensed by the SFC to carry out Type 13 regulated activities.

The Custodian is responsible for taking into custody or under its control all the Scheme Property, including the Fund Special Purpose Vehicles through which Investments may be held, as well as other assets of the Fund such as cash. With respect to Scheme Property which by its nature cannot be held in custody, the Custodian shall maintain a proper record of such property in its books under the name of the Fund. The duties of the Custodian are set out in the section headed “Material Agreements and Other Documents – Custody Deed”. Risks relating to the custody arrangements are also set out in the risk factor headed “Risks associated with the custody arrangements”.

THE FUND

The Custodian will be liable for the acts and omissions of nominees, agents and delegates (each a “**Custodian Delegate**”) in relation to assets forming part of the Scheme Property. The Custodian shall be liable for the acts and omissions of its Custodian Delegates which are connected persons of the Custodian as if the same were the acts or omissions of the Custodian. For the purpose of satisfying these obligations in respect of a Custodian Delegate that is not a connected person of the Custodian, the Custodian shall (i) exercise reasonable care and diligence in the selection, appointment and ongoing monitoring of its Custodian Delegates; and (ii) be satisfied that the Custodian Delegates retained remain suitably qualified and competent to provide the relevant service. The Custodian may empower its Custodian Delegates to appoint co-custodians, sub-custodians and/or sub-delegates in accordance with the Custody Deed and the Instrument.

The Portfolio Agents

The Fund has appointed Deutsche Bank AG, acting through its Hong Kong Branch as the Bond Custodian, Portfolio Administrator and Account Bank.

Pursuant to the Portfolio Administration and Agency Agreements: (i) the Bond Custodian agrees to hold in custody Investments in the form of securities on behalf of the Fund; (ii) the Account Bank agrees to hold cash deposits on behalf of the Fund received on such securities held by the Bond Custodian; (iii) the Portfolio Administrator agrees to provide certain reporting and cash management functions in respect of the Investments and the accounts; and (iv) a Fund Special Purpose Vehicle may accede to the Portfolio Administration and Agency Agreement as a party.

Details of the Portfolio Administration and Agency Agreements are set out in the section headed “Material Agreements and Other Documents – Portfolio Administration and Agency Agreement”.

Investments by the Fund

It is expected that the Fund will generally make Investments directly. However, depending on the nature of Investments and where supported by tax or other independent professional advice received at the time, the Fund may also make Investments indirectly through its wholly-owned Fund Special Purpose Vehicles. The Fund Special Purpose Vehicles may be incorporated in jurisdictions outside Hong Kong, and where advisable, each Investment will be ringfenced from each other and held through its own Fund Special Purpose Vehicle.

Where Investments are made by the Fund directly, the Fund would be the counterparty to documentation relating to their respective Investment (for example, the lender of record to Borrowers). Similarly, the Fund Special Purpose Vehicles would be the counterparty should an Investment be made indirectly through those Fund Special Purpose Vehicles. For the avoidance of doubt, the Investments by both the Fund Special Purpose Vehicles and the Fund must in aggregate comply with the Investment Policy at the relevant time. To the extent any Investments will be made through a Fund Special Purpose Vehicle, that vehicle will be legally owned by the Custodian, as custodian for and on behalf of the Fund as beneficial owner.

THE FUND

The Investment Manager only intends to invest indirectly through Fund Special Purpose Vehicles where, based on tax or other independent professional advice received at the time and also having regard to any administrative costs involved in the setting up and maintaining the Fund Special Purpose Vehicle, could improve post-tax returns to Shareholders and thus be in the interests of both the Fund and Shareholders as a whole. For the avoidance of doubt, the fees and charges of the Investment Manager, Fund Administrator, Custodian and Portfolio Administrator have already taken into account the above arrangements.

Information regarding any Fund Special Purpose Vehicles established to make Investments will be available on the Fund’s website and set out in the annual reports for the Fund.

THE INVESTMENT MANAGER

Introduction

The Investment Manager, Gateway Capital (Hong Kong) Limited, was incorporated in Hong Kong on 13 July 2005 with business registration number 36689220 and registered office located at 18th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong. The Investment Manager is licensed by the SFC to conduct the regulated activities of advising on securities (Type 4) and asset management (Type 9) and is a wholly owned subsidiary of GC Advisors Holdings Limited. Gateway Capital (Hong Kong) Limited is a member of Gaw Capital. For further details regarding GC Advisors Holdings Limited, please refer to the section headed “Gaw Capital”.

The Fund and the Investment Manager have entered into the Investment Management Agreement, under which the Investment Manager has been given overall responsibility for the discretionary management of the Fund’s assets in accordance with the Investment Policy and the Fund’s Instrument. For further details regarding the Investment Management Agreement, please refer to the section headed “Material Agreements and Other Documents – Investment Management Agreement”.

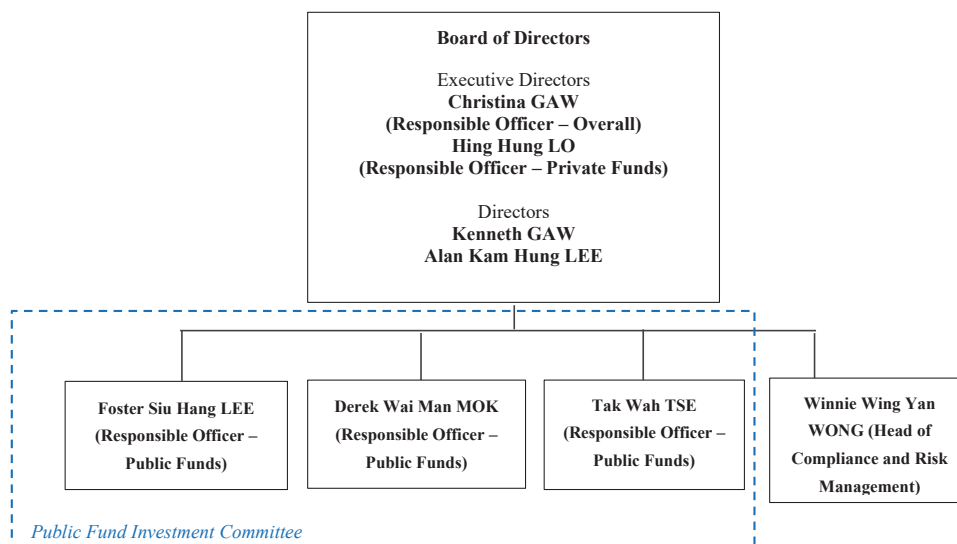
The Investment Manager sets the strategic direction and risk management policies of the Fund. All investments and divestments by the Fund are subject to the approval of the Investment Manager through its Public Fund Investment Committee. For further details regarding the Investment Manager’s investment process with respect to the Fund, please refer to the section headed “Investment Strategy, Process and Policies”.

The Investment Manager is also responsible for ensuring the Fund’s compliance with the applicable provisions of the SFO, the UT Code, the Listing Rules, the OFC Rules, the OFC Code and the Instrument as applicable, as well as all relevant contracts and all other relevant laws, rules and regulations.

Organizational Structure

The diagram below shows the board and committee of the Investment Manager, as well as those key officers who will be more actively involved in the management of the Fund.

THE INVESTMENT MANAGER



Investment Manager Board

The Manager Board oversees the management of the Investment Manager’s affairs and is responsible for the overall governance of the Investment Manager, whose business includes managing the Fund as well as private funds. The Manager Board exercises its general powers within the limits defined by the Investment Manager’s constitutional documents, with a view to ensuring that the Investment Manager discharges its duties, and that sound internal control policies and risk management systems are maintained.

The Manager Board is made up of four directors. The following table sets forth information regarding the Manager Directors as at the date of this document.

Name	Age	Position
Christina GAW	53	Executive Director (also Responsible Officer – Overall)
Hing Hung LO	63	Executive Director (also Responsible Officer – Private Funds)
Kenneth GAW	56	Director
Alan Kam Hung LEE	70	Director

Executive Directors

Christina GAW

Ms. GAW is also a director of the Fund. For further information on her business and working experience, please see the section headed “The Fund – Fund Board”.

THE INVESTMENT MANAGER

In her role as Executive Director and Responsible Officer (Overall) for the Investment Manager, Ms. GAW is responsible for directing and overseeing the effective management of the overall operations of the Company on a day-to-day basis. Her key responsibilities include: (a) developing the Investment Manager’s business of asset management business and associated objectives, strategies, organizational structure, controls and policies; (b) developing and promoting sound corporate governance practices, culture and ethics; and (c) executing and monitoring the implementation of board-approved business objectives, strategies and plans, and the effectiveness of the organizational structure and controls.

Hing Hung LO

Mr. LO is currently the Managing Director, Principal, Investments of Gaw Capital. Prior to joining Gaw Capital, Mr. LO served as director of Wachovia Bank, in charge of real estate debt and equity investments in the Greater China. He worked as Head of Investments for both Jones Lang LaSalle and DTZ in Hong Kong for over 15 years. Mr. LO also serves as a Non-Executive Director of CSI Properties Limited (SEHK:497). Mr. LO graduated from the Hong Kong Polytechnic University and has been a Chartered Surveyor since 1989.

In his role as Executive Director and Responsible Officer (Private Funds) for the Investment Manager, Mr. LO is responsible for directing and overseeing a line of business which comprises of Private Funds.

Directors

Kenneth GAW

Mr. GAW is also a director of the Fund. For further information on his business and working experience, please see the section headed “The Fund – Fund Board”.

Alan Kam Hung LEE

Mr. LEE has been the Chief Operating Officer, Managing Director and Principal of Gaw Capital since 2013 and previously served as the Chief Financial Officer of Gaw Capital from 2005 to 2013. Mr. LEE has over 25 years of experience in capital and debt financings including initial public offering, international share placings, credit rating and bond issuances. He has also served as an Executive Director of Pioneer Global Group (SEHK: 224) since 2013 and has been the Chief Financial Officer of Pioneer Global Group since 2000. Mr. LEE is also a Chartered Professional Accountant in Canada and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. LEE holds a Bachelor of Science from the Imperial College of Science and Technology at the University of London, a Master of Science Degree in Engineering from the University of Hong Kong and a Master of Business Administration from the University of Toronto.

THE INVESTMENT MANAGER

Public Fund Investment Committee

The Manager Board has the power to delegate to committees consisting of such members of its body and others as it thinks fit in accordance with the articles of association of the Investment Manager. The Manager Board has delegated responsibility to the Public Fund Investment Committee for approving all investments and divestments by the Fund.

The Public Fund Investment Committee is responsible for, among other matters, execution of the Investment Policy having regard to the investment process and monitoring described in the section headed “Investment Strategy, Process and Policies”. Specifically, this includes approval of acquisitions and disposals of Investments by the Fund. The Public Fund Investment Committee is also responsible for capital management strategies as well as the management of investment and financial risks in respect of the Fund.

The Public Fund Investment Committee comprises the following Responsible Officers of the Investment Manager that are designated to its public fund platform.

Name	Age	Position
Foster Siu Hang LEE	45	Responsible Officer (Public Funds) and Managing Director, Head of Credit Investments of the Investment Manager
Derek Wai Man MOK	53	Responsible Officer (Public Funds) and Managing Director of the Investment Manager
Tak Wah TSE	52	Responsible Officer (Public Funds) and Managing Director of the Investment Manager

The three members of the Public Fund Investment Committee shall also be the three key personnel of the Fund.

Two of the three key personnel and members of the Public Fund Investment Committee (being Mr. Derek Wai Man MOK and Mr. Tak Wah TSE) shall be solely dedicated to evaluating investment and divestment opportunities for the Fund.

The remaining key personnel and member of the Public Fund Investment Committee (being Mr. Foster Siu Hang LEE) may, in his additional role as the Head of Credit Investments of Gaw Capital, also advise other funds and accounts managed by Gaw Capital, including the Private Funds. However, notwithstanding his continuing role at Gaw Capital with respect to clients other than the Fund, Mr. LEE will ensure that he will still be able to dedicate sufficient time and attention to the Fund and the Investment Manager in carrying out his duties as a Responsible Officer (Public Funds) of the Investment Manager and a member of the Public Fund Investment Committee.

THE INVESTMENT MANAGER

Foster Siu Hang LEE

Mr. LEE is the Managing Director, Head of Credit Investments of the Investment Manager and one of its Responsible Officers (Public Funds).

Mr. LEE has over 20 years of experience in direct lending and structured finance across Asia Pacific. In addition to his role at the Investment Manager, Mr. LEE is also Managing Director, Head of Credit Investments of Gaw Capital. Prior to joining Gaw Capital in 2020, Mr. LEE was the head of syndicated finance for China Minsheng Bank and prior to that he worked in multiple direct lending transactions, in particular leveraged finance and assets-based lending across Hong Kong, Australia and Japan at GE Capital. He also serves as a Non-Executive Director of ICO Group Limited (SEHK:1460) and was also on the board of directors of Icon Culture Global Company Limited (SEHK: 8500) and the Asia Pacific Loan Market Association. Mr. LEE holds a bachelor’s degree in commerce from the University of New South Wales and is a qualified public accountant of CPA Australia.

With respect to the Fund, Mr. LEE is responsible for: (i) formulating the business plans of the Fund with short, medium and long-term objectives and with a view to maximizing the Fund’s income and distributions for the benefit of Shareholders; (ii) setting targets for the performance of the Fund and working with other senior management towards achievement of the targets; (iii) monitoring and supervising the performance of delegates; (iv) identifying and evaluating potential acquisition and divestment opportunities consistent with the Fund’s investment strategy and concentration limits; (v) overseeing the Fund’s use of leverage and interest rate and currency hedging; and (vi) overseeing the risk management systems, internal control policies, as well as compliance with applicable regulatory requirements with respect to the Fund.

Derek Wai Man MOK

Mr. MOK is a Managing Director of the Investment Manager and one of its Responsible Officers (Public Funds).

Mr. MOK has over 26 years of experience in the asset management industry. Prior to joining the Investment Manager in 2026, Mr. MOK was the Managing Director and Chief Investment Officer of Fubon Fund Management (Hong Kong) Limited, a subsidiary of Taiwan’s Fubon Asset Management Co. Ltd. in Hong Kong. Before that, he was the Head of Asset Management and Chief Investment Officer of RHB Asset Management Limited, which is a wholly-owned subsidiary of RHB Investment Bank Berhad, and Director of Investment of Haitong International Asset Management Ltd. where he was responsible for managing Mandatory Provident Funds, unit trusts and private funds. Mr. MOK was also a Portfolio Manager with the Hong Kong Monetary Authority, responsible for managing the global equity portfolio exposure for the Exchange Fund.

