

BlackBee Healthcare Fund Investment Memorandum



BLACKBEE

pollinating great ideas

Class C

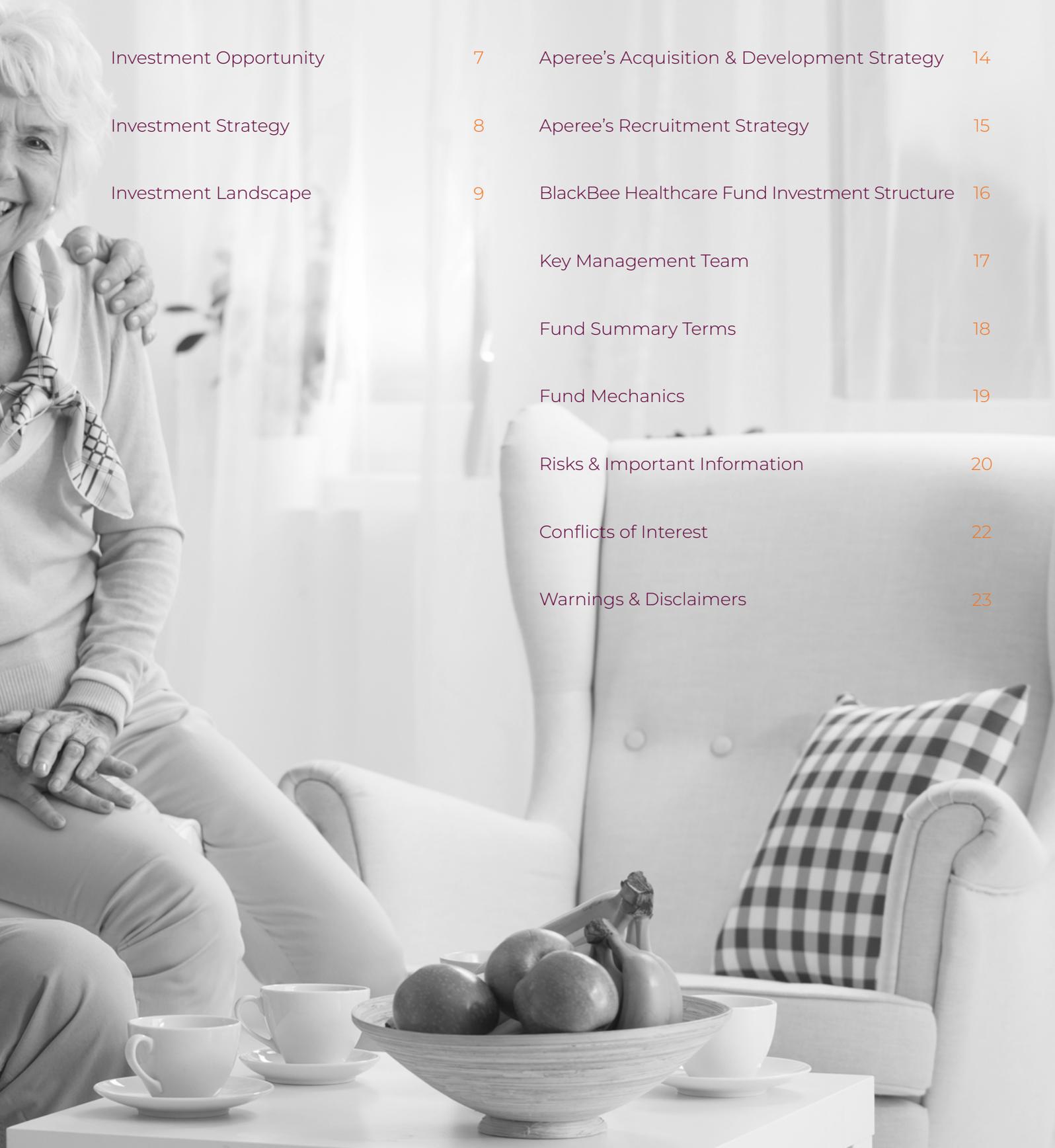
The Investment Memorandum is NOT a Prospectus or Supplement, it is for general marketing information only.

IMPORTANT: This Investment Memorandum is a summary document and does not contain all of the information that a prospective Investor might reasonably require in considering an investment. It is not a Prospectus or Supplement, all of which provide important disclosures regarding risks, fees and expenses. These and all relevant application documents are available by request from funds@blackbee.ie. Prospective Investors are advised to read these documents prior to making an investment decision.



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Impact Statement

from BlackBee CEO, David O'Shea

The world has become increasingly characterised by asymmetric risk, low returns and a growing need for socially responsible investing. In response, BlackBee has steadily pivoted its investment policy to infrastructure assets such as renewable energy and healthcare projects. The launch of the BlackBee Healthcare Fund represents a strategy and vehicle to deliver long-term investment into healthcare in Ireland while delivering stable, strong returns for investors.

Demographics readily illustrate how demand outstrips supply for residential care. By 2040 the number of us over 65 will double, at the same stage the population over 85 will have almost tripled. As a society we will require an additional 25,000 beds for residents by 2040. That's a sobering number. What's often not reported is that the stock of residential beds and facilities which are currently available will simply not be fit for purpose in the future. So not only is investment required but investment calibrated to deliver new fit for purpose and future proof facilities. What our analysis makes crystal clear is that a better investment strategy is required in the sector. Otherwise the supply issue we face will become acute.

So what we began to get passionate about is how we could design and create a sustainable investment solution to solve this problem. We were clear in our thinking that private capital is efficient in delivering effective public solutions. Great investment ideas and delivery of public needs are not mutually exclusive, something we have proved to ourselves and our investors over the past 5 years.

We believe the BlackBee Healthcare Fund is the right strategy for healthcare infrastructure investment, one that is structured, balanced, effective and scalable. Solving to the lack of supply in residential care requires us to place the resident at its core and commit long-term capital. Responsible investing often means backing vision. We have therefore established a new operating company to manage the Fund's healthcare assets, Aperee, led by its new CEO Paul Kingston, which will have access to the correct capital and will have a clear remit to deliver a new residential care standard in Ireland. Placing operational excellence not only at the heart of the investment strategy but in unison with the investment strategy is key to managing execution risk and delivering stable investor returns. This is the coming together of capital and care under a single strategy to deliver the optimal solution for residential care and investors.



David O'Shea
BlackBee CEO



About BlackBee

What Drives Us

At BlackBee our role is to match smart capital to great ideas. Our team excels at managing risk, thinking innovatively and taking direct responsibility for the funds which we manage for our investors. Every day we challenge ourselves to think deeply about investments and never to be complacent. Our approach is clear and simple, solve the investment needs for our investors and the markets we operate in. We do so based on the clear investment principles of risk, return and responsibility, something we term R³. It defines all our investment decisions.

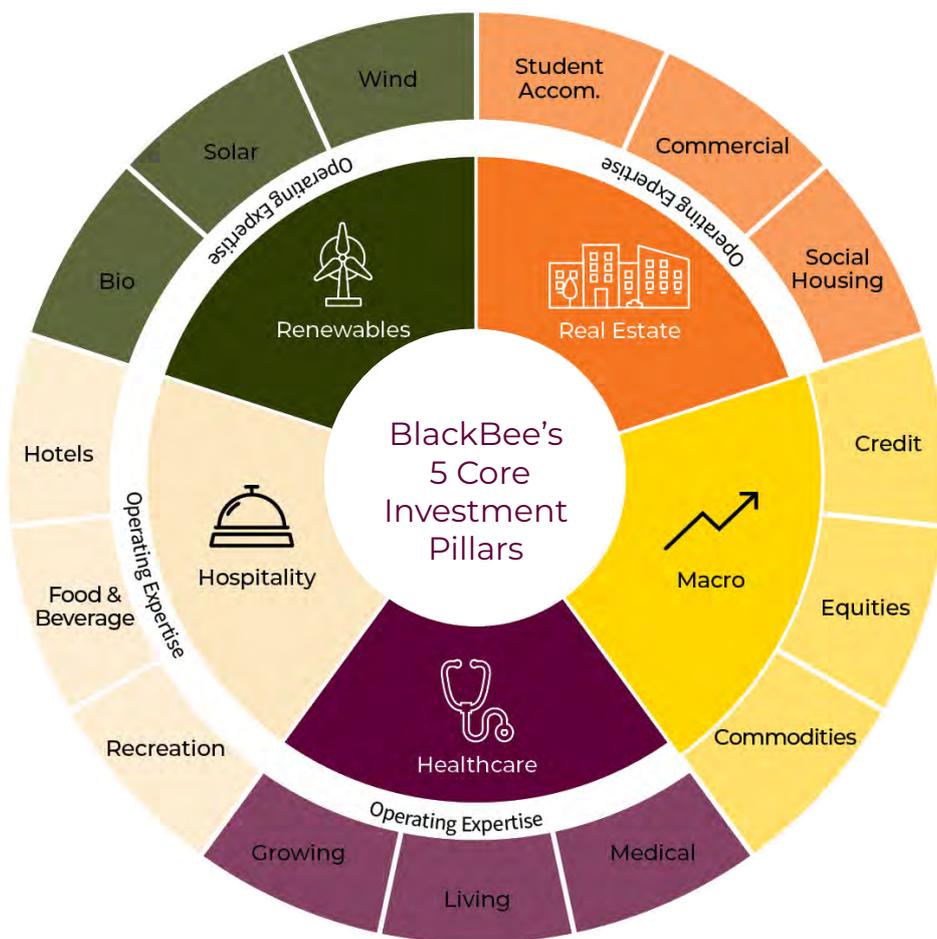
BlackBee provides investments around five core investment pillars, covering infrastructure and macro themes. Trusted with over €400 million in assets, a strong track record of performance and delivery of operational expertise, BlackBee has established itself at the forefront of investments in Ireland.

