

Key Information Document

Purpose

This document provides you with key 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

Name of Product: **Limited partnership interest as a “F&F Investor” in Grazia Impact III GmbH & Co. KG (the “Fund”)**

Name of Manufacturer: Grazia Capital Management GmbH, the Fund’s managing limited partner and appointed external alternative investment fund manager (the “AIFM”).

Website: <https://grazia.com/en>

Call +49 711 90 710 90 for more information.

Competent Authority: The competent authority for the Manufacturer in relation to this Key Information Document is the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin).

Date of production of the Key Information Document: 10/28/2022.

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

What is this product?

Type:

Limited partnership interest as a “F&F Investor” in the Fund, a closed-ended private equity fund in form of a German limited partnership (*Kommanditgesellschaft, GmbH & Co. KG*).

Objectives:

Long-term capital appreciation through the Fund’s investments in equity and equity-related investments in companies, especially young, innovative and technology-oriented companies (start-ups) (the „**Portfolio Companies**“). The Fund return is, among other factors, dependent on whether the AIFM succeeds in seeking out and acquiring suitable Portfolio Companies for the Fund, on whether such Portfolio Companies can be sold with profit after a mid- to long-term holding period and on the development of the Portfolio Companies in which the Fund invests. The investors receive distributions from the Fund only if the Fund obtains liquid proceeds from its investments, provided that such proceeds are not reduced or exhausted by reinvestments, costs, or remuneration for the AIFM or carried interest of Grazia Carry III GmbH & Co. KG. Fund return is calculated based on the internal rate of return (IRR)ⁱⁱ. The Fund promotes environmental and/or social characteristics (see Article 8 of Regulation (EU) 2019/2088 of 27 November 2019 (“SFDR”)), but does not have sustainable investments as its objective (Article 9 SFDR).

Intended retail investor:

Semiprofessional investors within the meaning of the German Capital Investment Act (*Kapitalanlagegesetzbuch – KAGB*), who are able to sustain total loss of the investment, willing to commit to a long-term investment, and have sufficient experience with private equity funds.

Term of the PRIIP:

The required minimum holding period is generally 12 years from the Fund’s first closing, plus a possible extension of the term of the Fund by up to two two-year periods and the duration of the liquidation of the Fund; provided that the Fund is not terminated earlier.ⁱ The investor is not entitled to unilaterally withdraw from or give notice to the Fund except for good cause. The Fund has no maturity date, the AIFM is not entitled to terminate the Fund unilaterally and an automatic possibility to give notice does not exist. Disposition of interest in the Fund and termination of the Fund prior to the expiry of its term is only possible in those cases expressly provided for in the Fund’s limited partnership agreement.ⁱ

What are the risks and what could I get in return?

Risk Indicator



The risk indicator assumes you keep the product for 12 years after the first closing of the Fund.ⁱ The actual risk can vary significantly if you cash inⁱ at an early stage and you may get back less. You may not be able to cash in early. You may have to pay significant extra costs to cash in early.

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 our capacity to pay you. The risk indicator does not take into account that key persons might withdraw from the AIFM and that other investors’ default might affect the Fund’s diversification. This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment.

Performance Scenarios

Investment EUR 10,000 ⁱⁱ Scenarios		1 year ⁱ	6 years ⁱ	12 years ⁱ (required minimum holding period)
Stress scenario	What you might get back after costs Average return each year	EUR 7.354 -26,46 %	EUR 6.234 -7,57 %	EUR 6.502 -3,52 %
Unfavourable scenario	What you might get back after costs Average return each year	EUR 7.736 -22,64 %	EUR 11.135 1,81 %	EUR 12.279 1,72 %
Moderate scenario	What you might get back after costs Average return each year	EUR 9.034 -9,66 %	EUR 15.617 7,71 %	EUR 25.428 8,08 %
Favourable scenario	What you might get back after costs Average return each year	EUR 9.874 -1,26 %	EUR 17.958 10,24 %	EUR 32.899 10,43 %

This table shows the money you could get back over the next 12 years under different scenarios,ⁱ assuming that you invest EUR 10,000ⁱⁱ. 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 variesⁱⁱⁱ, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the 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. Your maximum loss would be that you will lose all your investment. This product cannot be easily cashed in. This means it is difficult to estimate how much you would get back if you cash in before the end of the required minimum holding period^d. 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 the AIFM is unable to pay out?

The Fund's assets are legally separated from the AIFM's. A default of the AIFM (particularly due to insolvency) will not lead directly to a financial loss for you as an investor. But the Fund itself may fail to make payments (particularly due to insolvency). In this case, the AIFM will be unable to make payments on account of the Fund and, thus, you may face a financial loss. So your contributions will not be repaid. Beyond that, there is no compensation or guarantee scheme. No guarantee as to future performance of or future returns from the Fund can be given.