Mr. MOK holds a Bachelor of Business (Accounting) from Monash University, a Master of Science in Investment Management from The Hong Kong University of Science and Technology and a Master of Arts from Macquarie University. He is also a Chartered Financial Analyst of the CFA Institute, Financial Risk Manager of the Global Association of Risk Professionals, Fellow of the Hong Kong Institute of Certified Public Accountants and Fellow of CPA Australia. Mr. MOK was Vice President of CFA Society Hong Kong (previously known as The Hong Kong Society of Financial Analysts).

THE INVESTMENT MANAGER

With respect to the Fund, Mr. MOK will be responsible for: (i) assisting in the formulation and implementation of the investment policies and strategies of the Fund; (ii) evaluating potential investments based on the Fund’s investment criteria, investment policy and understanding of the risks; (iii) monitoring and supervising the performance and operations of the Fund on a day-to-day basis; (iv) promoting and marketing of the Fund, managing relationships with the media and conducting all communications with Shareholders and other key stakeholders with the aim of upholding high transparency standards; (v) coordinating the preparation of announcements, reports and other disclosures to investors; (vi) acting as the main contact person to regulatory authorities; and (vii) overseeing the risk management systems, internal control policies, as well as compliance with applicable regulatory requirements with respect to the Fund.

Tak Wah TSE

Mr. TSE is a Managing Director of the Investment Manager and one of its Responsible Officers (Public Funds).

Mr. Tse has almost 30 years of experience in the credit and fund management industries. Prior to joining the Investment Manager in 2026, Mr. Tse was Head of Equities at Hang Seng Investment Management Limited, where he oversaw and managed several Greater China and Asia Pacific funds. Before that, Mr. Tse was the Head of Investments at Daiwa Asset Management (HK) Limited, heading the Hong Kong and Shanghai investment teams managing the group’s investments in the Asia Pacific region. Mr. Tse also worked as an investment manager at Argyle Street Management Limited, a pan-Asia special situation investment firm, and at ICEA Capital, UFJ Bank and Bank of China, where he acquired broad experience in private credit investments.

Mr. TSE holds a Bachelor of Engineering (Honours) from The Chinese University of Hong Kong and is a Chartered Financial Analyst of the CFA Institute.

With respect to the Fund, Mr. TSE will be responsible for: (i) evaluating potential investments based on the Fund’s investment criteria, investment policy and understanding of the risks; (ii) promoting and marketing of the Fund, managing relationships with the media and conducting all communications with Shareholders and other key stakeholders with the aim of upholding high transparency standards; (iii) identifying and evaluating potential acquisition and divestment opportunities consistent with the Fund’s investment strategy and concentration limits; (iv) assisting in the formulation and implementation of the investment policies and strategies of the Fund; (v) monitoring the Fund’s use of leverage and interest rate and currency hedging; and (vi) overseeing the risk management systems, internal control policies, as well as compliance with applicable regulatory requirements with respect to the Fund.

THE INVESTMENT MANAGER

Head of Compliance and Risk Management

Winnie Wing Yan WONG

Ms. WONG has over 20 years of experience in asset management and investment bank industry. She is currently the Head of Compliance and Risk Management at Gaw Capital, with her role also extending to compliance with respect to the Investment Manager and the Fund. Ms. Wong is also the Chief Executive Officer of Gaw Capital Asset Management (SG) Pte. Ltd., a fund manager licensed by the Monetary Authority of Singapore.

Before joining Gaw Capital in 2019, Ms. Wong was with the CIMB Group from November 2009 to April 2016. She worked in the Hong Kong office of CIMB Securities as a Managing Director in the investment banking division from July 2012 to April 2016. Prior to CIMB Group’s acquisition of Royal Bank of Scotland (“RBS”) in 2012, she held the position of Executive Director in the China investment banking division of RBS from November 2009 to June 2012. Earlier in her career, she was a Vice President in the Technology, Media and Telecom sector of Deutsche Bank AG from August 2005 to September 2008. Ms. Wong also worked in J.P. Morgan as an Associate in the investment banking division from January 2000 to July 2005.

Ms. Wong has been a Senior Accredited Director (MSID-SRAD) from the Singapore Institute of Directors since April 2025. She obtained a Master of Science in International Accounting and Finance from The London School of Economics and Political Science in 1999 and a Bachelor of Business Administration from The Chinese University of Hong Kong in 1997.

At Gaw Capital, Ms. WONG is responsible for overseeing the group-level compliance and risk management framework, including the implementation and monitoring of policies and controls to ensure compliance with applicable legal and regulatory requirements across relevant jurisdictions. She is also responsible for overseeing the reporting of material regulatory breaches to the relevant regulatory authorities.

In relation to the Fund, Ms. WONG oversees a dedicated Hong Kong-based compliance and risk team, all of whom report directly to her and provide ongoing regulatory compliance, risk monitoring and internal control support to the Fund. She reviews conflicts of interest arising from co-investment arrangements and assesses associated compliance risks and potential breaches for reporting purposes.

THE INVESTMENT MANAGER

Fees, Costs and Expenses of the Investment Manager

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to receive from the Fund a management fee (the “**Management Fee**”) for its services which shall be calculated as follows:

- (a) Base fee of 1% of Invested Assets.

Invested Assets means the valuation of the Portfolio as at the relevant time in accordance with the Fund’s valuation policy, including (a) accrued interest and (b) the Investments which the Fund has agreed to sell but the relevant disposal has not yet completed; and excluding (c) the Investments which the Fund has agreed to acquire but the relevant acquisition has not yet completed. For the avoidance of doubt the valuation of the Portfolio will not include: (i) cash and cash equivalents; and (ii) undrawn facilities by Borrowers.

- (b) Performance fee if the following sum is a positive number: (i) of 20% of the Hurdle Outperformance; minus (ii) the aggregate performance fees which have been paid in prior Performance Allocation Periods, as further described in the section headed “Fees and Expenses – Performance fee payable to the Investment Manager”.

The base fee will accrue daily and be calculated and payable quarterly, based on the unaudited financial statements prepared by the Fund Administrator for the relevant quarter, subject to an annual true-up adjustment based on the Fund’s audited accounts for the relevant financial year. The performance fee will accrue daily based on the unaudited financial statements prepared by the Fund Administrator, and be calculated and payable annually based on the Fund’s audited accounts for the relevant financial year. The first base fee payment shall be for the same period as the Fund’s first distribution, being the period commencing from the [REDACTED] and ending on [REDACTED] 2027. The first performance fee payment shall be for the first financial year of the Fund ending 31 December 2027.

Except for the Management Fee for the first two quarters, 10% of the Management Fee will be settled or reinvested in Shares that will be held by the Investment Manager subject to a three-year rolling lock-up. For details of this arrangement, please see the section headed “Discount Control – Manager Fee Shares”.

The Investment Manager is entitled to apply, or to be reimbursed from, the assets of the Fund for all liabilities that may be properly suffered or incurred by the Investment Manager in the performance of its obligations or the exercise of its powers under the Investment Management Agreement, including to the extent permitted by the UT Code and other Laws and Regulations, all costs and expenses for promotion, roadshow, marketing, press conferences, industry event attendance or representation, luncheons, presentations and public relations related fees, costs or expenses incurred in relation to any fund raising exercise by the Fund or otherwise in connection with the Fund’s investing or fund management activities or administration, as permitted in the Instrument and the Investment Management Agreement.

THE INVESTMENT MANAGER

Retirement or Removal of the Investment Manager

Under the Investment Management Agreement, the Investment Manager shall be entitled to retire by giving not less than 90 days’ written notice to the Fund. The Investment Manager must also retire in the case of (i) below, and must be subject to removal by notice in writing from the Fund Directors in the case of (ii) or (iii) below:

- (i) when it ceases to be eligible to be the Investment Manager or is prohibited from being the Investment Manager under the applicable laws and regulations, or when the SFC withdraws its approval of the Investment Manager;
- (ii) when it goes into liquidation, becomes bankrupt or has a receiver appointed over its assets; or
- (iii) when for good and sufficient reason, the Fund Directors state in writing that a change in the investment manager of the Fund is desirable and in the interests of the Shareholders.

In the event that the Investment Manager shall retire or be removed or its appointment shall otherwise terminate, the Fund shall appoint another eligible investment manager approved by the SFC to be the investment manager in place of the Investment Manager so retiring or being removed on or before the expiry of any period of notice of such retirement or removal. The retirement or removal of the Investment Manager, and appointment of the replacement investment manager, shall require Shareholders’ approval by Ordinary Resolution except in the situations contemplated under (i) or (ii) above. For the purposes of such Ordinary Resolution, all Shareholders (including the Investment Manager proposed to be removed, its proposed replacement and their associates) shall be entitled to vote their Shares and be counted in the quorum for the relevant meeting.

Pursuant to the Investment Management Agreement, if the Investment Manager is removed by the Fund, the Fund shall pay the Investment Manager a one-off termination payment equivalent to its annual Management Fee, unless the removal is: (a) pursuant to scenario (ii) above (except where the liquidation, bankruptcy or receivership is part of a reorganization and the replacement investment manager is not an affiliate of the Investment Manager); (b) pursuant to scenario (iii) above (except where the reason for the removal is without cause and there has been no material breach of the Investment Management Agreement); or (c) due to the negligence or fraud of the Investment Manager, its subsidiaries or any of their directors, employees, servants, agents, advisers or delegates.

Exclusion of Liability and Indemnity

Pursuant to the Investment Management Agreement, the Investment Manager, its subsidiaries and any of their directors, employees, servants, agents, advisers or delegates shall not incur any liability by reason of any error of judgement or any matter or thing done or suffered or omitted to be done by it in good faith, subject to the caveat below.

THE INVESTMENT MANAGER

The Investment Manager and above-mentioned persons also have the benefit of an indemnity from the Fund in relation to liabilities incurred by the Investment Manager and the above-mentioned persons in the discharge of their duties, subject to the caveat below.

No provision of the Investment Management Agreement shall be construed as (i) providing any exemption of any liability of the Investment Manager to the Shareholders under Hong Kong law nor may the Investment Manager be indemnified against such liability by Shareholders or at the Shareholders' expense; or (ii) diminishing or exempting the Investment Manager from any of their duties and liabilities under the Laws and Regulations nor may the Investment Manager be indemnified against such duties and liabilities by Shareholders or at the Shareholders' expense, and no provision shall have the effect of providing any such exemption or indemnity.

GAW CAPITAL

The Investment Manager is a subsidiary of GC Advisors Holdings Limited, being a private company incorporated in the Cayman Islands. GC Advisors Holdings Limited and its affiliates operate under the trading name “Gaw Capital” and are defined as such in this document.

Headquartered in Hong Kong, Gaw Capital is a multi-asset investment management firm focusing on real estate, growth equity, private debt and infrastructure markets globally. Since its inception in 2005, the group has raised seven commingled funds targeting Asia Pacific, alongside value-add/opportunistic funds in the US, a Pan-Asia Hospitality Fund, a European Hospitality Fund, a Growth Equity Fund and a Credit Fund. Gaw Capital also manages credit strategies and separate account direct investments globally. As at 31 December 2025, Gaw Capital employs over 1,600 fund and project level staff across 9 offices in Asia-Pacific and manages approximately USD35.6 billion of assets predominantly in the real estate sector. Since 2018, Gaw Capital has invested approximately USD1.27 billion for its credit fund in real estate private debt transactions.

The above-mentioned funds, strategies and accounts are not authorized by the SFC nor available to the public in Hong Kong. For details on how any resulting conflicts of interest will be managed, please refer to the section headed “Corporate Governance – Arrangements to Mitigate Conflicts of Interest”.

CORPORATE GOVERNANCE

Roles of the Fund Board, the Manager Board and Public Fund Investment Committee

As a closed-ended fund [REDACTED] as a Hong Kong public OFC, the Fund is legally required to have an investment manager who is responsible for managing the Fund’s assets, with such assets to be held by an independent custodian for safekeeping. The Instrument permits the Fund Directors to entrust to and confer upon the Investment Manager any of their relevant powers, duties, discretions and/or functions exercisable by them as Fund Directors.

Having regard to these legal requirements, the Fund and the Investment Manager have entered into the Investment Management Agreement, under which the Investment Manager has been given overall responsibility for the discretionary management of the Fund’s assets, subject to the overall supervision of the Fund Board. The Manager Board has in turn authorized the Public Fund Investment Committee to make investment decisions for and on behalf of the Fund.

Corporate Governance Policies of the Fund Board

With the objectives of establishing and maintaining high standards of corporate governance, certain policies and procedures have been put in place by the Fund Board to promote the operation of the Fund in a transparent manner and with built-in checks and balances. The corporate governance policies of the Fund have been adopted having due regard to, among other things, the requirements under Appendix C1 (Corporate Governance Code) to the Listing Rules (as if those rules were applicable to the Fund), with certain adaptations where appropriate having regard to the composition of the Fund Board and the Fund being externally-managed by the Investment Manager.

Set out below is a summary of the key components of the corporate governance policies that have been adopted and will be followed by the Fund. Such policies may be amended by a simple majority vote of the Fund Board subject to compliance with the Laws and Regulations.

Fund Board Composition

Pursuant to the Fund’s corporate governance policy, the composition of the Fund Board is determined using the following principles:

- The Fund Board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Fund, and should ensure that the directors devote sufficient time and make contributions that are commensurate with their role and board responsibilities.
- The Fund Board should include a balanced composition of executive directors, non-executive directors and independent non-executive directors so that there is a strong independent element on the board, which can effectively exercise independent judgement. Non-executive directors should be of sufficient caliber and number for their views to carry weight.

CORPORATE GOVERNANCE

- At least three members of the Fund Board should be independent non-executive directors, and at least one of whom must have appropriate accounting or related financial management expertise.
- Any person appointed to be a Fund Director shall hold office only until the next annual general meeting of the Fund and shall then be eligible for re-election at that meeting by way of Shareholder approval by Ordinary Resolution.
- If any independent non-executive directors will have served more than three years from the time of their appointment or re-election at the upcoming annual general meeting, without having been subject to retirement by rotation, such independent non-executive director will be subject to retirement by rotation at the upcoming annual general meeting of the Fund and may stand for re-election at that meeting. The re-election of any independent non-executive director shall be approved by Shareholders by way of Ordinary Resolution.
- Independent non-executive directors of the Fund will need to retire, and will not be eligible for re-election, at the conclusion of the Fund’s annual general meeting, if they will have served as an independent non-executive director for nine years or more at such time.