We strongly believe in strategic advantage through technology and regulation. Strong governance and control frameworks allied with technological execution yield better outcomes for our clients.

Our future strategy is to deliver a range of investment solutions across student accommodation, social housing, renewable energy and healthcare facilities amongst others. We will achieve this by understanding the broader economic trends, developing strategic partnerships and by placing our client's needs at the centre of our solutions.

R³

Risk | Return | Responsibility



€0.4bn

total invested since 2015

€41m

invested in the Healthcare Sector since 2017

Investment Overview

BlackBee Healthcare Fund Executive Summary

Overview

The BlackBee Healthcare Fund is one of the first domestic impact investment vehicles targeting healthcare to be sponsored by an Irish financial institution, providing investors with both a financial return and a measurable social impact. The Fund is a 7 year, closed-ended Qualifying Investor Fund which will invest primarily in residential care facilities in the Irish long-term care sector, taking advantage of consolidation opportunities arising from a fragmented industry at present.

Capital Solution

Public sector resources are unable to match the increasing needs of Ireland's aging population, and private capital is emerging as the necessary solution to address a range of pressing healthcare challenges in Ireland. The Fund is seeking capital commitments from qualified investors as part of a total equity investment of Euro 120 million.

Operational Solution

An operating company has been established by BlackBee for the purpose of managing healthcare assets. The vertical integration of the operating company within the investment structure ensures an alignment of interests, transparency for investors and a means of attaining the company's goal of achieving operational excellence in its delivery of patient care.

Proven Team

Experienced and proven team with expertise in social impact investing and structuring investment solutions on infrastructure assets, including assets in the healthcare sector.

The Returns

The Fund will seek to achieve its investment objective through core strategies of acquisition, development and operational excellence, with c. 1,600 residential care beds under management by 2026. A target Internal Rate of Return (IRR) of 11% is envisaged over an investment horizon of 7 years, with maximum leverage of 65%.

“ This is the coming together of capital and care under a single strategy to deliver the optimal solution for residential care and investors. ”

**- David O'Shea
CEO, BlackBee**



Investment Opportunity

The Irish Residential Care Sector - An Attractive Investment Opportunity

1. Opportunity for Consolidation

A significant amount of the current stock of private residential care beds available in Ireland (c. 70%) are under family ownership. Of the centres under family ownership, a significant number of owners are approaching retirement age where assistance is required with succession planning.

Benefits arise from the consolidation of such facilities under a single and competent operating company such as Aperee.

2. The Irish Regulatory Framework

The Irish healthcare sector is a highly regulated environment, which benefits from centralised oversight and frameworks at a national level in contrast to models operated in other countries.

Residential centres are subject to independent oversight and registration by the Health Information and Quality Authority (“HIQA”), the independent regulator of the Irish residential care sector.

The Irish Nursing Home Support Scheme (“NHSS”), commonly referred to as the “Fair Deal” scheme, is the centralised framework operated by the National Treatment Purchase Fund (“NTPF”) on behalf of the Irish government. All residential centres agree the maximum weekly fee with the NTPF for residents approved under the scheme, generally for periods of one to three years.

3. An Impact Investment

The BlackBee Healthcare Fund provides an opportunity to deliver a significant social impact, by enabling investors to align their environmental, social and governance (“ESG”) beliefs and values into their investment portfolio.

4. Robust Operating Entity to Manage Healthcare Assets

BlackBee has established a new operating company, Aperee, to operate and manage healthcare assets. The Fund will primarily invest in Aperee, and will be the majority controlling shareholder. This ensures a robust governance framework is in place and interests are aligned between investors and clients. In addition, the framework facilitates direct oversight over the high standards of care and quality expected at each healthcare facility.

5. Healthcare Infrastructure - A Real Asset Alternative

The BlackBee Healthcare Fund provides a real asset investment opportunity within the alternatives investment sector. Healthcare infrastructure, as a subsector of real assets, offers a tangible investment opportunity for investors with a long-term investment horizon in a sector which is more sheltered from macroeconomic variables.

6. Irish Demographics – Increasing Demand

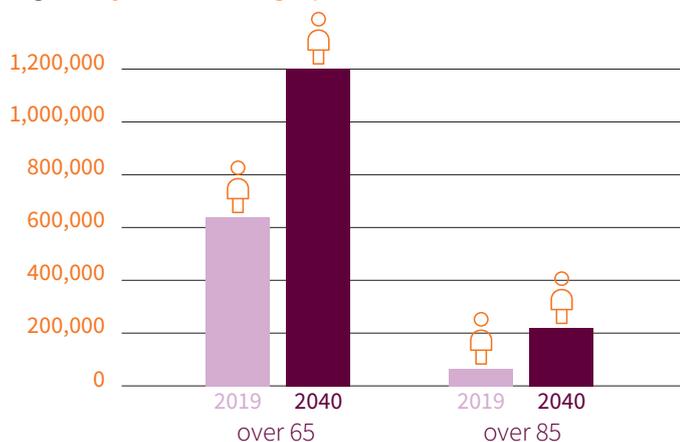
The Department of Health and the Central Statistics Office predicted in 2016 that the number of people in Ireland over the age of 65 will double between 2016 and 2040 as illustrated in Fig. 1.

People in this age range require a high level of medical care, necessitating a large expansion in resources in both the public and private sectors, particularly around the provision of additional residential care beds.

7. The Supply Deficit

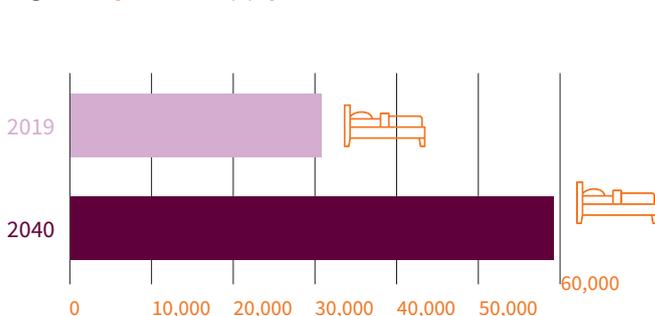
Currently there are c. 31,000 residential care beds in Ireland. This will need to increase to 59,000 by 2040 to facilitate a growing population that is living longer as illustrated in Fig. 2. Aperee intends to tackle this deficit both through organic growth opportunities within its acquired assets, as well as taking on new development opportunities.

Fig. 1 Projected Demographic Growth



Source: Central Statistics Office Ireland, 2016

Fig. 2 Projected Supply Deficit



Left: By 2040, the population of people aged over 65 will almost double, and those over 85 will almost triple.

Above: To cope with the aging population, the number of residential care beds will need to almost double before 2040.

