Key Information Document (KID)

PURPOSE

This document provides you with key investor information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

PRODUCT

KJK Fund III S.C.A. SICAV-RAIF –Series C2 (the "Fund")

a partnership limited by shares under the Laws of the Grand Duchy of Luxembourg

PRIIP Manufacturer:	KJK Fund III Management S.à r.l.		
Address:	9, rue Jean-Pierre Sauvage, L-2514, Luxembourg, Grand Duchy of Luxembourg	**For more information please contact the AIFM:**	call +352 283 716 55 www.kjkmanagement.com

Competent Authority of PRIIP Manufacturer: Commission de Surveillance du Secteur Financier (CSSF)
This document was last updated on 08/04/2019

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

WHAT IS THIS PRODUCT?

TYPE

The Fund was incorporated as a reserved alternative investment fund (fond d'investissement alternative réservé) organised as an investment company with variable share capital (société d'investissement à capital variable) in the form of a partnership limited by shares (société en commandite par actions) - a closed-ended fund formed under the amended Luxembourg law of 23 July 2016 relating to reserved alternative investment funds, as amended or supplemented from time to time ("RAIF Law") and qualifies as an alternative investment fund within the meaning of the Luxembourg law of 12 July 2013 on alternative investment fund managers as amended from time to time ("AIFM Law"). The Fund has appointed KJK Management S.A. as its external alternative investment fund manager ("AIFM"). KJK Fund III Management S. à r.l. is acting as general partner of the Fund ("General Partner").

OBJECTIVES

The investment objective of the Fund is to build a diversified portfolio by mainly investing in direct equity investments into both small or medium size private and public companies, mainly in the field of export oriented manufacturing, food and beverage, as well as agribusiness, in Eastern Europe with special focus on South Eastern Europe and the Baltic countries ("Portfolio Companies"), following a proven and differentiated investment strategy capturing the buyout and growth capital needs created by the lack of available equity funding in the region. The Fund shall not invest in Russia, Ukraine, Belarus or Turkey. The Fund shall generally seek to acquire, alone or via club deals, controlling interests in the Portfolio Companies but may also consider significant minority ownership positions with viable exit strategies. Investments will be done in accordance with the predefined selection process stipulated for in the confidential placement memorandum of the Fund ("Placement Memorandum"). Diversification is envisaged by restricting the Fund's investments in the same Portfolio Company in accordance with the Placement Memorandum. The Fund will not acquire financial derivatives for investment purposes but it may use financial derivatives for hedging purposes.

The Fund may borrow money for a limited duration to bridge finance investments and pay expense disbursements when liquid funds are not readily available.
The return will thus depend, and be determined by, the performance of the underlying Portfolio Companies. Returns on each investment type, ultimately, depend upon the financial performance of the underlying investments made by the Fund; if the underlying investments' performance is positive, so too will the Fund's be. Conversely, if the underlying investments' performance is negative, so too will the Fund's be. The Fund will not be required to make any cash distributions to investors prior to the end of its term, as described in the heading "Term", and as further defined in the Placement Memorandum.

INTENDED RETAIL INVESTOR

The Fund is intended to be marketed to institutional investors, professional investors and well-informed investors. Retail investors who would like to invest in the Fund must qualify as well-informed investors in accordance with the RAIF Law who have sufficient experience and theoretical knowledge in buyout and growth strategies, who are seeking exposure to a closed-ended investment, who are able to bear the loss of their entire investment and who have a long-term investment horizon.

TERM

The Fund is established for a limited term of 8 years starting on the final closing date in accordance with the Placement Memorandum with the possibility for the General Partner to extend for a maximum of 2 extensions of 1 year each, if deemed necessary in order to divest the portfolio of the Fund in the interest of investors.

The PRIIP Manufacturer may not terminate the Fund unilaterally.
The Fund may be dissolved at any time and with or without cause by a resolution of the general meeting of shareholders adopted in the manner required as prescribed for in the articles of association of the Fund (the "Articles").

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

Risk Indicator

1	2	3	4	5	6	7

← lower risk Higher risk→

The risk indicator assumes you keep the product for 8 years. You cannot cash in early. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 6 out of 7, which is the second highest risk class.
This rates the potential losses from future performance at a high level, and poor market conditions are very likely to impact the capacity of the Fund to pay you.

Changes to tax laws/treaties may adversely affect returns on your investment.
This product does not include any protection from future market performance so you could lose some or all of your investment. If the Fund is not able to pay you what is owed, you could lose your entire investment.