The Fund Board composition will be reviewed regularly to ensure that it has the appropriate mix of expertise and experience, and that the Fund Directors being appointed have the relevant expertise and experience, in discharging their duties.

Board Committees

Each of the Fund Board and the Manager Board are assisted by committees which have been set up with clear terms of reference to review specific issues or matters and then submit their conclusions and recommendations to the Fund Board or the Manager Board (as the case may be) for consideration and endorsement. Unless the decision-making power has been vested in the relevant committee, such as the Public Fund Investment Committee which has been authorized by the Manager Board to make investment decisions for and on behalf of the Fund, the ultimate responsibility for making final decisions rests with the Fund Board or the Manager Board (as the case may be) and not the board committees.

Arrangements to Mitigate Conflicts of Interest

General guiding principles

The Investment Manager has adopted a conflicts of interest policy that sets out the framework, principles and procedures to identify, manage, mitigate and disclose actual, potential or perceived conflicts of interest arising in connection with the management of the Fund. The general guiding principles of this policy are as follows:

- Primacy of Shareholders’ interests: The interests of the Fund and its Shareholders take precedence over those of the Investment Manager, its affiliates, directors, officers and employees.

CORPORATE GOVERNANCE

- Transparency and disclosure: Conflicts are identified, documented, escalated and, to the extent required, disclosed in a manner that is clear, timely and consistent with applicable regulatory requirements. Such disclosure may be made through the appropriate channels having regard to the nature and materiality of the conflict, including, where applicable, announcements, circulars, Product Key Facts Statement and/or Fund’s annual or interim reports.
- Segregation of decision making: Investment decision making for the Fund is segregated from that of Private Funds and other business lines to prevent undue influence or preferential treatment.
- Arm’s length conduct: All transactions involving the Fund, including Connected Person Investments, are conducted on arm’s length terms and in the best interests of Shareholders.
- Proportionality: Conflict mitigation measures are applied proportionately, having regard to the nature, scale and materiality of the conflict.

Conflicts shall be proactively identified, assessed and managed in accordance with a structured framework designed to safeguard the interests of the Fund and its Shareholders.

Identification of conflicts of interest

Conflicts of interest may arise in the following circumstances: (i) the Investment Manager manages or advises other Private Funds; (ii) the Fund co invests alongside Private Funds or other Relevant Parties; (iii) the Fund considers Connected Person Investments; (iv) directors, responsible officers or employees of the Investment Manager have multiple roles across public and private fund platforms; (v) allocation of investment opportunities, follow on funding or exits occurs between the Fund and other funds; (vi) the Investment Manager or its connected persons provide services to the Fund; or (vii) personal investments or outside interests of relevant personnel overlap with the Fund’s activities.

In identifying conflicts, the Investment Manager shall assess whether it or any relevant person: (i) is likely to make a financial gain or avoid a loss at the expense of the Fund; (ii) has an interest in the outcome of an investment distinct from that of the Fund; (iii) has an incentive to favour one client, fund or account over another; (iv) possesses confidential information which may advantage another party; or (v) is subject to remuneration or incentive structures that may influence behaviour contrary to the Fund’s interests.

Governance, decision making and safeguards

All investment and divestment decisions for the Fund are made exclusively by the Public Fund Investment Committee, which comprises the three responsible officers designated to the public funds business. Decisions of the Public Fund Investment Committee require majority approval. Any Public Fund Investment Committee member with an actual or potential conflict in relation to a matter must declare the conflict and, where appropriate, abstain from deliberation or voting. Similarly, any Fund Director or Manager Director with an actual or potential conflict in relation to a matter must declare the conflict and, where appropriate, abstain from deliberation or voting at the relevant meeting of the Fund Board or Manager Board.

CORPORATE GOVERNANCE

Investment decisions for the Private Funds remain with their respective decision making bodies. There is no overlap between decision makers for the Fund and those for the Private Funds. Functional and decision-making separation is maintained to ensure that decisions for the Fund are taken independently and without undue influence from Private Funds. In particular, the Fund is not required to participate in any investment solely because a Private Fund proceeds with such investment, and vice versa.

Notwithstanding his continuing roles at the Investment Manager and Gaw Capital with respect to clients other than the Fund, which are advisory rather than decision-making in nature, Mr. Foster Siu Hang LEE will ensure that he will still be able to dedicate sufficient time and attention to the Investment Manager in carrying out his duties as its Responsible Officer (Public Funds) and a member of the Public Fund Investment Committee and make decisions solely having regard to the interests of the Fund and the Shareholders.

Connected Person Investments

The Fund intends to primarily invest in debt exposures to Borrowers who are independent of the Fund and the Investment Manager. However, the Fund may from time to time consider Connected Person Investments, being any Investment where the Borrower is: (a) a Fund Director, the Investment Manager or any of their “connected persons” as defined under the UT Code; or (b) a “connected person” of the Fund as defined under Chapter 14A of the Listing Rules.

Connected Person Investments are subject to enhanced regulatory safeguards. The aggregate value of such Investments is limited to 10% of the Fund’s total assets, applied at the time of each Investment. For the avoidance of doubt, the other Investment Concentration Limits, including those on individual Borrowers, shall equally apply to all Connected Person Investments.

Any Connected Person Investment must be conducted on arm’s-length terms and in the best interests of Shareholders, and must comply with all applicable requirements under the UT Code. Before entering into a Connected Person Investment, the Investment Manager will obtain the prior written consent of the Custodian and an independent valuation from the Valuation Agent in accordance with the Fund’s valuation policy. Where required by applicable laws or regulations, Shareholder approval will be obtained prior to execution. Connected Person Investments are disclosed in the Fund’s annual report and other disclosures as required.

Members of the Public Fund Investment Committee will not provide advice to the Borrowers in Connected Person Investments. Further, for the avoidance of doubt, the Fund will not invest in another fund managed or advised by the Investment Manager or Gaw Capital, and there will not be any cross trades or offloading of existing group investments into the Fund.

Where conflict mitigation measures are not sufficient to ensure that the interests of Shareholders are adequately protected, the Investment Manager may decline to proceed with the transaction.

CORPORATE GOVERNANCE

Connected service providers and fees

The Fund may engage the Investment Manager, Fund Directors or their connected persons to provide services (including accounting, legal, administration, and other services for the Fund with respect to the Investments) on terms that are determined by the Investment Manager to be fair and reasonable to the Fund. In such cases, these connected person service providers may earn fees or otherwise be reimbursed for performing such services, provided that:

- such services providers are regarded as competent and have the resources to duly discharge their obligations under its terms of engagement or appointment, as well as comply with all relevant requirements set out in the UT Code;
- such fees or reimbursements may not exceed the rate that the Investment Manager determines, acting reasonably, would be payable by the Fund if such services were provided by third parties in the business of providing comparable services on an arm’s-length basis;
- the selection and engagement of connected service providers shall be subject to due diligence procedures and periodic review to ensure continued appropriateness; and
- the arrangements comply with the UT Code and other Laws and Regulations, including but not limited to the requirement that neither the Investment Manager nor any of its connected persons will retain cash or other rebates from brokers or dealers in consideration of directing transactions for the Fund to such brokers or dealers.

Allocation, co-investment and exit-related conflicts

Where the Fund and one or more Relevant Gaw Parties (including the Private Funds) independently approve participation in the same investment opportunity, allocation is conducted in accordance with the allocation policy, which is rule-based and designed to ensure fair, reasonable and equitable treatment. For details of the allocation policy, please see the section headed “Investment Strategy, Process and Policies – Investment Process – Investment allocation and co-investment”.

An allocation supervision committee comprising individuals representing the stakeholders with an interest in the fair and equitable allocation of investment opportunities (including one of the responsible officers of the Public Fund Investment Committee solely dedicated to evaluating investment and divestment opportunities for the Fund) shall review the resulting allocations at the time of the transaction to ensure that the allocation policy has been properly implemented. In performing its review, the allocation supervision committee shall not exercise discretionary or merit based allocation powers, and its role is limited to verifying that the allocation methodology has been properly applied. If a disagreement arises regarding application of the allocation policy, the matter is escalated to the Head of Compliance and Risk Management of Gaw Capital for determination. The Audit Committee of the Fund will also review the allocation policy on a regular basis as well as its implementation to ensure proper compliance.

CORPORATE GOVERNANCE

Where conflicts arise between different funds in relation to voting, restructuring or enforcement decisions, such decisions shall be made independently by the relevant decision-making bodies, each acting solely in the interest of the relevant fund. Where foreseeable conflicts cannot be appropriately managed, such structures shall be avoided, unless appropriate and sufficient safeguards are in place. Such safeguards may include: (i) structural separation of investments (e.g., different tranches with clearly defined rights and priorities under intercreditor agreements); (ii) independent decision-making by the respective decision-making bodies of each fund, each acting solely in the interest of the relevant fund; (iii) escalation of material conflicts to the Fund Board and/or Audit Committee for review and oversight; (iv) declaration of conflicts and abstention from deliberation or decision-making by conflicted individuals; (v) compliance with the Investment Manager’s conflicts of interest and allocation policies; and (vi) where applicable, independent valuation or third-party verification to ensure fairness.

Where the Fund and Private Funds invest in the same tranche of the Investment, exits are generally expected to occur at the same time and on the same price and terms by virtue of the agreed loan mechanics that result in all lenders in that tranche being repaid upon certain events, such as a mandatory prepayment event or a refinancing by the Borrower, in which case no fund would receive any preferential exit treatment. Where the Fund and Private Funds invest in different tranches (with the Fund investing in the senior tranche in such instances), each lender’s right to exit by way of assignment or transfer is typically exercisable independently and not contingent upon any concurrent action by the other tranche; however, enforcement recoveries follow the contractual priority waterfall, with the Fund’s senior tranche ranking in priority to the Private Funds’ subordinated tranche.

Personal account dealing and outside interests

Conflicts of interest and the measures adopted to manage them are documented and subject to oversight by the compliance function of the Investment Manager. A conflicts register shall be maintained by the Compliance function, recording: (a) the nature of the conflict; (b) mitigation actions taken; and (c) resolution status.

Material conflicts may be escalated to the Fund Board or its Audit Committee where appropriate. Specific conflicts shall be disclosed where general mitigation measures are insufficient to ensure protection of Shareholder interests. Disclosures relating to conflicts of interest shall be made in this document, the Fund’s annual and interim reports and other regulatory disclosures as required and include sufficient detail to enable informed decision-making by [REDACTED].

Training, awareness and policy breaches

Employees shall receive periodic training on: (a) identification and management of conflicts of interest; (b) their obligations under the above-mentioned conflicts of interest policy; and (c) escalation procedures.

Any breach or potential breach of the above-mentioned conflicts of interest policy shall: (a) be reported immediately to the Investment Manager’s compliance function; (b) be investigated promptly; and (c) result in appropriate corrective actions.

CORPORATE GOVERNANCE

Review of policy

The above-mentioned conflicts of interest policy should be reviewed by the Manager-in-Charge (Compliance) at least annually, and more frequently if required due to changes in regulatory requirements or the operations of the Fund. Any material amendments to the policy are subject to approval by the Fund Board and, where required, disclosed in accordance with the Laws and Regulations.

The Investment Manager’s compliance function shall conduct ongoing monitoring of the effectiveness of conflict management arrangements. An annual review by the Manager-in-Charge (Compliance) shall be performed, and material conflicts or breaches shall be reported to the Head of Compliance and Risk Management and, where appropriate, the Fund Board or Audit Committee.

“Chinese Walls”, Information Technology System, Reporting Lines and Segregated Office Space

To protect sensitive and confidential information with respect to the Investments, the Investment Manager will (i) implement measures such as “Chinese Walls”, information technology systems with access rights control and clear reporting lines to protect sensitive information pertaining to the Investments, such as the details of transaction documents, from being used by Gaw Capital to the detriment of the Fund (for example, resulting in investment opportunities being allocated preferentially to other funds managed by Gaw Capital, or enabling competing investments by other funds ahead of or to the exclusion of the Fund); and (ii) ensure that personnel dedicated to servicing the Fund operate out of an office space physically separated from the other companies of Gaw Capital to further preserve the confidentiality of such information.

Retirement or Removal of the Fund Directors

The Instrument prescribes certain situations where a person ceases to be a Fund Director, such as where they are bankrupt, mentally incapacitated, absent from board meetings for more than six months without the permission of the Fund Directors or upon expiry of their service contract. Fund Directors can also be removed by Shareholders by way of an Ordinary Resolution.

The Instrument also specifies that Fund Directors must give at least 28 days’ notice in writing before retiring from the Fund Board.

As it is a legal requirement for the Fund to have at least two directors, in the event that a Fund Director shall retire or be removed, the Fund Board shall appoint another eligible Fund Director so as to ensure that this legal requirement is complied with at all times. Such appointment shall require Shareholders’ approval by Ordinary Resolution, although the Fund Board will have absolute discretion with respect to the appointment of Fund Directors to fill any vacancy until the next annual general meeting of the Fund.

CORPORATE GOVERNANCE

Shareholders’ Meetings and Resolutions

The Fund must, in respect of each financial year, hold a general meeting of its Shareholders as its annual general meeting within six months after the end of its financial year.

Shareholders’ meetings may also be convened by Shareholders representing at least 10% of the Shares in issue (excluding Treasury Shares) with at least 21 days’ notice (for meetings to consider Special Resolutions) or 14 days’ notice (for meetings to consider Ordinary Resolutions).

The quorum for passing a Special Resolution is at least 25% of the Shares in issue (excluding Treasury Shares), while the quorum for passing an Ordinary Resolution is at least 10% of the Shares in issue (excluding Treasury Shares).

The following matters shall be approved by Special Resolution in a general meeting provided such resolution shall only be proposed at least one (1) year after the [REDACTED]:

- (a) any request for [REDACTED] of the Fund from the Hong Kong Stock Exchange;
- (b) any request for withdrawal of [REDACTED] of the Fund from the SFC; and
- (c) termination of the Fund by winding up.