WARNING: The above statistics are for informational purposes only and may have changed since the last census

Investment Strategy

Long term capital growth targeted through:

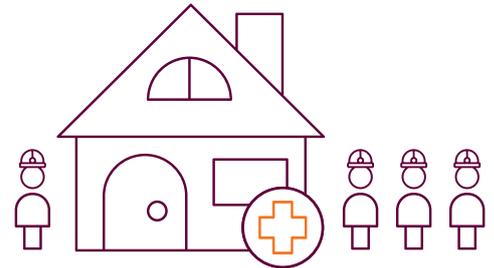


Acquisition

Aperee will target modern residential care facilities with excellent track-records in care delivery. Assets with expansion potential provide opportunities to enhance trading performance.

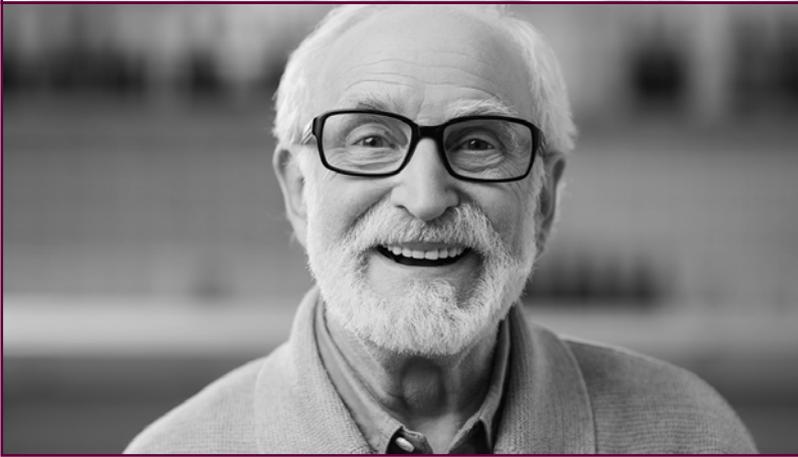
Aperee's state of the art residential care developments on greenfield sites will set new standards within the sector, be located in well populated areas and allow residents to remain connected to family and friends.

Development



Operational Excellence

Aperee's reputation, high standards of facilities and care ethos are core to its strategy. The vertical integration of the operational company within the Fund's investment structure ensures alignment of values.



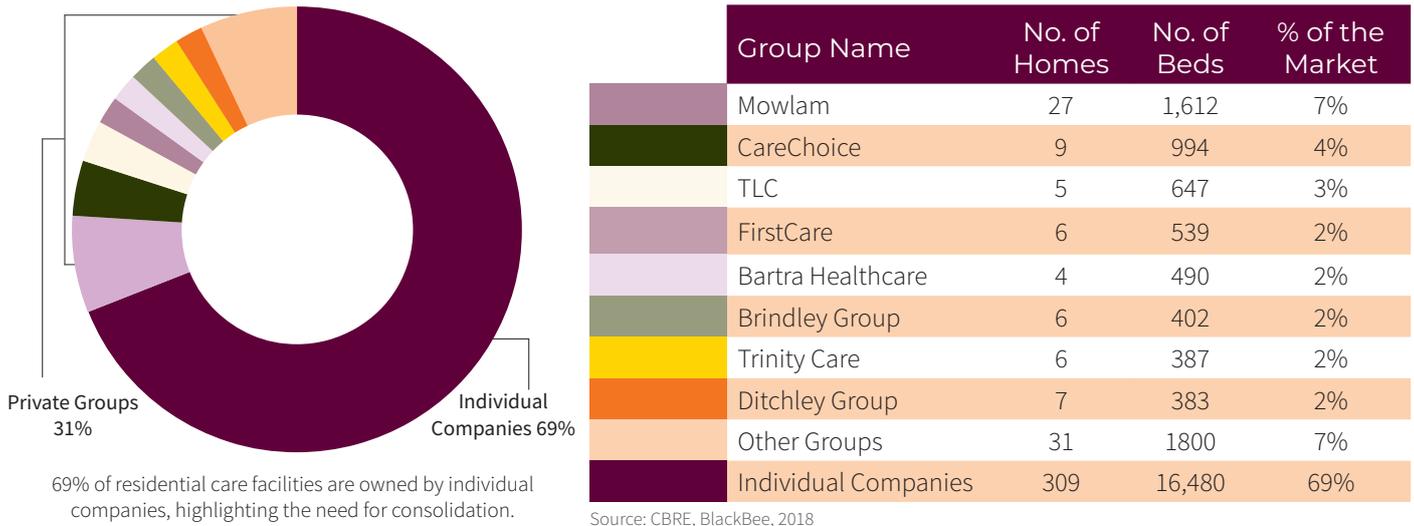
Investment Landscape

A fragmented market

The private residential care sector in Ireland is dominated by small individual owner-operators. Despite the obvious inelastic demand for the provision of residential care and price stability, the sector has only recently begun to consolidate. Referencing current operators and varying strategies, the opportunity for greater consolidation exists. Barriers for consolidation include historical underfunding, lack of long term capital, increasing division between real estate ownership and operators and increased compliance. With appropriate capital, an experienced team, and access to real estate and operating opportunities, the strategy of the BlackBee Healthcare Fund is to provide the platform for Aperee to lead consolidation in the sector.

Private Residential Care Providers

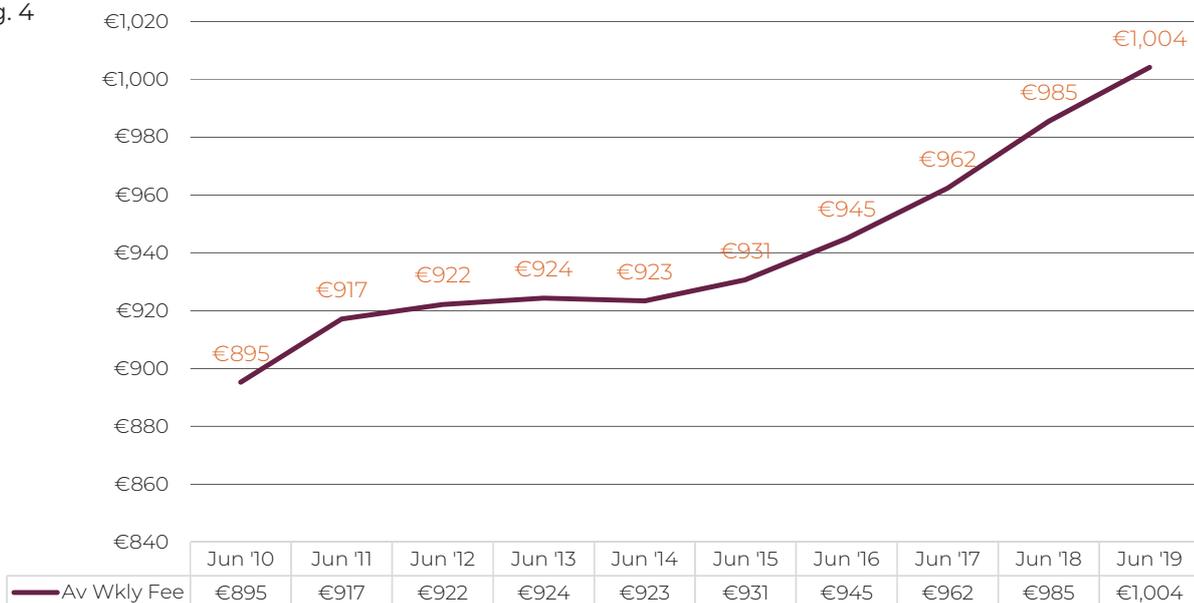
Fig. 3



Average Weekly Nursing Home Rate since 2010

Ireland operates a centralised contracting model for residential care facilities, with explicit government support for private entities delivering public facilities. Transparent inflation linked pricing defines a defensive sector capable of delivering predictable, strong and stable cashflows. It is a fully regulated sector where standards and compliance are established and overseen by HIQA. Yet as standards and compliance obligations increase so too do the barriers to entry and expansion, providing the opportunity for a better calibrated strategy to generate increased market share and deliver value.