What are the costs?

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, for three different holding periods.¹ They include potential early exit penalties. The figures assume you invest EUR 10,000ⁱⁱ. The figures are estimates and may change in the future.

Costs over time

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.

Investment EUR 10,000ⁱⁱ

Scenarios	If you cash in after 1 year ^{Error! Bookmark not defined.}	If you cash in after 6 years ^{Error! Bookmark not defined.}	If you cash in after 12 years ^{Error! Bookmark not defined.} (required minimum holding period)
Total costs	EUR 73	EUR 127	EUR 178
Impact on return (RIY) per year	-0,73 %	-0,15 %	-0,06 %

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;
- the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs ^{iv}	Entry costs	-0,02 %	The impact of the costs you pay when entering your investment.
	Exit costs	0 %	The impact of the costs of exiting your investment when it matures. ¹
Ongoing costs ^{iv}	Portfolio transaction costs	-0,02 %	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	-0,03 %	The impact of the costs that we take each year for managing your investments and the costs presented in Section II.
Incidental costs ^{iv}	Performance fees	0 %	The impact of the performance fee.
	Carried interests	0 %	The impact of carried interests we will pay to Grazia Carry III GmbH & Co. KG if "Full Pay-Out" within the meaning of the Fund's limited partnership agreement will be achieved.

How long should I hold it and can I take money out early?

Required minimum holding period | 12 years from the Fund's first closing

The required minimum holding period is 12 years from the Fund's first closing which is the Fund's regular term. The Fund's regular term might be subject to extension up to two two-year periods. The Fund is only fully terminated after the end of its liquidation phase, which follows the end of the Fund's term. The Fund may only exceptionally be terminated prior to the end of its term pursuant to the Fund's limited partnership agreement. A transfer of limited partnership interest will require the prior written consent of the AIFM. There exists no liquid market for limited partnership interest in the Fund, so that you might not be able to find a buyer or receive a purchase price less than the capital drawn and paid up. As consumer you have a right of revocation with regard to your limited partnership interest. Please refer to the consumer revocation instruction in the subscription booklet. You may not give notice to and withdraw from the Fund except where this is permitted under mandatory law for extraordinary reasons. As a consequence, you may not be permitted to disinvest and cash in prior to the end of the Fund's liquidation phase.

How can I complain?

Please direct any complaints about the product and conduct of the AIFM or the person selling you or advising you about this product in writing or in text form to:

- the AIFM to Falkertstraße 10, 70176 Stuttgart (Germany); investors@grazia.com; <https://grazia.com/en>; and/or
- the BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht, Graurheindorfer Straße 108, 53117 Bonn; E-Mail: poststelle@bafin.de; internet: <https://www.bafin.de>).

Other relevant information

For further information please consult the following Fund documents which we provide upon request: the limited partnership agreement, the additional information memorandum and the subscription booklet together with any annexes thereto. Further information on the fund's promoted environmental and/or social characteristics can be found in the additional information memorandum.

- i The scenarios presented in this Key Information Document are mandatory due to legal requirements. Please note that the Fund is a closed-ended Alternative Investment Fund (AIF). This means that notice and termination of your interest in the Fund or a return of such interest (also referred to as "exit" or "cash in") is possible only in those cases mandatorily required by law. A transfer of the Fund's limited partnership interest will require the prior written consent of the AIFM. Usually, this implies that your interest in the Fund will only end after liquidation of the Fund is completed (full termination), i.e. not before the end of a period of 12 years. Where this Key Information Document contains calculations for the early termination or cash-in of interest in the Fund (i.e. notice or return) prior to full termination of the Fund, these are purely hypothetical scenarios.
- ii The assumed investment of EUR 10,000 in this Key Information Document is a purely hypothetical figure only for calculatory purposes; such figure does not alter the minimum capital commitment of EUR 200,000. The calculation of the return is based on the internal rate of return method (IRR). The calculation of the return is based on the assumption that the hypothetical capital commitment of EUR 10,000 is bound in the product from the Fund's first closing to the expiry of the respective period. The performance scenarios are based on estimates of the AIFM. Actual performance may differ from these estimates.
- iii This half-sentence is mandatory due to legal requirements. The following is true: The scenarios presented in this Key Information Document are based on estimates of the AIFM in respect of a future increase in value of the investments, i.e. irrespective of former investments. The actual performance may deviate from the information presented in this Key Information Document.
- iv The costs applied in this section are estimates of the AIFM. Actual costs may be higher or lower. We take no performance fee from your investment.