The Shareholders may also, by Special Resolution, direct the Fund Directors to take, or refrain from taking, specified action, but such Special Resolution does not invalidate anything that the Fund Directors have done before the passing thereof.

For further details, please see the section headed “The Instrument of Incorporation – Meetings of Shareholders and Voting Rights”.

Announcements and Other Relevant Information

The Investment Manager shall, by way of public announcements, disclose to Shareholders any information or transaction concerning the Fund which: (a) is necessary to enable investors to appraise the position of the Fund; (b) is necessary to avoid a false market in the Shares; or (c) might be reasonably expected to materially affect market activity in the Fund or the price of the Shares.

In addition, the Investment Manager must ensure that the Product Key Facts Statement (which is published on the websites of the Fund and the Hong Kong Stock Exchange) continues to be up-to-date and contain such additional information as the prevailing market circumstances would warrant to ensure Shareholders are provided with all information necessary to make an informed decision.

CORPORATE GOVERNANCE

The Investment Manager shall also keep Shareholders up-to-date by making available on the Fund’s website relevant information concerning the Fund, including:

- (a) this document;
- (b) the Product Key Facts Statement (as revised from time-to-time);
- (c) the latest annual financial reports and interim half yearly unaudited financial reports (in English only);
- (d) any public announcements made by the Investment Manager in respect of the Fund;
- (e) the last Net Asset Value of the Fund and Net Asset Value per Share (both updated on a quarterly basis on each Valuation Day);
- (f) the latest portfolio holding of the Fund (updated on a monthly basis);
- (g) the valuation policy of the Fund including the key valuation assumptions and parameters applied in valuing the Investments;
- (h) the target dividend of the Fund; and
- (i) the composition of dividends payable on the Shares (i.e. the amounts of dividends paid and the percentages of dividends paid out of: (i) net distributable income; and (ii) capital), if any, for a rolling 12-month period.

Annual and Interim Reporting

The Fund will prepare its accounts in accordance with IFRS Accounting Standards with a financial year end of 31 December and a financial half-year end of 30 June, with the first financial year ending on 31 December 2027.

Under the UT Code, the annual report for the Fund will be published and distributed to Shareholders within four months of the end of the Fund’s financial year, and interim reports no later than two months following the end of the period they cover. As an alternative to the distribution of printed financial reports, Shareholders may be notified of where such reports, in printed and electronic forms, can be obtained within the relevant time frame. The annual and interim reports will be available in English language only. The first interim report for the Fund will be published for the period ending 30 June 2027 and the first annual report for the Fund will be published for the financial year ending 31 December 2027.

CORPORATE GOVERNANCE

Based on advice received by the Investment Manager, the Fund would likely be regarded as an “investment entity” under IFRS Accounting Standards, that is required to measure and report its subsidiaries on a fair value basis and is not permitted to consolidate its subsidiaries’ results, assets and liabilities into its own to produce consolidated financial statements.

Interests of and [REDACTED] in Shares by Management Persons

To monitor and supervise any [REDACTED] of Shares, the Fund and Investment Manager have adopted, where applicable and with appropriate modifications in the context of the Fund, their respective code, containing rules on [REDACTED] by the directors, executives and employees of the Fund and Investment Manager equivalent to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Pursuant to their respective codes, all directors, executives and employees of the Fund and Investment Manager who, because of their office or employment in those entities, are likely to be in possession of unpublished inside information in relation to the securities of the Fund (“**Management Persons**”) wishing to [REDACTED] in the Shares must first have regard to provisions in Parts XIII and XIV of the SFO with respect to insider [REDACTED] and market misconduct as if those provisions applied to the securities of Fund.

In addition, a Management Person must not make any unauthorized disclosure of confidential information, whether to co-trustee or to any other person (even those to whom they owe a fiduciary duty) or make any use of such information for the advantage of themselves or others. Management Persons who are aware of or privy to any inside information must refrain from [REDACTED] in the Shares as soon as they become aware of such information until proper disclosure of the information in accordance with the UT Code and any applicable rules and regulations.

Management Persons who are privy to inside information should caution those Management Persons who are not so privy that there may be inside information and that they must not [REDACTED] in the Fund’s securities for a similar period. A Management Person must not [REDACTED] in any of the securities of the Fund on any day on which the Fund’s financial results are published and: (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) or half-yearly results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results, unless the circumstances are exceptional.

Disclosure of Interests

The provisions of Part XV of the SFO with respect to disclosure of interests apply to the Fund. Shareholders with a holding of 5% or more of the Shares in issue, the Fund Directors, the Manager Directors (including the Executive Directors of the Investment Manager) and the Investment Manager with an interest in the Shares, will be regarded as having a notifiable interest and will be required to notify the Hong Kong Stock Exchange of their holdings in the Fund.

THE INSTRUMENT OF INCORPORATION

The Instrument is a complex document and the following is a summary only of the provisions of the Instrument which are not otherwise disclosed elsewhere in this document (for example, in the section headed “Corporate Governance”) in addition to related information. A copy of the Instrument is available for inspection at the registered office of the Investment Manager at 18th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Instrument.

The Instrument

The Fund is a closed-ended fund which was [REDACTED] as a Hong Kong public OFC under the SFO on [•] 2026. Its constitution is set out in the Instrument filed to the Companies Registry of Hong Kong on, and effective as of, [•] 2026 (and as may be further amended, modified or supplemented from time-to-time).

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Instrument.

Object and Eligible Investments

The object of the Fund is the operation of the Fund as a collective investment scheme to invest the Scheme Property in accordance with the Instrument and the [REDACTED].

The Fund has the power to invest in any one or more kinds of assets, properties, instruments, securities, bills, interests, options, receivables, choses in action and/or rights that are permitted under applicable Law and Regulations, subject to and in accordance with the Investment Policy, which is reproduced in the section headed “Investment Policy”.

Responsibility and Delegation of Powers, Duties, Discretion and/or Functions of the Fund Directors

Subject to the Laws and Regulations and the Instrument, the business and affairs of the Fund are managed by the Fund Directors, who may exercise all the powers of the Fund. No provision in the Instrument shall be construed as (i) providing any exemption of any liability of the Fund Directors to the Shareholders under Hong Kong law nor may the Fund Directors be indemnified against such liability by Shareholders or at the Shareholders’ expense; or (ii) diminishing or exempting the Fund Directors from any of their duties and liabilities under the Laws and Regulations nor may the Fund Directors be indemnified against such duties and liabilities by Shareholders or at the Shareholders’ expense, and the letters of appointment of the Fund Directors shall not contain any provision to the effect of providing any such exemption or indemnity.

The Fund Directors may, if they think fit but subject to the Laws and Regulations and the Instrument, delegate any of the powers that are conferred on them under the Instrument to any person or committee of persons by any means (including by power of attorney) to any extent, for any period and without territorial limit, in relation to any matter and on any terms and conditions. If the Fund Directors so specify, the delegation may authorize further delegation of the Fund Directors’ powers by any person to whom they are delegated.

THE INSTRUMENT OF INCORPORATION

The Fund Directors may further entrust to and confer upon the Investment Manager so appointed any of the relevant powers, duties, discretions, and/or functions exercisable by them as the Fund Directors upon such terms and conditions including the right to remuneration payable by the Fund and with such powers of delegation and such restrictions as they think fit and collaterally with their own powers.

The Investment Management Agreement must include a provision stating that no provision of the Investment Management Agreement shall be construed as (i) providing any exemption of any liability of the Investment Manager to the Shareholders under Hong Kong law nor may the Investment Manager be indemnified against such liability by Shareholders or at the Shareholders’ expense, (ii) diminishing or exempting the Investment Manager from any of their duties and liabilities under the Laws and Regulations nor may the Investment Manager be indemnified against such duties and liabilities by Shareholders or at the Shareholders’ expense, and no provision shall have the effect of providing any such exemption or indemnity.

Similarly, the Custody Deed must include a provision stating that no provision of the Custody Deed shall be construed as (i) providing any exemption of any liability of the Custodian to the Shareholders under Hong Kong law nor may the Custodian be indemnified against such liability by Shareholders or at the Shareholders’ expense, or (ii) diminishing or exempting the Custodian from any of their duties and liabilities under the Laws and Regulations nor may the Custodian be indemnified against such duties and liabilities by Shareholders or at the Shareholders’ expense, and no provision shall have the effect of providing any such exemption or indemnity.

The Shares and the Shareholders

Each Share represents an ordinary share of no par value in the share capital of the Fund, each having the rights as set out in the Instrument including, among other things, the rights to attend and vote at a general meeting of the Fund and to receive dividends, unless otherwise provided in the Instrument (e.g. in the case of Treasury Shares). Shares of the Fund will be [REDACTED] and quoted in Hong Kong dollars.

Title to shares of the Fund shall be evidenced by an entry in the Share register of the Fund. No shareholder shall be entitled to receive any dividend, or (unless the Fund Directors otherwise determine) to be present or vote at any general meeting, either personally or (save as proxy for another shareholder) by proxy or to exercise any privilege as a shareholder, or be reckoned in a quorum, until the shareholder has been entered on the Share register of the Fund. The Fund shall not be bound to register more than four persons as joint shareholders of any share (except in the case of executors or trustees of a deceased shareholder) provided that if several persons are registered as joint shareholders of any share, any one of them may give an effectual receipt for any dividend or other moneys payable in respect to such share.

The Share register of the Fund shall be open for inspection by Shareholders, and the Investment Manager or the Fund Directors may close the Share register in accordance with the Laws and Regulations.

THE INSTRUMENT OF INCORPORATION

Except as ordered by a court of competent jurisdiction or as required by law, no person shall be recognized by the Fund as holding any share upon any trust. The Fund shall not be bound by or required in any way to recognize (even when having notice of) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered shareholder.

Base Currency, Accounts and Records, Denomination of Shares and Payments to Shareholders

The base currency of the Fund, being the currency which the records and accounts of the Fund are maintained, shall be Hong Kong dollars subject to any change as the Investment Manager may, in consultation with the Custodian, determine if such change is in the interests of the Fund, provided that any change to the base currency shall be notified to the Shareholders at least one month prior to the change.

The records and accounts of any Fund Special Purpose Vehicle can be maintained in currencies other than the base currency.

Payments for Shares, payments to Shareholders out of the Scheme Property and all payments in relation to Shares provided for under the Instrument, including dividends payable in respect of those Shares, shall be made in the currency that the Shares are denominated (for example, Hong Kong dollars with respect to the [REDACTED]).

Fund to be Widely Held

The Fund should ensure that it is widely held, having a broad base of Shareholders having regard to the requirements under the Listing Rules (as if applicable to the Fund) including having adequate shareholder spread. In satisfying this requirement, the Fund shall comply with the following having regard to Rules 8.08 and 8.08A of the Listing Rules from time-to-time (as if applicable to the Fund):

- (a) having regard to the expected market value of the Shares at the time of [REDACTED], at least 25% (or such other higher or lower percentage or threshold as may be required or permitted by the Laws and Regulations or the SFC from time-to-time) of the outstanding Shares (excluding Treasury Shares) must at all times be held by the “public”;
- (b) there must be at least 300 Shareholders at the time of [REDACTED]; and
- (c) not more than 50% of the Shares in public hands at the time of [REDACTED] may be beneficially owned by the three largest public Shareholders.

Additionally, the portion of Shares that are held by the public and not subject to any disposal restrictions (whether under contract, Laws and Regulations or otherwise), at the time of [REDACTED], must: (1) represent at least 10% of the total number of issued Shares (excluding Treasury Shares) with an expected market value at the time of [REDACTED] of not less than HKD50,000,000; or (2) have an expected market value at the time of [REDACTED] of not less than HKD600,000,000.

THE INSTRUMENT OF INCORPORATION

For the above-mentioned purposes, references to “the public” and in “public hands” shall exclude any core connected person of the Fund and, additionally: (1) any person whose acquisition of Shares has been financed directly or indirectly by the Fund (or any of its subsidiaries) or a core connected person of the Fund; (2) any person who is accustomed to take instructions from the Fund (or any of its subsidiaries) or a core connected person of the Fund in relation to the acquisition, disposal, voting or other disposition of Shares registered in his name or otherwise held by him; and (3) the Fund as the holder of legal or beneficial interests in Treasury Shares. In the event that the Fund becomes aware that it is not widely held having regard to the above, it shall use its best efforts to rectify this as soon as practicable.

Issue of Shares and/or Convertible Instruments

Subject to the Laws and Regulations, the Instrument and the [REDACTED], the Fund Directors shall have the power to: (a) offer, allot, issue, grant options over or otherwise deal with or dispose of shares of different classes or rights to subscribe or convert any security into shares (including Convertible Instruments); and (b) sell, transfer, manage or cancel any Treasury Shares, in any such case to such persons, at such times and for such consideration and upon such terms and conditions as the Fund Directors may reasonably determine.

The Fund may from time-to-time issue shares of different classes, either by issuing new shares, reselling or transferring Treasury Shares, or a combination of these methods subject to the Laws and Regulations, the Instrument and the [REDACTED]. The rights attaching to each class of shares shall be as set out in the Laws and Regulations, the Instrument, and the [REDACTED]. A class of shares may be issued with a class currency that is different from the Fund’s base currency. No share shall be allotted or issued during any period when determination of the Net Asset Value of the Fund or trading in the shares of the relevant class is suspended, or within the first six months after the [REDACTED].

The Fund may also issue any securities convertible or exchangeable into shares of a particular class, or any options or warrants or similar rights for the subscription or issue of shares of a particular class or securities convertible or exchangeable into shares of a particular class (“**Convertible Instruments**”). Convertible Instruments may, for instance, include non-voting shares that may, subject to compliance with the Laws and Regulations, the Instrument and the [REDACTED], be converted into new Shares when a specified proportion of net proceeds of issuing the Convertible Instruments have been invested in accordance with the Investment Policy. As it is expected that the new Shares would be entitled to the same dividends as the existing Shares in issuance, an issue of Convertible Instruments would permit the Fund to raise further capital whilst limiting the extent to which distributions are made from capital during the period that the net issuance proceeds from the Convertible Instrument are deployed. Details of any issue or offering of Convertible Instruments will be disclosed in the corresponding [REDACTED] and be subject to the applicable Laws and Regulations including Shareholders’ approval where required.