Fig. 4

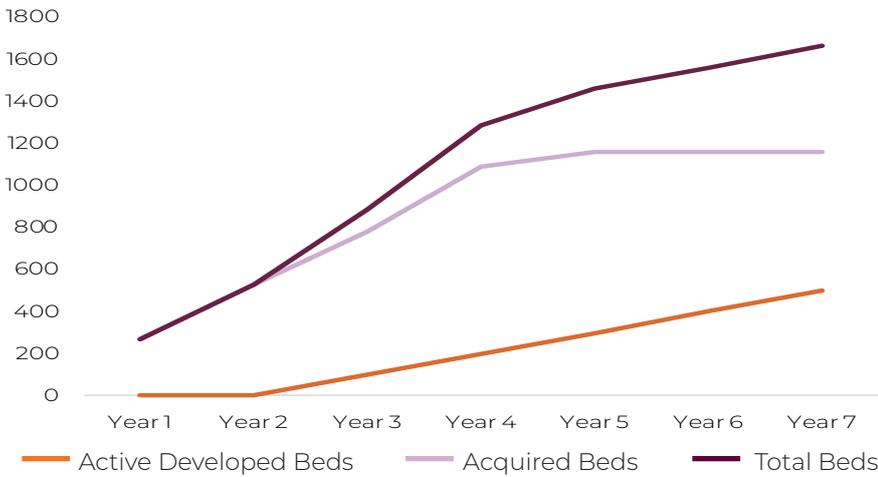


Source: Nursing Homes Ireland, BlackBee, 2019

Projected Financial Overview

Overall Bed Growth

Fig. 5

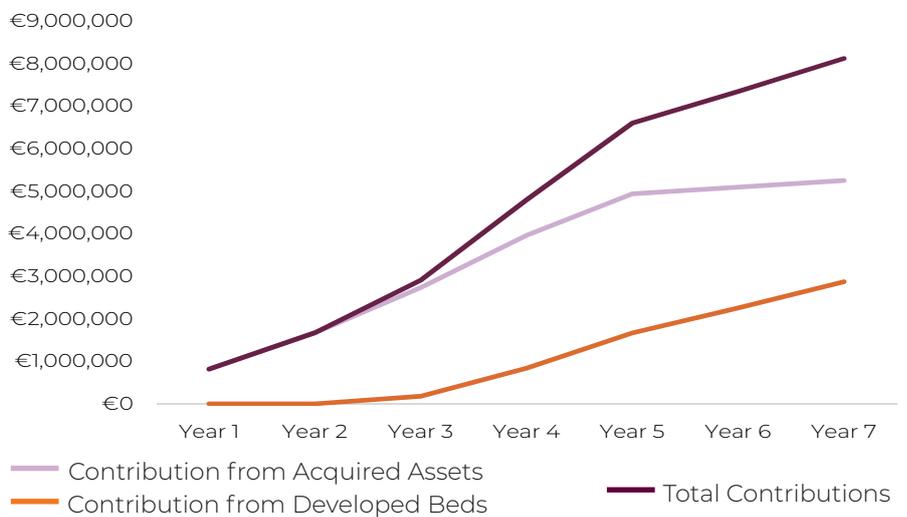


“ The blended strategies of acquisition, development and operational excellence aim to deliver c. 1,600 residential care beds under management within 7 years ”

The blended strategies of acquisition, development and operational excellence aim to deliver c. 1,600 residential care beds under management within 7 years. The mix of acquired and developed care facilities will be carefully managed to ensure the optimum deployment of capital whilst maintaining the target level of returns. Aperee’s aim of achieving operational excellence whilst also delivering efficiencies will ensure it becomes a major stakeholder in the delivery of long-term care facilities in regional Ireland.

Overview of Contribution from Assets

Fig. 6



“ Developed healthcare facilities will generate a heightened level of efficiency, adding to the value of the portfolio of assets. ”

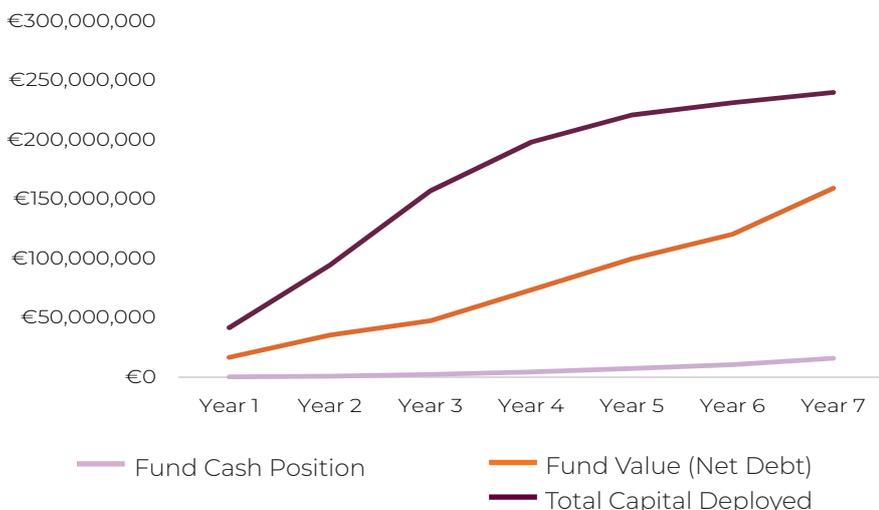
The contribution from the underlying assets is balanced to ensure the strategy of developing high quality assets can be achieved whilst being supported by the portfolio of acquired assets. Aperee will deploy a prudent approach to its development strategy to facilitate timely construction and importantly, the staged occupancy of each healthcare facility, to ensure operational excellence is maintained at all times. The developed healthcare facilities will generate a heightened level of efficiency, adding to the value of the portfolio of assets.

WARNING: These figures are estimates only. They are not a reliable guide to the future performance of the Fund.

Projected Financial Overview

Projected Fund Value (Net Debt)

Fig. 7

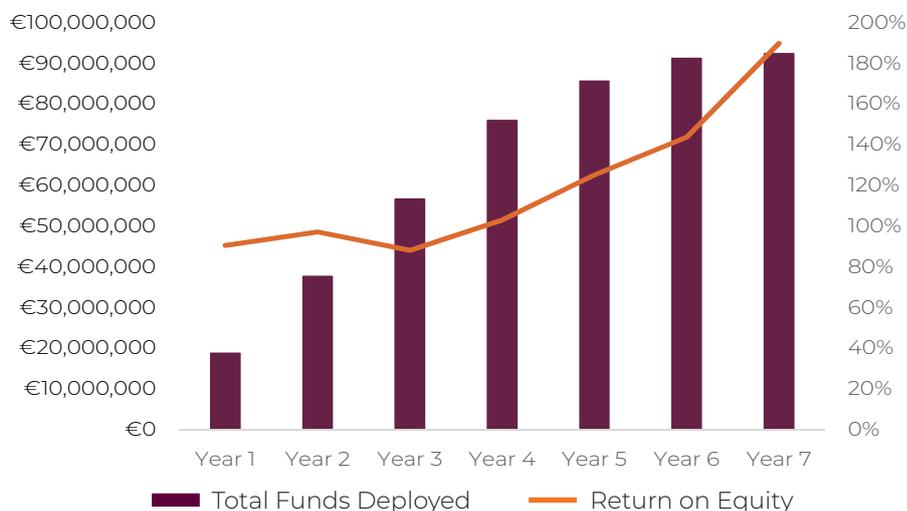


“ The addition of highly efficient developed healthcare facilities has a particularly positive impact on the overall value. ”

The capital stack has been designed to deliver the optimal return from the portfolio. Total leverage of the investment will not exceed 65%, with Aperee utilising where applicable cash generated for redeployment against further growth. The addition of highly efficient developed healthcare facilities has a particularly positive impact on the overall value as the Fund lifecycle matures. The stabilisation of income generated by the developed assets forms an integral part of the portfolio, resulting in the projected fund values, net of debt, as displayed in Fig. 7.

Return on Equity

Fig. 8



“ This deployment, supported by efficient senior debt facilities, is forecast to deliver a levered Fund return of 11% IRR. ”

The deployment of capital will be focused primarily on ensuring an efficient mix of acquired and developed assets. This deployment, supported by efficient senior debt facilities, is forecast to deliver a levered Fund return of 11% IRR. The forecast Fund growth is underpinned by the ongoing development of new healthcare facilities in the portfolio, complimenting the standard of the homes that are acquired. The robust Fund valuation projections will be driven by Aperee’s best in class care ethos in its superior quality portfolio of healthcare facilities.

WARNING: These figures are estimates only. They are not a reliable guide to the future performance of the Fund.