Performance Scenarios

Investment € 10,000		8 years (Recommended holding period)
Stress scenario	What you might get back after costs	8.774[2]
	Average return[1] each year (%)	-2,35 %
Unfavorable scenario	What you might get back after costs	10.906.37[2]
	Average return[1] each year (%)	1,59 %
Moderate scenario	What you might get back after costs	28,988.04[2]
	Average return[1] each year (%)	21,35 %
Favorable scenario	What you might get back after costs	70,849.37[2]
	Average return[1] each year (%)	42.76 %

This table shows the money you could get back over the next 8 years, under different scenarios, assuming that you invest EUR 10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment/product. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

This product cannot be cashed in. This means it is difficult to estimate how much you would get back if you cash in before maturity. You will either be unable to cash in early or you will have to pay high costs or make a large loss if you do so. The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

WHAT HAPPENS IF KJK FUND III MANAGEMENT S.à r.l. IS UNABLE TO PAY OUT?

With respect to ING Luxembourg S.A. as depositary of the Fund responsible for the safekeeping of the assets of the Fund (the "Depositary"), there is a potential default risk if the assets of the Fund held with the Depositary are lost. However, such default risk is limited due to the rules set out in Article 19 of the AIFM Law and in the Commission Delegated Regulation (EU) 231/2013 which require a segregation of assets between those of the Depositary and the Fund. The Depositary is liable to the Fund or to the investors of the Fund for the loss by the Depositary or one of its delegates of a financial instrument held in custody unless the Depositary is able to prove that the loss has arisen as a result of an external event beyond its reasonable control. For all other losses, the Depositary is liable in case of its negligent or intention failure to properly fulfil its obligations pursuant to the AIFMD. The Depositary currently has not contractually discharged itself of liability for the loss of financial instruments by contractual transfer of its liability to any delegates.

WHAT ARE THE COSTS?

COSTS OVER TIME

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself. They include potential early exit penalties. The figures assume you invest EUR 10,000. The figures are estimates and may change in the future.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

1 Net Internal Rate of Return ("Net IRR") for the investor. IRR is a method of calculating returns, used in Private Equity to compare investment profitability and corresponds to an annualized compounded return rate. The percentage return for the investor is determined based on the amount and timing of each contribution made to and each contribution received from the Fund. The term "Net" refers to the fact that the return is after costs.
2 The monetary amounts assume that returns are continuously compounded over 5,5 years.

Investment € 10,000	If you cash in at the end of the recommended holding period
Total costs	8.974 €
Impact on return (RIY) per year	5.32 %

COMPOSITION OF COSTS

The table below shows the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period and the meaning of the different cost categories.

		%	
One-off costs	Entry costs	1%	The impact of the costs you pay when entering an investment. This is the most you will pay, and you could pay less.
	Exit costs	0%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	2,21%	The impact of the costs that we take each year for managing your investments and the costs presented in Section II.
Incidental costs	Performance fees	0%	The impact of performance fees. We take these from your investments if the product outperforms its benchmark.
	Carried interests	2,96%	The impact of carried interests. We take these from your investments if the product outperforms its benchmark of 8%.

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MY MONEY OUT EARLY?

RECOMMENDED HOLDING PERIOD: The Fund is a closed-ended fund. Holding periods are fixed to last until the end of the Fund's duration as described under the heading "Term". Transfers of interests, if unlisted, are subject to the prior written consent of the General Partner whose consent may not be unreasonably withheld and subject to the conditions laid out in the Placement Memorandum. Transfers of interests which are listed are permitted.

The Fund is a closed-ended partnership limited by shares (société en commandite par actions). This means that an investor may not withdraw from the Fund, except to the extent required to comply with applicable laws or regulations, or in the circumstances described above under the heading "Term".

HOW CAN I COMPLAIN?

The complainant shall address a complaint in writing, by post or by fax or by email indicating their name together with their contact details to any of the following:

In writing: KJK Management S.A.
Complaints Handling Officer
9 rue Jean-Pierre Sauvage L-2514 Luxembourg

By website: www.kjkmanagement.com
By fax: +352 283 716 88
By email: fundadmin@kjkcapital.com (please use the e-mail subject: "KJK Client complaint ").

OTHER RELEVANT INFORMATION

The information contained in this KID is supplemented by the Placement Memorandum and by the articles of the Fund which will be provided to retail investors before subscription. Furthermore, the latest annual report and the latest NAV of the Fund as well as the information on the historical performance of the Fund will be provided to retail investors before subscription as provided for in Article 21 of the AIFM Law. Further information documentation may be obtained free of charge, in English from the PRIIP Manufacturer. The KID is available on the PRIIP Manufacturer's website at www.kjkmanagement.com. A paper copy of the KID is available upon request and free of charge from the PRIIP manufacturer.