The net proceeds of issuing shares and/or Convertible Instruments should be used primarily by the Fund for making additional Investments, and not for paying any dividends.

THE INSTRUMENT OF INCORPORATION

Additional requirements for issuance of Shares at discount to the Net Asset Value per Share

The Fund Directors shall have the discretion to determine the Issue Price, except that the following requirements will apply where the Issue Price will be at a discount to the Net Asset Value per Share (excluding Treasury Shares) as calculated at the most recent Valuation Day before the earliest of: (i) the date of the announcement of the issuance; (ii) the Relevant Date; and (iii) the date on which the Issue Price is fixed, after taking into account relevant transaction costs of the issuance:

- (1) The aggregate of:
 - (a) (i) the expected number of Shares to be issued, or agreed (conditionally or unconditionally) to be issued, where the Relevant Date of which falls within that financial year; and (ii) the maximum number of Shares issuable pursuant to any Convertible Instruments issued, or agreed (conditionally or unconditionally) to be issued, where the Relevant Date of which falls within that financial year; and
 - (b) without taking into account any Shares issued in that financial year pursuant to any agreement for the issue of Shares, or pursuant to any Convertible Instruments, to the extent that such new Shares were previously taken into account in the calculation made under sub-paragraph (a) whether in that or any prior financial year,

shall not exceed 20% of the number of Shares that were outstanding (excluding Treasury Shares) at the end of the previous financial year (or, in the case of an issue of, or an agreement (whether conditional or unconditional) to issue, Shares or Convertible Instruments during the first financial year, the number of Shares that were outstanding as at the [REDACTED]);

- (2) the Issue Price shall not be at a discount of 20% or more to the Market Price as at the earliest of: (i) the date of the announcement of the issuance; (ii) the Relevant Date; and (iii) the date on which the Issue Price is fixed; and
- (3) such issuance shall be subject to prior approval of independent Shareholders by way of Ordinary Resolution. Such approval may be obtained with respect to a specific issuance or, alternatively, as a general mandate which will remain in effect unless and until it is revoked or varied by independent Shareholders by another Ordinary Resolution.

THE INSTRUMENT OF INCORPORATION

Redemption and Repurchase of Shares

No Shareholder shall have the right to demand repurchase or redemption of any or all of their Shares. The Fund is permitted to redeem or repurchase any Shares so long as any repurchase or redemption of Shares by the Fund is: (a) in the Fund Directors’ opinion, in the best interest of the Fund and/or its Shareholders; and (b) effected in accordance with the Laws and Regulations (including the Takeovers Code and the Share Buyback Code) and the Instrument, subject to any terms and conditions stipulated in the [REDACTED] and/or any circulars or other documents published by the Fund.

On-market buybacks of Shares

The Fund may repurchase its Shares on the Hong Kong Stock Exchange, subject to a specific approval or a general mandate being granted to the Fund by way of an Ordinary Resolution passed by independent Shareholders (“**On-market Share Buyback Mandate**”). An On-market Share Buyback Mandate granted as a general mandate by independent Shareholder can remain in effect unless and until it is revoked or varied by independent Shareholders by way of another Ordinary Resolution.

An On-market Share Buyback Mandate shall be subject to the following parameters and requirements:

- (a) the total number of Shares repurchased on the Hong Kong Stock Exchange shall not exceed 10% of the total number of issued Shares (excluding Treasury Shares) as at the end of its latest financial year (or, in the case of on-market buybacks during the first financial year, the number of Shares that were outstanding as at the [REDACTED]);
- (b) the purchase price of the Shares shall not be higher than: (i) 105% of the Market Price of the Shares as at the time of the buyback; or (ii) the Net Asset Value per Share (excluding Treasury Shares) as calculated at the most recent Valuation Day at the time of the buyback, whichever is lower; and
- (c) the Fund shall comply with any additional requirements and restrictions applicable to listed issuers purchasing their own shares on the Hong Kong Stock Exchange under Rule 10.06 of the Listing Rules (with necessary changes being made, as if the provisions therein were applicable to the Fund, and to the extent such provisions do not conflict with published regulatory guidance).

The Shares bought back by the Fund shall be either held as Treasury Shares or cancelled. The [REDACTED] status of all Treasury Shares shall be retained, and such Treasury Shares may either be sold by the Fund in the future and/or used to settle the Management Fee. The Fund shall voluntarily comply with the Listing Rules as if and to the extent applicable with respect to Treasury Shares.

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Off-market buybacks of Shares from specific Shareholder(s)

The Fund may repurchase its Shares off-market from specific Shareholder(s), subject to the specific approval of independent Shareholders by way of a Special Resolution as well as compliance with Laws and Regulations.

Off-market buybacks of Shares from all Shareholders (Discretionary Tender Mandate)

The Fund may repurchase Shares off-market by way of general offer made to all Shareholders, subject to obtaining a mandate from independent Shareholders by way of an Ordinary Resolution (“**Discretionary Tender Mandate**”). Such tender mandate may be for a one-off or recurring buyback general offer, and a recurring buyback general offer shall remain in effect unless and until it is revoked or varied by independent Shareholders by way of another Ordinary Resolution.

A Discretionary Tender Mandate shall be subject to the following parameters and requirements:

- (a) the buyback offer may only be made where the Shares have been trading at a prolonged significant discount (e.g. where the Shares have been trading at a discount of 20% or more to the Net Asset Value per Share for three consecutive months);
- (b) the buyback offer must only be made in the best interests of the Shareholders;
- (c) there is no material adverse impact to the Fund;
- (d) the Fund will comply with the principles and rules under the Takeovers Code and the Share Buyback Code, save for any exceptions or waivers from the same;
- (e) in considering whether to proceed with a buyback offer under a Discretionary Tender Mandate, the Investment Manager and the Fund will take into account all relevant prevailing market conditions (e.g. the availability of liquid assets, liquidity or exit opportunities of the underlying assets, and other relevant regulatory requirements) and the Investment Manager and Fund must be reasonably satisfied that the proceeds from the buyback can be paid to Shareholders in accordance with the time limits stipulated in the Laws and Regulations; and
- (f) the total number of Shares repurchased in a financial year shall not exceed 20% of the total number of issued Shares (excluding Treasury Shares) as at the end of the Fund’s latest financial year (or, in the case of such off-market buybacks during the first financial year, the total number of Shares that were outstanding as at the [REDACTED]).

THE INSTRUMENT OF INCORPORATION

It is within the Investment Manager and Fund’s absolute discretion as to whether to seek a Discretionary Tender Mandate as a discount control mechanism.

Compulsory Transfer

If the Investment Manager reasonably suspects that the shares of any class are owned directly or beneficially by any person:

- (a) in contravention of any laws or requirements of any country, any governmental authority or any stock exchange on which such shares are listed;
- (b) in circumstances (whether directly or indirectly affecting such person and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Investment Manager to be relevant) which in their opinion might result in the Fund, the Fund Directors, any service provider and/or other shareholders of the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund, the Fund Directors, any service provider and/or other shareholders of the Fund might not otherwise have incurred or suffered; or
- (c) in breach of any requirements specified in the [REDACTED] in relation to such class of shares,

the Investment Manager may, acting in good faith and in compliance with any applicable Laws and Regulations, give notice requiring such person to transfer the relevant shares to a person who would not be in contravention of the above restrictions within 30 days of the date of the notice (or such other deadline as prescribed by the Investment Manager), or take such other actions as it reasonably believe are required by the Laws and Regulations. If any person upon whom such a notice is served pursuant to the Instrument fails to, by such deadline, transfer such shares as aforesaid or establish to the satisfaction of the Investment Manager (whose judgment shall be final and binding) that such shares are not held in contravention of any such restrictions, then subject to Laws and Regulations, the Fund may repurchase, and such person shall be deemed to have agreed to transfer to the Fund, the relevant shares at the closing price of the shares on the Hong Kong Stock Exchange as at the date of the deadline.

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Modification of the Instrument

An amendment to the Instrument may be made to the extent permitted by the Laws and Regulations applicable to the Fund and in accordance with the Instrument.

No alteration to the Instrument may be made unless:

- (a) the alteration has been approved by shareholders by a Special Resolution; or
- (b) the Custodian certifies in writing that in its opinion the proposed alteration: (i) is necessary to make possible compliance with fiscal or other statutory, regulatory or official requirements; (ii) does not materially prejudice shareholders’ interests, does not to any material extent release the Fund Directors, the Investment Manager, the Custodian or any other person from any liability to shareholders and does not increase the costs and charges payable from the Scheme Property; or (iii) is necessary to correct a manifest error.

In all other cases involving any material changes, no alteration may be made except by a Special Resolution or the approval of the SFC. The Fund shall provide written notice to the shareholders in respect of any alteration to the Instrument and any alteration to the Fund generally in accordance with the Laws and Regulations applicable to the Fund.

Shareholders and investors are advised to consult the terms of the Instrument for further details.

Meetings of Shareholders and Shareholders’ Rights at Meetings

The Instrument contains detailed provisions for meetings of the shareholders which also apply to class meetings.

Shareholders’ meetings may be convened by the Fund Directors or by shareholders representing at least 10% of the total voting rights (excluding those attaching to Treasury Shares), on a one vote per Share basis, in the total outstanding share capital (excluding Treasury Shares) on not less than 21 days’ notice in respect of a meeting where a Special Resolution is to be proposed and 14 days’ notice in respect of a meeting where an Ordinary Resolution is to be proposed.

The quorum for meetings at which a Special Resolution is to be considered is shareholders of 25% of the shares of the relevant class in issue (excluding Treasury Shares) and 10% of the shares of the relevant class in issue (excluding Treasury Shares) if only an Ordinary Resolution is to be considered and a minimum of two shareholders in both cases.

Certain matters are required to be passed as a Special Resolution by at least 75% of the votes validly cast by the shareholders of the Fund. These matters include without limitation:

- (a) any request for [REDACTED] of the Fund from the Hong Kong Stock Exchange; and
- (b) any request for withdrawal of [REDACTED] of the Fund from the SFC.

THE INSTRUMENT OF INCORPORATION

Shareholders of the Fund may also, by Special Resolution, direct the Fund Directors to take, or refrain from taking, specified action, but such Special Resolution does not invalidate anything that the Fund Directors have done before the passing thereof.

Matters that require an Ordinary Resolution being passed must be passed by a simple majority of more than 50% of the votes validly cast.

Votes should be proportionate to the number of Shares held.

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting must be adjourned to such day and time not being less than 15 days thereafter and at such place as the Fund Directors may reasonably determine. At such adjourned meeting, the shareholders present in person or by proxy shall be a quorum. Notice of any adjourned meeting of shareholders shall be given in the same manner as for an original meeting and such notice shall state that the shareholders present at the adjourned meeting, whatever their number and the number of shares held by them, will form a quorum.

Every Shareholder has the right to speak and vote at Shareholders' meetings, except where a Shareholder is required by the Instrument or any Laws and Regulations to abstain from voting on a matter under consideration. Where a Shareholder is so required to abstain from voting by reason of a material interest that is different from the interests of all other Shareholders, such Shareholder shall not vote or be counted in the quorum for that meeting (save for any resolutions to remove the Investment Manager and/or appoint its replacement), and any votes cast in contravention of such requirements or restrictions shall not be counted.

A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him to speak and vote on his behalf at any meeting of the shareholders. If a clearing house (or its nominee(s)), being a corporation, is a shareholder, it may authorize such persons as it thinks fit to act as its representatives at any general meeting or class meeting of the shareholders provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each such representative is so authorized. Each person so authorized shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person were the registered shareholder of the shares held by the clearing house (or its nominee(s)), including the right to speak at the meeting and vote individually on a poll.

The Instrument contains provisions for the holding of separate meetings of shareholders holding shares of different classes where only the interests of shareholders of such class are affected. The provisions of the Instrument which relate to proceedings of general meetings shall apply mutatis mutandis to class meetings as they apply to general meetings.

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Removal or Retirement of the Custodian

The Custodian must retire in the case of (i) below, and must be subject to removal by notice in writing from the Fund Directors in the case of (ii) or (iii) below:

- (i) when it ceases to be eligible to be a Custodian or is prohibited from being a Custodian under the Laws and Regulations or when the SFC withdraws its approval of the Custodian;
- (ii) when it goes into liquidation, becomes bankrupt or has a receiver appointed over its assets;
- (iii) when for good and sufficient reason, the Fund Directors state in writing that a change in the Custodian is desirable in the interests of the shareholders of the Fund.

The Custodian may not retire except upon the appointment of a new Custodian. In the event that the Custodian shall retire or be removed or its appointment shall otherwise terminate, the Fund shall appoint another corporation eligible under the Laws and Regulations to act as a custodian of an OFC which is approved by the SFC to be the custodian in place of the Custodian so retiring or being removed on or before the expiry of any period of notice of such retirement or removal. The retirement of the Custodian should take effect at the same time as the new Custodian takes up office.

Removal or Retirement of the Auditor

A person ceases to be an Auditor if: (a) the term of its office expires; (b) the person resigns as Auditor by notice in writing; (c) the person ceases to be eligible to be an Auditor or is prohibited from being an Auditor under the Laws and Regulations; (d) the person is removed from the office of Auditor by an Ordinary Resolution in accordance with the Laws and Regulations, in which case special notice in compliance with the Laws and Regulations must be provided to the Shareholders for the resolution in accordance with Rule 82 of the OFC Rules; or (e) the agreement with the Auditor is otherwise terminated in accordance with the terms thereof.

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Transactions with Connected Persons

Cash forming part of the Scheme Property may be placed as deposits with the Custodian, the Investment Manager, the investment delegate or any of their connected persons (being an institution licensed to accept deposits), so long as such cash deposit shall be maintained in a manner that is in the best interests of shareholders, having regard to the prevailing commercial rate for a deposit of similar type, size and term negotiated at arm’s length in accordance with ordinary and normal course of business.

Money can be borrowed from the Custodian, the Investment Manager, the investment delegate or any of their connected persons (being a bank) so long as that bank charges interest at no higher rate, and any fee for arranging or terminating the loan is of no greater amount than is in accordance with its normal banking practice, the commercial rate for a loan of the size and nature of the loan in question negotiated at arm’s length.

All transactions carried out by or on behalf of the Fund must be executed at arm’s length, in the best interests of the Shareholders and executed on the best available terms.