Scenario Analysis & Exit Strategy

Scenario Analysis

The Fund is envisaged to deliver a target IRR of 11% over the investment horizon of 7 years. In order to illustrate the impact of possible movements in the assumptions underlying the financial model, the following key variables used in the financial analysis have been examined to determine the impact on the Investment IRR:

- Multiple of Earnings before Interest Depreciation and Amortisation (EBITDA) at Fund maturity; and
- Level of EBITDA growth annually over the investment horizon.

The sensitivity analysis in Fig. 9 illustrates movements in these key variables which may impact on Fund return:

Fig. 9

		Multiple of EBITDA on Disposal				
		10.00	11.00	12.00	13.00	14.00
Changing in forecast EBITDA growth	-2%	4%	7%	10%	10%	12%
	-1%	4%	8%	10%	10%	12%
	0%	4%	8%	11%	11%	13%
	1%	5%	8%	11%	11%	13%
	2%	5%	8%	11%	11%	13%
	3%	5%	9%	11%	11%	13%
	4%	6%	9%	12%	11%	14%

Example Scenarios based on a €100,000 investment		
Unfavourable Scenario	What investor may get back after costs	€74,220
	Average Annual Return	-4% IRR
Moderate Scenario	What investor may get back after costs	€189,700
	Average Annual Return	11% IRR
Favourable Scenario	What investor may get back after costs	€225,000
	Average Annual Return	14% IRR

Exit Strategy

The Fund objective to establish a leading healthcare enterprise built on the foundation of quality underlying assets may lead to a number of options for capital and investment return at Fund maturity.

Asset Disposal via Institutional Sale or Operator Sale

The Fund may sell its assets to institutional funds, infrastructure funds or residential care operators seeking a stable portfolio of assets. Levels of projected asset value may allow for capital events such as corporate refinance, management buy out (MBO) or merger.

Fund Reorganisation to Evergreen Fund

Institutional Investors may desire to own a direct portfolio of stable income generating assets in a segregated structure from an institutional pooled fund, thus the Fund may be reorganised to capture the future income on an evergreen basis.

Initial Public Offering (IPO)

Given the projected scale and longevity of the underlying assets, an IPO may prove attractive at Fund maturity, dependent on equity market conditions at that time. A publicly traded healthcare Fund underpinned by infrastructure and an embedded operating company may offer a level of diversification attractive to public equity investors.

About Aperee

The Operating Company

Aperee was established by BlackBee in 2019 to operate and manage healthcare assets acquired using capital invested by the BlackBee Healthcare Fund. The Fund will become the majority controlling shareholder in Aperee. BlackBee believes that the vertical integration of the operating company within the investment structure will provide a transparent governance framework, ensuring alignment between the interests of investors and residents.

Aperee is led by Paul Kingston, who has over 20 years' experience in the management of healthcare assets. Paul will be assisted by an experienced team of professionals in Care, Finance & HR as well as an experienced Chairperson, Alf Smiddy.

The key focus of Paul and his team is ensuring that Aperee care standards are sector leading and the central focus of his team's energies will be the quality of life, well-being and happiness of their residents.

Aperee will undertake a blended approach in its acquisition of a portfolio of both established "brownfield" assets as well as development "greenfield" assets. Established assets will prove attractive where we see possibilities for organic growth or other efficiencies, including in the operational management of such facilities. Greenfield developments will be undertaken where state of the art facilities are in short-supply and where growing and aging populations seek local solutions.

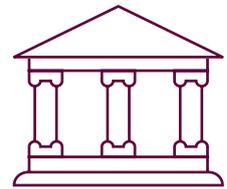
The Art of Living



Local Community integration
– community groups, schools,
young & old together



Developing high quality future
proofed residential care facilities



Working closely with all
relevant state bodies

Aperee's Strategic Advantage

Experienced Management Team

- Extensive experience in acquisition and disposal strategies
- Delivered first Group Key Performance Indicator (KPI) system in Ireland
- Strong background of working with the regulators

Digitisation Focus

- Planned rollout of digital supports to:
- Maximise the patient care experience
 - Reduce administrative burden
 - Enhance management information reporting
 - Facilitate doctor/pharmacy/home links and real time information sharing

Skills-based approach

Market leading training and development plans to support recruitment and retention strategies

Demographics-based pipeline

Acquisition and development pipelines based around urban areas with increasing demand



Aperee's Acquisition & Development Strategy

Acquisition Strategy

A pipeline of residential care facilities have been identified for acquisition in the next 6-12 months as outlined in Fig. 10 below. The acquisition strategy targets quality existing facilities that meet defined criteria in terms of being:

- in regional locations;
- geographically in close proximity to an area of high demographic demand;
- high quality;
- at or near capacity, based on their confirmed occupancy statistics;
- well equipped, with a minimum of 80% of beds in single ensuite rooms; and
- have the capacity to expand within the existing facility.

Fig. 10

	Region	No. of Beds	Price (incl. Acquisition Costs)	EBITDA Multiple	Occupancy %
1	Munster	60+ Ensuite with potential to expand to 90	c. €9m	8.5	98%
2	Munster	60+ Ensuite with potential to expand to 80+	c. €7m	9	98%
3	Munster	65+ Ensuite with potential to expand to 90	c. €8m	9.25	98%
4	Munster	50+ Ensuite with potential to expand to 75+	c. €8m	9.25	97%
5	South Leinster	75+ Ensuite	c. €10m	9.5	97%
6	South Leinster	50+ Ensuite with potential to expand to 65+	c. €7m	10	98%
7	Munster	55+ Ensuite with potential to expand to 70+	c. €7m	9.5	96%
8	Munster	75+ Ensuite	c. €10m	9.5	98%
9	Munster	60+ Ensuite with potential to expand to 75+	c. €8m	9.5	98%

Development Strategy

A pipeline of development sites have been identified as outlined in Fig.11 below. The development strategy targets sites that meet the criteria defined below:

- located in an urban area; and
- well connected through public transport links.

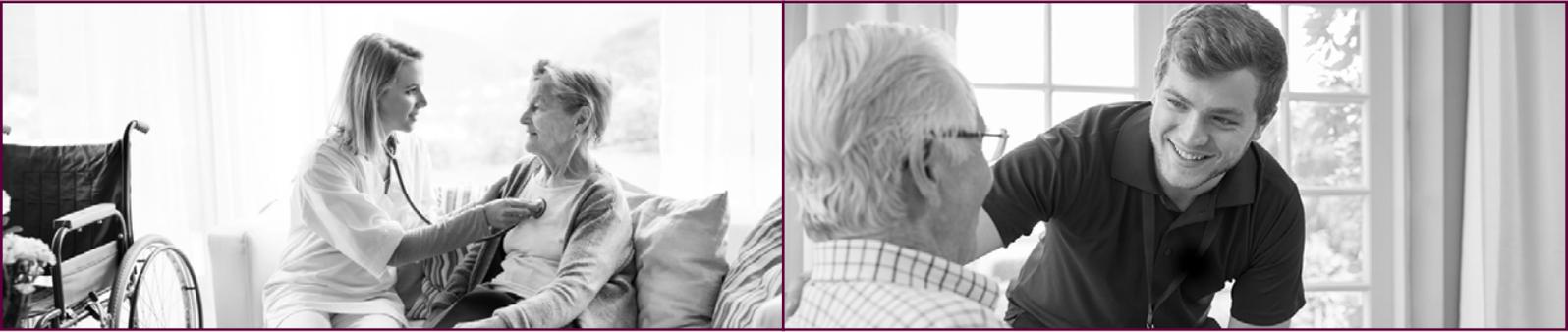
Fig. 11

	Region	Site Size	Planning Status	Site Cost
1	Munster	5.8 Acres	Subject to Planning	c. €2m
2	Munster	8 Acres	Subject to Planning - Planning Application Submitted	c. €2m
3	Munster	4 Acres	Subject to Planning	c. €1m
4	Munster	4.5 Acres	Subject to Planning	c. €2m
5	Munster	7 Acres	Subject to Planning	c. €2m
6	Munster	3.5 Acres	Subject to Planning	c. €2m
7	Munster	4 Acres	Subject to Planning	c. €2m
8	Munster	4.5 Acres	Subject to Planning	c. €2m



Aperee's Recruitment Strategy

Addressing the recruitment challenge



Aperee's leadership team have significant experience implementing successful recruitment and retention strategies in the health care sector. Utilising this experience and their considerable international connections, the team are targeting the recruitment of high-calibre national and international employees directly in order to minimise agency costs.