Any transactions between the Fund and the Investment Manager, the investment delegate, the Fund Directors or any of their connected persons as principal may only be made with the prior written consent of the Custodian. All such transactions shall be disclosed in the Fund’s annual report.

Should the Fund acquire any Investments from, or dispose any Investments to, the Investment Manager, the investment delegate, the Fund Directors or any of their connected persons (which would generally include transactions with other funds or portfolios managed or advised by the Investment Manager), the Fund or the Investment Manager will first obtain an independent third party valuation from the Valuation Agent on such Investments.

Where appropriate, the SFC may also impose additional requirements on the Fund’s transactions with connected persons by reference to Listing Rule requirements, to ensure investors’ interests can be sufficiently protected and any conflicts of interest can be managed and minimized by appropriate safeguards and measures as required under Laws and Regulations.

Termination (otherwise than by winding up)

Without prejudice to any provision in the applicable Laws and Regulations by virtue of which the Fund or a class of shares may be terminated in other circumstances, the Fund or a class of shares may be terminated, subject to and in accordance with the applicable Laws and Regulations, by the Fund Directors in their absolute discretion if:

- (a) in the case of a class only, there are no shareholders of such class of shares;
- (b) any law shall be passed which renders it illegal or in the reasonable opinion of the Fund Directors impracticable or inadvisable to continue the Fund;

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- (c) the Fund ceases to be [REDACTED] by the SFC pursuant to the SFO;
- (d) the SFC directs under the SFO or any other competent governmental authority directs that the Fund be terminated; or
- (e) the Fund is [REDACTED] from the Hong Kong Stock Exchange.

The Fund Directors shall give reasonable (and in any event at least one month’s prior written) notice of termination of the Fund or the class of shares (as the case may be) to the shareholders in such manner and with such contents which are compliant with the applicable Laws and Regulations, and by such notice fix the date on which such termination is to take effect. Shareholders’ approval is not required to effect termination of the Fund otherwise than by winding up.

With effect on and from the date as at which the Fund is to terminate:

- (a) no shares of the relevant class or classes may be issued or sold by the Fund;
- (b) the Investment Manager shall on the instructions of the Fund Directors realize the Scheme Property;
- (c) distributions shall be made to the shareholders of the relevant class or classes in proportion to their respective interests in the Fund of all net cash proceeds derived from the realization of the Scheme Property and available for the purpose of such distribution, provided that the Custodian shall be entitled to retain out of any monies in its hands as full provision for all costs, charges, expenses, claims and demands reasonably incurred by or on behalf of the Fund, the Investment Manager, the Fund Directors or the Custodian in connection with or arising out of the termination of the Fund; and
- (d) any unclaimed proceeds or other monies held by the Custodian in the event of a termination may at the expiration of 12 months from the date upon which the same became payable be paid into court, subject to the right of the Custodian to deduct therefrom any expenses it may incur in making such payment.

Every such distribution shall be made in such manner as the Fund Directors shall at its reasonable discretion determine but shall be made only against the production of such evidence relating to the shares of the relevant class or classes in respect of which the same is made and upon delivery of such form of request for payment as shall be reasonably required.

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Winding Up

Subject to Laws and Regulations, the Fund may be wound up at any time after one (1) year of the [REDACTED] by the sanction of a Special Resolution passed by Shareholders in a general meeting. The rights of the shareholders to participate in the Scheme Property on a winding up of the Fund shall be proportionate to the proportionate interests in the Fund represented by the shares which they hold.

If the Fund is wound up and a surplus remains after the payment of debts proved in the winding up, the liquidator:

- (a) may, with the required sanction of a Special Resolution of the Fund and any other sanction required by the Laws and Regulations, divide amongst the shareholders of the Fund the whole or any part of the Scheme Property (whether they consist of property of the same kind or not) and may, for this purpose, set a value the liquidator thinks fair on any property to be divided; and
- (b) may determine how the division is to be carried out between the shareholders or different classes of shareholders.

Merger of the Fund

Subject to the SFC’s prior approval, the Fund Directors shall follow the procedures set out under Laws and Regulations and give reasonable (and in any event at least one month’s prior written notice of the merger of the Fund to the shareholders in such manner and with such contents to enable shareholders to make an informed judgment regarding the proposed merger of the Fund (including the reasons for the merger, the relevant provisions under the Instrument that enable the merger, the consequences of the merger and their effects on existing shareholders, the alternatives available to shareholders, the estimated costs of the merger and who is expected to bear them)). The Fund Directors shall by such notice fix the date on which such merger is to take effect.

Application of Takeovers Code and Share Buyback Code

The Fund shall comply with the principles of the Takeovers Code and the Share Buyback Code unless otherwise permitted by the SFC in advance, and Shareholders are required to comply with the Takeovers Code and the Share Buyback Code unless otherwise waived by the SFC in advance. Shareholders should seek assistance from professional advisers if in doubt on their obligations under the Takeovers Code or the Share Buyback Code.

Governing Law and Jurisdiction

The Instrument (including the schedule thereto) shall be construed according to the laws of Hong Kong. Nothing in the Instrument (including the schedule thereto) may exclude the jurisdiction of the courts of Hong Kong to entertain an action concerning the Fund.

MATERIAL AGREEMENTS AND OTHER DOCUMENTS

The agreements described in this section are complex documents and only a summary of the agreements is set out herein. Investors should refer to the agreements themselves to confirm specific information or for a detailed understanding of the Fund. The agreements were executed prior to the date of this document and are available for inspection at the registered office of the Investment Manager at 18th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong during normal business hours and up to the [REDACTED].

Investment Management Agreement

The Fund and the Investment Manager entered into the Investment Management Agreement on [•] 2026, under which the Investment Manager has been given overall responsibility for the discretionary management of the Fund’s assets (including uninvested cash) in accordance with the Investment Policy.

Powers and Duties

The Investment Manager is responsible for portfolio management of the Fund, including but not limited to the following services:

- (a) identifying potential Investments and facilitating the acquisition and sale of Investments by the Fund;
- (b) carrying out due diligence in the selection of the Investments and selecting counterparties, in accordance with the Investment Manager’s due diligence policies and procedures;
- (c) ensuring investment decisions are carried out in accordance with the Investment Policy;
- (d) implementing the Investment Manager’s sustainability policy;
- (e) carrying out ongoing monitoring of the Fund’s assets under management;
- (f) carrying out prompt and expeditious execution of orders in good commercial faith acting reasonably and as authorized or instructed by the Fund;
- (g) exercising all rights and remedies of the Fund in its capacity as holder of, or the person beneficially entitled to, the Investments, including attending or voting at any meeting of the holders of Investments, and giving consents or waivers in relation to Investments on behalf of the Fund;
- (h) carrying out the hedging strategy to mitigate currency risk in respect of the Portfolio and implementing appropriate hedging transactions in accordance with the hedging strategy;
- (i) arranging for any borrowings by the Fund (subject to the borrowing limit) and calculating the Fund’s exposures and leverage;

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- (j) arranging for uninvested cash balances to be invested in appropriate short-term investments;
- (k) establishing, maintaining and reviewing valuation policies for calculating the Net Asset Value;
- (l) managing the Fund in accordance with the Instrument and in the best interests of Shareholders;
- (m) maintaining or causing to be maintained the books and records of the Fund and preparing the Fund’s financial reports;
- (n) ensuring the Instrument is made available for inspection by the public in Hong Kong, free of charge at all times during normal office hours at its place of business, and make copies of such documents available upon the payment of a reasonable fee;
- (o) take reasonable care to ensure that the Custodian is properly qualified for the performance of its duties and functions and discharging its obligations in respect of custody of the Fund’s property;
- (p) ensuring representatives and agents appointed by it or engaged for the Fund possess sufficient know-how, expertise and experience in dealing with the Investments;
- (q) put in place proper risk management and control systems to effectively monitor and measure the risks of Investments and their contribution to the overall risk profile of the Portfolio;
- (r) establishing, funding, managing and all other associated tasks relating to Fund Special Purpose Vehicle set up, if applicable to make or acquire Investments; and
- (s) ensuring the Fund’s compliance with applicable Laws and Regulations including but not limited to the UT Code.

Fees

For details of the fees payable to the Investment Manager, please refer to the sections headed “The Investment Manager Fees, Costs and Expenses of the Investment Manager”, “Fees and Expenses – Performance fee payable to the Investment Manager” and “Discount Control – Manager Fee Shares”.

Term and Termination

Having regard to the mandatory requirement for the Fund to appoint an investment manager, the Investment Management Agreement is not for any specified term.

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The Investment Management Agreement will terminate where the Investment Manager retires or is removed as the investment manager of the Fund, as further set out in the section headed “The Investment Manager – Retirement or Removal of the Investment Manager”. As specified in the same section, the Fund may in certain circumstances where the Investment Manager is removed, have to pay the Investment Manager a one-off termination payment.

Standard of Care

In managing the Portfolio, the Investment Manager has agreed to act in good faith in the best interests of the Fund and its investors, and in a manner consistent with practices and procedures generally followed by prudent institutional asset managers of international standing managing assets of the nature and character of the Portfolio.

Exclusion of Liability and Indemnity

The Investment Manager and its subsidiaries and any of their directors, employees, servants, agents, advisers or delegates shall not incur any liability by reason of any error of judgement or any matter or thing done or suffered or omitted to be done by it in good faith, subject to the caveat below.

The Investment Manager and above-mentioned persons also have the benefit of an indemnity from the Fund in relation to liabilities incurred by the Investment Manager and the above-mentioned persons in the discharge of their duties, subject to the caveat below.

No provision of the Investment Management Agreement shall be construed as (i) providing any exemption of any liability of the Investment Manager to the Shareholders under Hong Kong law nor may the Investment Manager be indemnified against such liability by Shareholders or at the Shareholders’ expense; or (ii) diminishing or exempting the Investment Manager from any of their duties and liabilities under the Laws and Regulations nor may the Investment Manager be indemnified against such duties and liabilities by Shareholders or at the Shareholders’ expense, and no provision shall have the effect of providing any such exemption or indemnity.

Governing Law

The Investment Management Agreement is governed by Hong Kong law.

Custody Deed

The Fund, the Investment Manager and the Custodian entered into the Custody Deed, by way of a deed, on [•] 2026, under which the Custodian has taken into custody or under its control all the Scheme Property, including the Fund Special Purpose Vehicles through which Investments may be held, as well as other assets of the Fund such as cash.

MATERIAL AGREEMENTS AND OTHER DOCUMENTS

Powers and Duties

The Custodian shall take into its custody or under its control all Scheme Property and hold the same in trust for the Fund in accordance with the provisions of the Instrument. The powers and duties of the Custodian include but are not limited to the following:

- (a) the Custodian must register cash and registrable assets in the name of or to the order of the Custodian;
- (b) the Custodian must maintain records of the Scheme Property in the Custodian’s book under the name of the Fund;
- (c) the Custodian must segregate the Scheme Property from the property of:
 - a. the Investment Manager (and its investment delegates) and their respective connected persons;
 - b. the Custodian and any of its nominees, agents or delegates throughout the custody chain; and
 - c. other clients of the Custodian and nominees, agents or delegates throughout the custody chain, unless held in an omnibus account with adequate safeguards in line with international standards and best practices to ensure that the Scheme Property is properly recorded with frequent and appropriate reconciliations being performed;
- (d) the Custodian must put in place appropriate measures to verify ownership of the Scheme Property;
- (e) the Custodian must carry out the instructions of the Fund and the Investment Manager in respect of investments unless they are in conflict with the provisions of the Custody Deed, the Instrument or the applicable regulatory requirements;
- (f) to the extent requested by the Fund and the Investment Manager, cooperate fully with and provide any assistance and information to the Fund and the Investment Manager to facilitate the performance of the Fund and the Investment Manager’s respective duties, obligations, and other actions as may be required and as may be permitted under applicable regulatory requirements;
- (g) the Custodian must exercise reasonable care to ensure that:
 - a. the investment and borrowing limitations set out in the Instrument and the conditions under which the Fund is [REDACTED] are complied with;
 - b. the share certificates of the Shares are not issued until subscription moneys have been paid;

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- c. any payments or distributions from the segregated accounts opened in the name of the Custodian on behalf of the Fund and opened in the name of the Fund Special Purpose Vehicles are carried out in accordance with the Instrument;
- d. the cash flows of any bank account of the Fund are properly monitored;
- e. the sale, issue, repurchase, redemption and cancellation of Shares effected by the Fund are carried out in accordance with the Instrument;
- f. the methods adopted by the Fund and the Investment Manager in calculating the value of Shares are adequate to ensure that the sale, issue, repurchase, redemption and cancellation prices are calculated in accordance with the Instrument;
- (h) exercise reasonable care, skill and diligence in the selection, appointment and ongoing monitoring of the delegates which are appointed for the custody and/or safekeeping of the Scheme Property, and be satisfied that the delegates retained remain suitably qualified and competent on an ongoing basis to provide the relevant services to the Fund;
- (i) fulfil such other duties and obligations imposed on it under the Instrument and any applicable regulatory requirement, and exercise due skill, care and diligence in discharging its duties and obligations appropriate to the nature, scale and complexity of the Fund.

Fees

For details of the fees payable to the Custodian, please refer to the section headed “Fees and Expenses – Ongoing Fees and Expenses of the Fund”.

Term and Termination

Having regard to the mandatory requirement for the Fund to appoint a custodian, the Custody Deed is not for any specified term.

The Custody Deed will terminate at the earlier of the following: (a) upon the termination of the Fund; and (b) where the Custodian retires or is removed as the custodian of the Fund, as further set out in the section headed “The Instrument of Incorporation – Removal or Retirement of the Custodian”.

Exclusion of Liability and Indemnity

The Custodian and its respective subsidiaries and any of their directors, officers, servants, employees, agents, affiliates or delegates shall not incur any liability by reason of any error of judgement or any matter or thing done or suffered or omitted to be done by it in good faith, subject to the caveat below.

The Custodian and above-mentioned persons also have the benefit of an indemnity from the Fund in relation to liabilities incurred by the Custodian and the above-mentioned persons in the discharge of their duties, subject to the caveat below. The Custodian Agreement also contains other indemnities subject to the same caveat.