In a highly fragmented industry, Aperee's clearly articulated goals, growth ambitions and vision for the future can attract and retain high calibre employees seeking a long-term and fulfilling career in the industry.

In order to successfully execute its recruitment and retention policies whilst also aiming for operational excellence and the generation of efficiencies, Aperee's strategy will be deployed based on its key pillars outlined below:

Dedicated Recruitment Team

- Experienced industry professionals with ability to recruit best talent and manage relationships with multi-jurisdictional agencies

Established Recruitment Agencies

- Leverage established recruitment agencies in EU and non-EEA jurisdictions
- Annual recruitment drives plus enhanced local recruitment activities

Recruitment & Retention

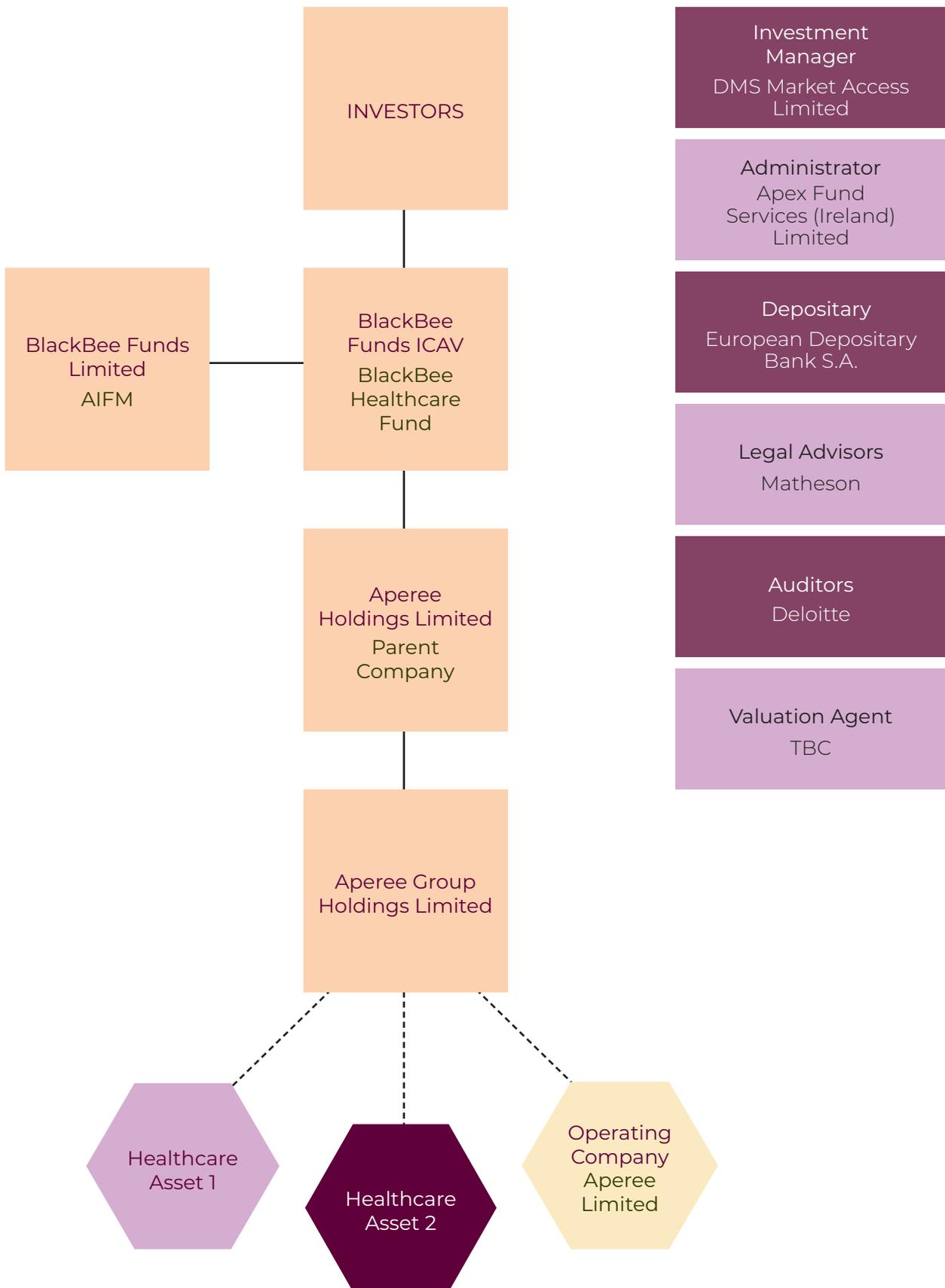
- Manage strategic relationships with colleges and other third level education institutions
- Deploy innovative and timely advertising to maximise impact of recruitment initiatives
- Active monitoring of turnover rates
- Implement cost effective retention initiatives
- Pipeline of resources for key areas for periods extending to 12 months, e.g. nurses
- Panels for each category of employee at each residential care facility, managing planned and unplanned absences

Agency Staff

- Considered only as a last resort if shortages arise and where resident safety is at risk

BlackBee Healthcare Fund Investment Structure

Anticipated Fund structure - may be subject to change



This is an illustration of the anticipated Fund structure. This may be subject to change as the Fund progresses.

Key Management Team



David O'Shea
Founder & CEO
BlackBee

David is responsible for the overall management of BlackBee. He has spent the last 20 years working as a trader and portfolio manager, developing knowledge and expertise in the asset management industry in Ireland, Italy and Switzerland. David's experience covers bond, equity, currency and alternative investments. He brings a proven track record of managing a wide array of investment products and success in developing investment portfolios for clients. David holds a Masters Degree in Economics and Finance.



Paul Kingston
CEO
Aperee

Paul manages the operation of the Fund's healthcare assets. He brings a wealth of operational and residential care sector experience to the Fund. As CEO of an Irish residential care group, he grew the company to over 700 beds and 900+ employees. He led a number of acquisitions and disposals in the sector and has been involved in c. €150m+ of transactions in the last 5 years. He is a Chartered Accountant and held Financial Controller roles prior to purchasing his first residential care home in 1997.



Brendan Moran
Investments Director
BlackBee

Brendan's role is focused on developing the Real Asset investment pillars for BlackBee. Brendan has gained over 15 years of experience in lending and corporate finance positions, with a background in structuring transactions across the capital stack ranging from senior debt in large corporates to innovative structures for trading and commercial property ventures. Brendan holds a degree in Computer Science, is a qualified Management Accountant (ACMA CGMA), and holds an MBA (International Business).



Hazel O'Connor
CFO
Aperee

Hazel is responsible for the financial management of Aperee. She has over ten years experience and a wealth of knowledge in the residential care sector, having worked in management and financial roles. She was an integral part of the growth of a large residential care group in Ireland, and has taken the financial lead on a number of acquisitions and disposals in the sector, being involved in €150m+ in transactions. Hazel has a degree in Applied Psychology, a HDip in Business and Financial IT and is a Chartered Accountant.



Alf Smiddy
Chairperson of the Board
Aperee

Alf is Aperee's Board Chairperson. Alf has worked as Chairman, Executive and Non-Executive Director, Business Advisor and Consultant for organisations across a range of sectors (private and public) including hotel & hospitality, financial services, marketing & digital technology, retail, research & education, agriculture & food, engineering and local government. He also spent time working in leadership positions in multi-national hospitality and consumer goods businesses internationally.



Theresa Connolly
Head of HR
Aperee

Theresa manages Aperee's recruitment strategy. She brings over 30 years of HR experience at a senior level in private, voluntary and public companies including the management of a HR team across a multi-site nursing home group. Theresa holds a degree in Industrial Relations and Personnel Management and an MA in Women's Studies amongst other qualifications. Theresa is currently a PhD candidate and is researching Irish workplaces and the conditions that enable optimum performance.