MATERIAL AGREEMENTS AND OTHER DOCUMENTS

No provision of the Custody Deed shall be construed as (i) providing any exemption of any liability of the Custodian to the Shareholders under Hong Kong law nor may the Custodian be indemnified against such liability by Shareholders or at the Shareholders’ expense; or (ii) diminishing or exempting the Custodian from any of their duties and liabilities under the Laws and Regulations nor may the Custodian be indemnified against such duties and liabilities by Shareholders or at the Shareholders’ expense, and no provision shall have the effect of providing any such exemption or indemnity.

Governing Law

The Custody Deed is governed by Hong Kong law.

Portfolio Administration and Agency Agreement

The Fund has appointed Deutsche Bank AG, acting through its Hong Kong Branch, as its Bond Custodian, Portfolio Administrator and Account Bank (together, the Portfolio Agents) pursuant to a Portfolio Administration and Agency Agreement between the Fund, the Portfolio Agents, the Custodian and the Investment Manager.

Pursuant to the Portfolio Administration and Agency Agreement: (i) the Bond Custodian agrees to hold in custody Investments in the form of securities on behalf of the Fund; (ii) the Account Bank agrees to hold cash deposits on behalf of the Fund received on such securities held by the Bond Custodian; (iii) the Portfolio Administrator agrees to provide certain reporting and cash management functions in respect of the Investments and the accounts; and (iv) a Fund Special Purpose Vehicle may accede to the Portfolio Administration and Agency Agreement as a party.

Powers and Duties

The Bond Custodian shall act as custodian of the Investments in the form of bonds purchased by or on behalf of the Fund and open a securities account and linked cash account in connection therewith. The Bond Custodian will maintain records and accounts in a way that ensures their accuracy and in particular will ensure securities in the custody account are separately identifiable in the books of the Bond Custodian at all times from securities belonging to: (a) the Bond Custodian; and (b) other clients of the Bond Custodian.

The Bond Custodian is authorized to appoint delegates in connection with the Bond Custodian’s performance of its duties provided that the Bond Custodian will use due skill, care and diligence in the selection, continued appointment and ongoing monitoring of any such delegates to which it delegates the safekeeping of any Investments which are securities.

In addition, the Bond Custodian shall collect and receive, for the account of the Fund, all payments (whether income or capital), income and dividends in respect of the Investments in the form of securities, and to take any action necessary and proper in connection with the same including the deduction or withholding of any sum on account of any tax which may be due from either the Bond Custodian or the Fund in respect of the Investments in the form of securities.

MATERIAL AGREEMENTS AND OTHER DOCUMENTS

The Custodian shall open accounts on behalf of the Fund with the Account Bank for receiving principal payments and interest payments of the portfolio. The Portfolio Administrator shall only make payments out of the accounts with the approvals from both the Investment Manager and the Custodian. Each of the accounts maintained by the Account Bank shall bear interest or charge a deposit fee by applying interest at the rate agreed from time-to-time between the Fund and the Account Bank.

The Portfolio Administrator shall, in consultation with the Investment Manager, prepare daily reports on the assets comprising the portfolio, which shall include daily cash balances and cash flows including projection reporting. The Portfolio Administrator shall, in consultation with the Investment Manager, prepare monthly reports on the assets comprising the portfolio (including current amount outstanding, interest rates and maturity dates) and cash movements in the accounts of the Fund during the relevant period. The Portfolio Administrator shall deliver such reports to the Fund and the Investment Manager.

Fees

For details of the fees payable to the Portfolio Agents, please refer to the section headed “Fees and Expenses – Ongoing Fees and Expenses of the Fund”.

Term and Termination

The Portfolio Administration and Agency Agreement is not for any specified term. The Portfolio Administration and Agency Agreement will terminate on written notice by a party thereto.

Fund Administration Agreement and Corporate Services Agreement

The Fund and the Fund Administrator entered into the Fund Administration Agreement on [•] 2026, under which the Fund Administration will provide:

Fund administration services to the Fund including but not limited to the following:

- (a) calculating the quarterly Net Asset Value of the Fund in accordance with the Instrument;
- (b) calculating the aggregate dividend payable quarterly, and maintaining records of the aggregate dividends paid, incorporating such calculations into the quarterly Net Asset Value of the Fund;
- (c) calculating the composition of dividends payable on the Shares, including the percentages of dividends paid out of net distributable income and capital;
- (d) coordinating with the Custodian and the [REDACTED] for the payment of dividends in accordance with the dividend timetable;
- (e) complying with any governance framework implemented by the Custodian in respect of the access and operation of the accounts of the Fund and the Fund Special Purpose Vehicles;

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- (f) calculating the payment of the management and other fees and expenses and coordination with the Custodian for the payment of the same;
- (g) keeping the books and records of the Fund as the Fund may require for the proper recording of the financial affairs of the Fund in compliance with IFRS Accounting Standards and providing periodical reports as agreed with the Fund;
- (h) liaising with the Fund’s auditors with respect to the preparation of the annual and interim financial statements of the Fund;
- (i) monthly reconciliations with the records of Investments maintained by the Fund, the Custodian or their delegates;
- (j) maintaining a register of contracts that the Fund will enter into from time-to-time; and
- (k) supplying such information or reports to the Fund as agreed from time-to-time.

A related company of the Fund Administrator, Apex Corporate Solutions (HK) Limited, will also provide corporate services pursuant to the Corporate Services Agreement, including but not limited to the following:

- (l) assistance with the publication of interim and annual results, interim and annual report and holding of annual general meeting; and
- (m) providing company secretarial services including organizing board and committee meetings, preparation and distribution of board packs, keeping minutes, ensuring legal, tax, regulatory and stock exchange filings are made correctly and on time, coordinating with the [REDACTED] in relation to shareholder meetings and shareholder votes, and all other customary company secretarial services.

Fees

For details of the fees payable to the Fund Administrator and Apex Corporate Solutions (HK) Limited, please refer to the section headed “Fees and Expenses – Ongoing Fees and Expenses of the Fund”.

Term and Termination

The Fund Administration Agreement and Corporate Services Agreement are effective from the date of Listing and the initial term of each agreement shall be one year from that date. Either party may give notice to the other party to terminate the Fund Administration Agreement or Corporate Services Agreement after the initial term or following certain prescribed events.

WAIVERS

In connection with the [REDACTED] of the Fund by the SFC, the Fund has applied to, [and has received approval from], the SFC in relation to the below waiver from strict compliance with certain requirements of the UT Code. The SFC reserves the right to review or revise any of the conditions relating to the waivers if there is any subsequent change of circumstances that affects any of them. In the event of future amendments to the UT Code imposing more stringent requirements than those applicable at the date of the waivers granted by the SFC on transactions of the kind to which the transaction belong (including, but not limited to, a requirement that such transaction be made conditional on approval by the Shareholders), the Fund and Investment Manager shall take immediate steps to ensure compliance with such requirements within a reasonable period.

Payment of Promotional Expenses from the Assets of the Fund – Paragraph 6.18(b) of the UT Code

Under paragraph 6.18(b) of the UT Code, expenses arising out of any advertising or promotional activities in connection with a scheme shall not be paid from the property of the scheme.

The Fund has applied to the SFC for, [and has been granted], a waiver from strict compliance with the requirements of paragraph 6.18(b) of the UT Code, so to allow the following to be paid or reimbursed out of the assets of the Fund: costs and expenses of the Fund, Investment Manager and/or Custodian for marketing, promotion, advertising, roadshows, press conferences, industry event attendance or representation, luncheons, presentations and other public relations-related fees, or costs or expenses incurred in relation to any fund raising exercise by the Fund (collectively, “**Promotional Expenses**”), but only if and to the extent that such is permitted by the UT Code and any applicable law, subject to the following conditions:

- (a) the Audit Committee shall verify periodically the amounts of Promotional Expenses incurred by the Fund, Investment Manager and/or Custodian and shall confirm in the annual report of the Fund that the Promotional Expenses are incurred: (i) in accordance with the internal control procedures of the Fund; and (ii) solely for the purposes as set out in the relevant clauses of the Instrument and the Investment Management Agreement, and review such supporting evidence that it may reasonably deem necessary;
- (b) the aggregate amount of the Promotional Expenses shall be disclosed in the relevant annual report of the Fund; and
- (c) payment or reimbursement to the Fund, Investment Manager and/or Custodian of such expenses shall be made strictly in accordance with the requirements of the Instrument and the Investment Management Agreement.

TAXATION

The following summary of taxation is of a general nature, for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of Shares. This summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of investors. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, redeeming or disposing of Shares both under the laws and practice of Hong Kong and the laws and practice of their respective jurisdictions.

The information below is based on the law and practice in force at the date of this document. The relevant laws, rules and practice relating to tax are subject to change and amendment (and such changes may be made on a retrospective basis). As such, there can be no guarantee that the summary provided below will continue to be applicable after the date of this document. Furthermore, tax laws can be subject to different interpretations and no assurance can be given that relevant tax authorities will not take a contrary position to the tax treatments described below.

For the purposes of this section, the “Fund” shall exclude the Fund Special Purpose Vehicles, which are generally to be established.

Hong Kong

Taxation of the Fund

Profits Tax

Hong Kong profits tax is charged on profits from a trade, profession or business carried on by a person in Hong Kong in respect of profits arising in or derived from Hong Kong (“**Hong Kong Sourced Profits**”). Hong Kong does not levy capital gains tax nor is there any general turnover, sales or value-added tax.

The Fund is a closed-ended fund incorporated as a Hong Kong public open-ended fund company and will be managed by the Investment Manager in Hong Kong. The Fund should be considered as carrying on a trade or business in Hong Kong and will be prima facie liable to Hong Kong profits tax at the current rate of 16.5% on its Hong Kong Sourced Profits, excluding capital gains. Under the two-tier profits tax rates system in Hong Kong, the profits tax rate for the first HKD2 million of assessable profits of corporations is lowered to 8.25% (i.e. half of the prevailing profits tax rate), subject to certain conditions being met.

However, as the Fund has been [REDACTED] as a collective investment scheme by the SFC under Section 104 of the SFO, profits of the Fund are exempt from Hong Kong profits tax pursuant to Section 26A(1A)(a) of the Inland Revenue Ordinance (“**IRO**”).

TAXATION

The Hong Kong government has revised the foreign-sourced income exemption (“FSIE”) for certain specified foreign-sourced income (including interest, dividend, disposal gain or intellectual property income, in each case, arising in or derived from a territory outside Hong Kong) in order to respond to the European Union’s concerns over risks of double non-taxation arising from the general FSIE regime in Hong Kong under the territorial source principle of taxation (i.e. only Hong Kong Sourced Profits would be subject to Hong Kong profits tax). The amendment is in line with the prevailing international tax standard of requiring adequate economic substance for preferential tax treatment.

Even though the Fund may fall within the definition of “MNE entity” under the new FSIE regime, its foreign-sourced profits from the investment activities can still qualify for tax exemption under section 26A(1A)(a) of the IRO, being [REDACTED] as a collective investment scheme under section 104 of the SFO.

Withholding Tax

Distributions paid by the Fund to its Shareholders will not be subject to any withholding tax in Hong Kong.

Stamp Duty

Whenever the Fund sells or purchases Hong Kong stock (as defined in the Stamp Duty Ordinance), ad valorem stamp duty will be imposed at the current rate of 0.10% on the consideration or the fair market value of the Hong Kong stock (whichever is higher) on each bought note and sold note. The seller and the purchaser (as the case may be for the Fund) will each be liable for stamp duty for the respective bought note and sold note of such Hong Kong stock.

Taxation of the Shareholders

The following is a discussion of certain anticipated Hong Kong tax considerations relating to a prospective Shareholder’s [REDACTED] in the Fund. Each prospective Shareholder should seek its own tax advice from an independent tax adviser based on such prospective Shareholder’s own particular facts and circumstances.

Profits tax

Hong Kong does not tax gains of a capital nature arising from the sale or other disposal of the Shares in the Fund effected in Hong Kong by its Shareholders. However, in the case of certain Shareholders (e.g. dealers in securities, financial institutions and insurance companies carrying on a trade or business in Hong Kong), such gains may be considered to be trading gains rather than gains of a capital nature and hence, be subject to Hong Kong profits tax (which is currently imposed at the rate of 16.5% on corporations, and at a rate of 15% on unincorporated businesses), if the gains are considered Hong Kong Sourced Profits. Please note again the two-tier profits tax rates under the two-tier profits tax rates regime.

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Distributions by the Fund should generally not be subject to Hong Kong profits tax in the hands of the Shareholders (whether by way of withholding or otherwise).

Hong Kong has introduced the Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 to implement a domestic minimum top-up tax. For all fiscal years commencing on or after 1 January 2025, income of a constituent entity of an in-scope multinational enterprise group that is located in Hong Kong may be subject to top-up tax.

Stamp Duty

Under the Stamp Duty Ordinance, transfers relating to the allotment of Shares or redemption of Shares are exempt from stamp duty in Hong Kong.

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.10% on the higher of the consideration for or the market value, will be payable by the purchaser on every purchase and by the seller on every sale of Hong Kong stock (as defined in the Stamp Duty Ordinance), including Shares (in other words, a total of 0.20% is currently payable on a sale and purchase transaction involving Shares). In addition, a fixed stamp duty of HKD5.00 is currently payable on any instrument of transfer of Shares. Where one of the parties of the transfer is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

Shareholders should consult their own professional tax advisers on the possible taxation consequences of subscribing for, buying, holding, redeeming, transferring, selling, or otherwise disposing of Shares.

Automatic Exchange of Financial Account Information

The Inland Revenue (Amendment) (No. 3) Ordinance (the “**Ordinance**”) came into effect on 30 June 2016. The Ordinance together with the later amendments is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information (“**AEOI**”). The AEOI comprise, among others, the model Competent Authority Agreement (“**CAA**”) and Common Reporting Standard (“**CRS**”). In addition, the Inland Revenue Department of Hong Kong (“**IRD**”) published guidance for financial institutions (“**FIs**”) on 9 September 2016 which is updated and amended from time-to-time to provide guidance to them for complying with the CRS obligations. The AEOI requires FIs in Hong Kong to obtain certain information and documentation relating to non-Hong Kong tax residents holding financial accounts with the FIs, and report the required information to the IRD for the purpose of automatic exchange. Generally, the information will be reported and automatically exchanged in respect of account holders that are tax residents in a reportable jurisdiction(s) with which Hong Kong has a CAA in force; however, the Fund and/or its agents may further obtain information and/or documentation relating to the residents of other jurisdictions that are not resident in a reportable jurisdiction for CRS purposes in Hong Kong.

TAXATION

The Fund is required to comply with the requirements of the Ordinance, which means that the Fund and/or its agents shall obtain and provide to the IRD the required information relating to Shareholders. The Ordinance requires the Fund to, amongst other things, (i) register the Fund as a “Reporting Financial Institution” with the IRD to the extent the Fund maintains reportable financial accounts; (ii) conduct due diligence on its account holders (i.e. Shareholders) in order to determine whether any of their relevant financial accounts are regarded as “Reportable Accounts” under the Ordinance; and (iii) report to the IRD the required information of such Reportable Accounts. The IRD is expected on an annual basis to exchange the required information reported to it to the competent authorities of the respective reportable jurisdictions. Broadly, AEOI requires that Hong Kong FIs should report on: (i) individuals or entities that are tax residents in a reportable jurisdiction; and (ii) certain entities controlled by individuals who are tax residents in such jurisdictions. Under the Ordinance, details of Shareholders, including but not limited to their name, place of birth, date of birth, address, tax residence, tax identification number(s) (if any), account number, account balance/value regarding their interest in the Fund, and income or sale or redemption proceeds received from the Fund, should be reported to the IRD and subsequently exchanged with competent authorities in the relevant jurisdictions.

By [REDACTED] in the Fund and/or continuing to [REDACTED] in the Fund, Shareholders acknowledge that they may be required to provide additional information or documents to the Fund and/or its agents in order for the Fund to comply with the Ordinance. A Shareholder’s information (and information on controlling persons including beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such Shareholders that are passive non-financial entities as defined under the Ordinance) may be exchanged by the IRD to the competent authorities in the relevant reportable jurisdictions.

Each Shareholder and prospective [REDACTED] should consult its own professional tax adviser(s) on the administrative and substantive implications of AEOI on its current or proposed [REDACTED] in the Fund.

FATCA and Compliance with U.S. Withholding Requirements

The U.S. Hiring Incentives to Restore Employment Act was signed into U.S. law in March 2010 and includes certain provisions commonly referred to as the “Foreign Account Tax Compliance Act” or “FATCA”. Broadly, the FATCA provisions are set out in sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “**Revenue Code**”), which impose a reporting regime on foreign financial institutions such as the Fund with respect to certain payments, including interest and dividends received. All such payments may be subject to FATCA withholding at a rate of 30%, unless the recipient of the payment satisfies certain requirements intended to enable the IRS to identify United States persons (within the meaning of the Revenue Code) (“**U.S. persons**”) with direct or indirect interests in such payment. To avoid such withholding on payments made to it, foreign financial institutions (including banks, brokers, custodians and investment funds) (an “**FFI**”), such as the Fund will be required to enter into an agreement (an “**FFI Agreement**”) with the IRS to be treated as a participating FFI. Participating

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FFIs are required to identify all investors that are U.S. persons and certain entities that are directly or indirectly owned by U.S. persons and report certain information concerning such U.S. persons to the U.S. Internal Revenue Service (the “**IRS**”) annually. The FFI Agreement will also generally require that a participating FFI to deduct and withhold 30% from certain payments made by the participating FFI to investors who fail to cooperate with certain information requests made by the participating FFI or do not consent to FATCA reporting and disclosure to the IRS (referred to as “**recalcitrant account holders**”) and may be required to close accounts of such account holders. Moreover, participating FFIs are required to deduct and withhold such payments made to investors that are themselves FFIs but are not compliant with FATCA.

FATCA withholding applies to payments of U.S. source income, including U.S. source dividends and interest, made after 30 June 2014. The 30% withholding may also apply to certain non-US source payments otherwise attributable to amounts that would be subject to FATCA withholding (also known as “**foreign passthru payments**”) in the future. Unless an exemption applies, withholding agents (which includes participating FFIs) will generally be required to begin withholding withholdable payments made after 30 June 2014.

The United States and a number of other jurisdictions have entered into intergovernmental agreements (“**IGAs**”). The United States Department of the Treasury and Hong Kong have entered into an intergovernmental agreement (the “**Hong Kong IGA**”) based on the Model 2 arrangement (“**Model 2 IGA**”). The Model 2 IGA modifies the foregoing requirements but generally requires similar information to be disclosed to the IRS. Under the Hong Kong IGA, an FFI (including the Fund) will not be required to impose FATCA withholding at 30% on payments to recalcitrant account holders or close the accounts of such account holders (provided information regarding such account holders is reported to the IRS as required). Withholding may apply to withholdable payments covered by FATCA if the Fund cannot satisfy the applicable requirements and is determined to be non-FATCA compliant or if the Hong Kong government is found in breach of the terms of the agreed IGA.

The Fund has been [REDACTED] with the IRS as a reporting single FFI with Global Intermediary Identification Number [•]. In order to protect Shareholders and avoid being subject to withholding under FATCA, it is the Fund’s intention to endeavor to satisfy the requirements imposed under FATCA. Hence it is possible that this may require the Fund (through its agents or service providers) as far as legally permitted, to report information on the holdings or investment returns of any Shareholder to the IRS or the local authorities pursuant to the terms of the IGA (as the case may be), including certain Shareholders who fail to provide the information and documents required to identify their FATCA status, or who are non-FATCA compliant financial institutions or who fall within other categories specified in the FATCA provisions and regulations. It is also possible that the Fund may be required to compulsory transfer and/or apply withholdings to payments to Shareholders who fail to provide the information and documents required to identify their status, or who are non-compliant FFIs or who fall within other categories specified in the FATCA provisions and regulations. Any such compulsory transfer and/or withholding will be done in accordance with applicable laws and regulations, and the discretion to do so will be exercised by the Investment Manager acting in good faith and on reasonable grounds.

TAXATION

Although the Fund will attempt to satisfy any obligations imposed by FATCA on them to avoid the imposition of FATCA withholding tax, no assurance can be given that the Fund will be able to fully satisfy these obligations. If the Fund becomes subject to a withholding tax as a result of FATCA, the Net Asset Value of the Fund may be adversely affected and the Fund and its Shareholders may suffer material loss.

The FATCA provisions are complex and their application is uncertain at this time. The above description is based in part on regulations, official guidance, the Hong Kong IGA and model IGAs, all of which are subject to change or may be implemented in a materially different form. Nothing in this section constitutes or purports to constitute tax advice and Shareholders should not rely on any information set out in this section for the purposes of making any investment decision, tax decision or otherwise. All Shareholders should therefore consult their own tax and professional advisers regarding the FATCA requirements, possible implications and related tax consequences with respect to their own situation. In particular, Shareholders who hold their Shares through intermediaries should confirm the FATCA compliance status of those intermediaries to ensure that they do not suffer the above-mentioned withholding tax on their investment returns.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

EXPERT

The Industry Consultant, Frost & Sullivan, was responsible for carrying out a comprehensive study of the real estate private debt market and preparing the Industry Consultant Report, the summary of which is set out in the section headed “Industry Overview”. The Investment Manager has reviewed this report and its summary.

The Industry Consultant has given and not withdrawn its written consent to the issue of this document with the inclusion of its report summary and/or references to its name included herein in the form and context in which it is included.

APPENDIX I

GENERAL INFORMATION

1. PARTICULARS OF FUND DIRECTORS’ SERVICE AGREEMENTS

Each of the independent non-executive directors of the Fund Board, namely Ms. Janie FONG, Mr. Jong Dae LEE and Mr. Stephen Tsi Chuen WONG, [have entered] into a service agreement with the Fund on [•] 2026. The term of appointment shall be three years from [•] 2026 unless otherwise terminated earlier. Either party may terminate the agreement by giving not less than three months’ written notice. As at the date of this document, each of the above-mentioned Fund Directors shall receive a monthly director’s fee of HKD[•].

The other Fund Directors, namely Ms. Christina GAW, Mr. Kenneth GAW and Mr. Wai Chun CHIU have not entered into any service agreement with the Fund in relation to their appointment as directors of the Fund. They are not entitled to any remuneration for their services in their capacities as Fund Directors.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following agreements and documents are available for inspection free of charge at the office of the Investment Manager at 18th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong during normal business hours up to the [REDACTED].

- (a) Instrument
- (b) Investment Management Agreement
- (c) Custody Deed
- (d) Portfolio Administration and Agency Agreement
- (e) Fund Administration Agreement and Corporate Services Agreement
- (f) Other agreements referred to in the section headed “Material Agreements and Other Documents”
- (g) Written consent referred to in the section headed “Expert”

A copy of the Instrument may be obtained from the Investment Manager at a reasonable charge per copy document as may be determined by the Investment Manager.

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3. INFORMATION AVAILABLE ON THE FUND’S WEBSITE

The Investment Manager will publish important news and information with respect to the Fund in the English and Chinese languages (unless otherwise specified), on the website of the Fund, www.gawcapitalrepd.com (which has not been reviewed or approved by the SFC), including:

- (a) this document;
- (b) the Product Key Facts Statement (as revised from time-to-time);
- (c) the latest annual financial reports and interim half yearly unaudited financial reports (in English only);
- (d) any public announcements made by the Investment Manager in respect of the Fund;
- (e) the last Net Asset Value of the Fund and Net Asset Value per Share (both updated on a quarterly basis on each Valuation Day);
- (f) the latest portfolio holding of the Fund (updated on a monthly basis);
- (g) the valuation policy of the Fund including the key valuation assumptions and parameters applied in valuing the Investments;
- (h) the target dividend of the Fund; and
- (i) the composition of dividends payable on the Shares (i.e. the amounts of dividends paid and the percentages of dividends paid out of: (i) net distributable income; and (ii) capital), if any, for a rolling 12-month period.

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4. CORPORATE COMMUNICATIONS

Shareholders may elect to receive Corporate Communication either:

- (i) in printed form, in either (a) the English language version only; (b) the Chinese language version only; or (c) both the English and Chinese language versions, other than annual and interim reports which will be available in English language only; or
- (ii) by electronic means through the Fund’s website at www.gawcapitalrepd.com and the website of the Hong Kong Stock Exchange at www.hkexnews.hk where both English and Chinese language versions of future Corporate Communication will be available, other than annual and interim reports which will be available in English language only.

Shareholders are entitled at any time by reasonable notice in writing to the [REDACTED] to change their choice of language (other than annual and interim reports which will be available in English language only) and/or the means of receipt of the Corporate Communication.

Unless otherwise instructed, Shareholders will be deemed to have consented to receiving future Corporate Communication by electronic means through the Fund’s website only.

Shareholders may change their choice of language (other than annual and interim reports which will be available in English language only) and/or the means of receipt of future Corporate Communications by completing a change request form (available from the [REDACTED]) and returning it to the [REDACTED].

When each new Corporate Communication is published on the Fund’s website at www.gawcapitalrepd.com and the website of the Hong Kong Stock Exchange at www.hkexnews.hk, the Fund will send printed notification to the Shareholders who have elected to receive Corporate Communication by electronic means. Together with the notification, the Fund will also enclose a form and a postage pre-paid addressed envelope, specifying that the printed copy of that particular Corporate Communication will be available upon request and Shareholders may also change their choice of means of receipt of subsequent Corporate Communication by completing that form and returning it to the [REDACTED].

Corporate Communication in both English and Chinese languages (other than annual and interim reports which will be available in English language only), and in accessible format, will be available on the Fund’s website at www.gawcapitalrepd.com for five (5) years from the date of first publication of the relevant Corporate Communication and a copy in electronic format in both languages will be published on the website of the Hong Kong Stock Exchange at www.hkexnews.hk on the same day as such Corporate Communication is sent to Shareholders.

If a Shareholder chooses to receive the Corporate Communication via electronic means rather than receiving printed copies, such Shareholder is deemed to have expressly consented to waive any right to receive the Corporate Communication in printed form, unless and until he changes his choice by giving the [REDACTED] further notice.

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5. QUESTIONS AND COMPLAINTS

[REDACTED] may raise any questions on or make any complaints about the Fund by contacting the Fund and/or the Investment Manager at its address as set out in the section headed “Parties Involved in the Fund and the [REDACTED]”.

6. DISCLAIMERS

Save as disclosed in this document, as at the Latest Practicable Date:

- (a) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between the Fund Directors and Fund;
- (b) none of the Fund Directors, the Manager Directors nor any party listed in the section headed “Expert” is interested in the Fund’s promotion, or in any assets which have, within two years immediately preceding the issuance of this document, been acquired or disposed of by or leased to the Fund, or are proposed to be acquired or disposed of by or leased to the Fund or any companies controlled by it;
- (c) none of the Fund Directors, the Manager Directors nor any party listed in the section headed “Expert” are materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the Fund’s business;
- (d) save in connection with the [REDACTED] and save as disclosed in the section headed “[REDACTED]”, no party listed in the section headed “Expert”:
 - (i) is interested legally or beneficially in any of Shares or any shares in any of companies controlled by the Fund; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for the Fund’s securities;
- (e) no amount or securities or benefit has been paid or allotted or given within the two years preceding the date of this document to any of the Fund’s promoters nor is any such securities or amount or benefit intended to be paid or allotted or given;
- (f) there are no outstanding loans or guarantees granted or provided by the Fund or any companies controlled by it to, or for the benefit of, any of the Fund Directors or Manager Directors;

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- (g) within the two years immediately preceding the date of this document, the Fund has not issued nor agreed to issue any shares fully or partly paid either for cash or for a consideration other than cash;
- (h) save in connection with the [REDACTED], no outstanding Shares are under option or are agreed conditionally or unconditionally to be put under option;
- (i) the Fund has not issued or agreed to issue any founder shares, management shares or deferred shares;
- (j) none of the equity and debt securities of the Fund is [REDACTED] or [REDACTED] with in any other stock exchange nor is any [REDACTED] or permission to [REDACTED] being or proposed to be sought;
- (k) the Fund has no outstanding convertible debt securities;
- (l) within the two years immediately preceding the date of this document, no commissions, discounts, brokerages or other special items have been granted or paid to any Fund Director, Manager Director, promoter, any party listed in the section headed “**Expert**” nor any other person in connection with the issue or sale of any Shares or shares or loan capital of the Fund or any of the companies controlled by it;
- (m) there are no arrangements in existence under which future dividends are to be waived or agreed to be waived; and
- (n) there have been no interruptions in the business of the Fund which may have or have had a significant effect on the financial position of the Fund in the last 12 months.