Fund Summary Terms

Term	Description
The Fund	Means BlackBee Healthcare Fund ("The Fund"), a sub-fund of the ICAV
The ICAV	Means BlackBee Funds ICAV, an umbrella Fund with segregated liability between sub-funds which is an Irish collective asset management vehicle authorised by the Central Bank of Ireland pursuant to the Irish Collective Asset Management Vehicles Act 2015
QIAIF	Means a Qualifying Investor Alternative Investment Fund
Investment Manager	DMS Market Access Limited, as appointed in accordance with the requirements of the Central Bank Regulations as set out in the Prospectus
Depository	European Depository Bank S.A. and its successors, assignors and transferees to provide role of monitoring and verifying the Fund's cash flows, and safekeeping of the Fund's assets
Administrator	Apex Fund Services (Ireland) Limited and its successors, assignors and transferees to provide role of administration services to the Fund
Marketing Distributor	BlackBee Investments Limited and its successors, assignors and transferees to provide the role of marketing distributor to the Fund
Auditors	Deloitte
Legal Advisors	Matheson
Valuation Agent	TBC
Appointed Financial Advisor	Means the financial advisor firm that gives intending investors investment advice in relation to the investment. Appointed Financial Advisors can receive up to 3% upfront commission The Appointed Financial Advisor should also be regulated by the Central Bank of Ireland
Appointed Introducer/Advisor	Means an introducer/advisor firm that provides the Fund with debt and capital advisory and other related services
Prospectus/ Supplement	Describes the Fund's Strategy, the Fund Fee Structure & the Managers background
Investment Memorandum	Means this marketing document which states the objectives and selected risks
You/ Your/ Investor	Means the person(s) (natural or corporate) investing in accordance with the Terms & Conditions as set out in the Prospectus
Investment Management Fee	An annual fee of up to 1% of the Net Asset Value ("NAV") of the Fund, subject to a minimum fee of €45,000, is payable to the Investment Manager. The Investment Manager is also entitled to its reasonable out-of-pocket expenses out of the assets of the Fund
Depository Fee	The annual fee of the Depository is up to 0.03% of the Net Asset Value of the Fund, subject to a minimum quarterly fee of €10,000, as well as a transaction fee for each transaction conducted. The Depository is also entitled to its reasonable out-of-pocket expenses out of the assets of the Fund
Administrator Fee	The annual fee of the Administrator is 0.02% of the Net Asset Value of the Fund, subject to a minimum annual fee of €25,000, as well as a transaction fee for each transaction conducted and a fee for preparation of the Fund's Financial Statements. The Administrator is also entitled to its reasonable out-of-pocket expenses out of the assets of the Fund
Performance Fee	A performance fee may be payable to the Investment Manager subject to the Fund achieving its performance targets, as outlined in the Supplement. These fees are embedded within the Fund structure and do not represent an additional charge to the investor.
Establishment Expenses	All fees and expenses up to €3,000,000 in relation to the establishment and organisation of the Fund. The funds will be taken out of the assets of the Fund. This is used for, but not limited to, structuring and marketing of the Fund
Preliminary Charge	A preliminary charge may apply up to a maximum of 5% of the Net Asset Value of the shares in the Fund
Alternative Investment Fund Manager ('AIFM') Fee	The annual fee of the AIFM is up to 1% of the Net Asset Value of the Fund, as well as fees charged in relation to maintaining appropriate compliance in the Fund. The AIFM is also entitled to its reasonable out-of-pocket expenses out of the assets of the Fund
Aperee Holdings Limited	The majority shareholder of Aperee Holdings Ltd will be the Fund. The Fund will subscribe for both shares and debt securities issued by Aperee Holdings Limited
Aperee Group Holdings Limited	Aperee Group Holdings, and its board of directors, will manage and administer all the activities of the Business. Aperee Holdings Limited will subscribe for both shares and debt securities issued by Aperee Group Holdings Ltd

Fund Mechanics

Investment Objective

The investment objective of the Fund is to generate long-term capital growth for investors by investing in high-quality healthcare assets in Ireland.

Investment Policy

The Fund seeks to achieve its objective by investing primarily in healthcare assets, which meet the Structural and Operational Criteria, as defined in the Supplement. These assets are residential care facilities in the Irish long-term care sector as well as the operating companies that manage them. The assets may be trading entities or development sites that have the potential to be developed into trading entities.

The Fund achieves its exposure to healthcare assets through equity and debt securities issued by Aperee Holdings Limited, which oversees the acquisition, disposal and management of healthcare assets.

The Fund may also invest in securities on other healthcare and liquid assets, as well as cash and cash equivalents.

Key Information about Share Classes

Class	C
Type of Unit	Accumulation
Current Availability	Yes
Minimum Investment	EUR 100,000
Preliminary Charge	Up to 5.00%
Annual Management Charge	2.50%*

*Based on a Fund size value of €60 million

Information about Dealing, Valuation and Account Dates

Initial Offer Period Close date	1:00pm (Irish time GMT) on 30 June 2020 or such other date as the Directors may determine in accordance with the requirements of the Central Bank of Ireland
Deadline for subscriptions	1:00pm (Irish time GMT) on 16 June 2020 or such other date as the Directors may determine
Valuation day	Initial value date of 30 June 2020. Subsequent value date of 31 December 2020 and annually thereafter
Annual accounting date	31 December annually

Risks & Important Information

Warning: Below is a list of key risk factors prospective Investors should review and give appropriate consideration to prior to committing to making a decision to invest in this Sub-Fund (BlackBee Healthcare Fund, “the Fund”). These risks have been deemed to be (a) the most material in terms of impact for the Investor in the event that the risk transpires and may result in Investor losses and (b) the most probable to occur over the life of the investment Sub-Fund. You should consult an advisor about the risks that apply in your particular circumstances.

The below represents an indicative summary and should not be considered by prospective Investors as an exhaustive list of risk factors to which the Fund may be exposed. Investors should recognise that additional risks which are not listed below may emerge after an investment is made. Additional detail and information on potential associated risks and specific characteristics of the Fund are contained in the accompanying Prospectus and Supplement documentation. Investors should recognise that by committing to an investment in BlackBee Healthcare Fund Investors are assumed to have read and acknowledged the existence of all risks contained in this Investment Memorandum as well as the accompanying Prospectus and Supplement documents and therefore waive any right to potential claims arising as a result of the materialisation of any such risks which may result in Investors losing part or all of their invested amount. Prior to investing, advice should be sought where needed from relevant professional financial advisors.

Development Risk

The Fund will invest, primarily through Aperee, in healthcare assets in the form of residential care facilities in the Irish long-term care sector. Assets will be required to meet or be capable of meeting specified criteria depending on whether it is a Trading Entity, an Operating Entity or a Development Site. Associated costs incurred during the execution of the acquisition strategy (applicable for the purchase of Trading Entities and Operating Entities) or the development strategy (applicable for the purchase of Development Sites) will include inter alia, operational costs to ensure that all assets have the relevant licences, registrations and permissions required to grow organically or develop and expand further as well as underlying construction costs. Additionally, costs will be incurred during the acquisition or development phases to ensure inter alia, that all assets fully comply with relevant laws and regulations and to ensure that legal and financial due diligence is completed to a satisfactory level. Where higher than expected costs are incurred throughout the strategy acquisition and development phases this will likely negatively impact the Net Asset Value of the Fund resulting in the generation of lower than expected investment returns.

Investment Risk

There can be no guarantee or assurance of any specific return on the amount of capital invested with investment in the Fund. The investment is suitable only for sophisticated Investors who fully understand the nature of the underlying risks of their investment and have an associated risk tolerance. The ability to realise a positive return is dependent on numerous factors including inter alia, the length of the investment duration, market conditions, including the ability of the Fund to buy and sell in a timely manner at a price which generates positive returns, as well as the market appetite for the underlying assets.

Irrespective of the share class purchased by Investors, assets are not allocated to different share classes with all underlying assets of the Fund available to absorb all liabilities which may materialise.

Valuation Risk

The underlying assets of the Fund represent primarily assets in a sector deemed to be highly illiquid and ‘hard to value’ and for which an active market does not exist to facilitate the availability of readily available inputs to determine reliable estimates of valuations. This may lead to differences in the asset valuations estimated by the AIFM (calculated on predetermined Valuation Days) and the actual asset value realised on disposal/sale. This may negatively impact the NAV of the Fund and generated Investor returns realised.

Certain conflicts of interest may arise when, for example, specific valuation services are outsourced to third parties or valuations undertaken by the AIFM impact the level of compensation received and/or where discretion is applied in the valuation process by the AIFM. Such conflicts may negatively impact investments in the Fund and resulting investment returns realised while positively impacting the AIFM, other BlackBee entities and/or third party service providers.

Liquidity Risk

Investment in this Fund requires a long term commitment with no option for shareholders to redeem their investment outside the prescribed redemption terms (with Dealing Days declared by the Directors) in the Prospectus and Supplement. Therefore, this investment is deemed to be illiquid, with Investors having no access to their funds for the full duration of the investment.

Strategic Execution Risk

The achievement of the investment objectives is dependent on a number of key external and internal factors including inter alia, the availability and supply of appropriate investment opportunities and healthcare assets in which to invest in Ireland, the price and condition of assets acquired, as well as the selling price of assets realised, associated Fund costs which may be higher than expected and the extent of competition the Fund faces to acquire assets and any other unexpected factors. These may adversely impact the value generated by the Fund and in turn Investor returns.

Concentration Risk

The objective of the Fund is to invest in assets in the healthcare sector in Ireland and subsequently sell in a timely manner. This therefore presents a significant concentration in terms of both sectoral and country risk, with the Fund therefore exposed to developments and trends in the healthcare sector as well as wider economic developments and performance. Additionally, the number of investment positions established by the Fund may be limited in terms of diversification of underlying assets with returns potentially dependent on the performance of one investment position which may adversely affect Investor returns in the event of worse than expected asset performance.

Macroeconomic Risk

The return achieved by the Fund and ultimately returned to Investors is interconnected with expected economic conditions prevailing over the life of the investment. Changes in for example, the prevailing interest rate environment and inflation levels may result in higher than expected operating expenses and investment costs which may adversely impact the final return to the Investor. Worse than expected macroeconomic conditions could also lead to higher than expected borrowing costs if needed at a future date while developments in property prices will affect the price at which healthcare assets are ultimately acquired and sold at.

Equity Risk

The value of equity investments in the Fund (directly or indirectly through Aperee) may be subject to levels of volatility and uncertainty as a result of factors including but not limited to, management performance, financial leverage as well as reduced demand for the services offered by the healthcare assets in addition to unexpected and/or changes in operating costs. Volatility may also arise due to the specific nature of equity investments and their subordinate positioning in the capital structure of the issuer.

Additionally, some equity Investors may have substantial controlling rights in the Fund whose interests may not be fully aligned to the interests of other Investor shareholders. This may lead to sub-optimal returns being generated for shareholders.

Taxation Risk

Any change in the tax status of the Fund, or in accounting standards, or in taxation legislation or the taxation regime, or in the interpretation of taxation legislation applicable to companies comprised in the portfolio or the Fund, could affect the value of the investments held by the Fund, its ability to achieve its stated objective and the Fund's ability to provide distributions to shareholders. It is possible that any legislative changes may have retrospective effect.

Political and Regulatory Risk

Changes in government policy or legislation at the Irish and/or European level may lead to increased regulatory demands on the healthcare sector which may lead to higher than expected costs, which may adversely impact the valuation of the Fund and in turn the investment return generated. Failure of Aperee to comply with current and/or future regulatory and legal requirements may result in the imposition of fines/claims which may adversely impact the financial position of the company as a result of increased costs and result in damage to the company brand and capital position.

Additionally, the Fund could be adversely impacted due to a reduction in current government support for the provision of healthcare services including nursing homes.

Company Risk

Aperee is a newly established business with no operating history or revenues from which Investors can assess and evaluate past investment objectives and the associated investment returns realised. Moreover, the past performance of investments managed and monitored by the Investment Manager is not considered to be a reliable indicator of future investment performance for this Fund and should not be taken for the basis of such.

Risk Relating to Borrowings

At the time of publication of the Supplement and accompanying documentation, Aperee does not have any borrowings. In the event that this changes and the Aperee seeks leverage in the future, this presents an indirect default risk for the Fund, dependent on the Aperee (as well as any underlying healthcare assets) fully servicing, on an ongoing basis, its outstanding debt commitments.

Warning: Please read the full Prospectus and Supplement. Terms not defined herein have the same meaning as they do in the Prospectus

Warning: This Investment Memorandum should not be construed as investment, financial, strategic, legal, regulatory or tax advice. It does not take into consideration the particular investment objectives, financial situation or needs of individual investors. Accordingly, Prospective Investors should consider whether the investment is suitable for their particular circumstances and should consult with their Financial Advisor before investing.

Conflicts of Interest

Conflicts of Interest occur when a person (or entity) has a clash of interests. This might be a personal vested interest e.g. relationships or knowledge. This conflict can raise a question as to whether the person (or entity) involved can remain unbiased and continue to fulfill any relevant professional duties or responsibilities they might have. Conflicts can arise between multiple parties e.g. between investors; or between investors and a fund.

It is not always possible or even desirable to prevent conflicts from arising however conflicts need to be managed carefully. The ultimate aim of conflict management is to ensure that investors are not prejudiced or treated unfairly in any way.

Managing Conflicts

BlackBee is committed to maintaining the highest standards of conduct in all aspects of our activity and conducts its business in a way which is fair and professional in accordance with the best interests of its investors.

BlackBee's Conflict of Interest Policies are aligned to regulatory requirements and best practice as advised by the Central Bank of Ireland. Conflicts of Interest are always managed in the best interest of investors.

Conflict situations could potentially be present in a wide range of activities undertaken by BlackBee.

BlackBee has a robust framework in place to identify and manage any conflicts of interest which might arise such as:

- An Internal Compliance and Legal function are in place to provide oversight of potential conflicts of interest;
- Conflicts identified are reported to the relevant internal committees;
- Potential conflicts are reported to the Board of Directors of the ICAV and AIFM, as relevant;
- Any potential conflicts of interest arising as a result of Directors holding multiple board positions are overseen by the Company Secretary and control functions within BlackBee;
- Policies and procedures are in place to prevent conflicts of interest arising where possible. These are reviewed annually and approved by the Board of Directors, as relevant.

Warnings & Disclaimers

Prospective investors should not rely on this Information Memorandum in making a decision to invest and must refer to the Prospectus and Supplement.

This Information Memorandum has been prepared and issued by BlackBee for use solely by those parties who have expressed an interest in the BlackBee Healthcare Fund for the purpose of providing certain information about the Funds. It is not investment advice and should only be considered a marketing communication.

A prospective investor must refer to the Prospectus and Supplement prior to making any decision to invest. This Information Memorandum does not take into account the investment objectives or financial situation of a proposed investor. It is recommended that independent professional advice is taken prior to making an investment decision on the basis of your own objectives and experience.

Whilst Blackbee has used reasonable efforts to ensure that the information contained within this Information Memorandum is current, accurate and complete at the date of publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. BlackBee therefore cannot be held liable for any loss or damages arising directly or indirectly from the use of, or any action taken in reliance on, any information appearing in this Information Memorandum. BlackBee reserves the right to make changes to the proposed structure within this Information Memorandum.

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Warning: Investors are advised to take independent tax advice.

Warning: If you invest in this Product you may lose some or all of the money you invest.

Warning: Past performance is not a reliable guide to future performance.

Warning: These figures are estimates only. They are not a reliable guide to the future performance of the Investment.

Warning: The data is correct on the date of publishing and can change without warning.

Warning: There are other factors that you should consider. The descriptions above are not a complete list of considerations and therefore should be read as a general guidance on assisting you to decide if the Investment is right for you. For more information, please contact your Financial Advisor.

Warning: This Document should not be construed as investment, financial, strategic, legal, regulatory, accounting or tax advice. It does not take into account the particular Investment objectives, financial situation or needs of individual Investors. Accordingly, Investors should consider whether the Investment is suitable for their particular circumstances and should consult with their Financial Advisor before investing.

Warning: Investors should not invest in this Product without having sufficient knowledge, experience, a detailed understanding of the risks involved and professional advice from your Financial Advisor.

Warning: Some or all of the terms outlined in this Document are indicative and may be subject to change.



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**BlackBee Funds Limited is registered with the Central Bank of Ireland as an AIFM.
Registered in Ireland Number: 619943 BlackBee Funds Limited is part of the BlackBee Group.**

**BlackBee Funds ICAV, an Irish Collective Asset-Management Vehicle constituted as an umbrella fund with segregated liability
between Sub-Funds pursuant to the Irish Collective Asset-Management Vehicles Act 2015 and the AIFMD Regulations.**