

Social Housing Series 1 2022

- Social Housing Investment
- 85% LTV Covenant
- First Legal Charge over the Underlying Assets
- 6% Per Annum Coupon
- 2 Year Investment Term

Closing 04 December 2020



Target Return



6% Per Annum Coupon*

Fixed Term



2 Year Investment Term

Asset Quality



Backed by Government Contracts

Mitigated Risk



Minimal Development Activity

Security



First Legal Charge over Underlying Assets

Income Stability



Secure, Long-Term Lease

Impact



Bridging the Social Housing Infrastructure Gap through the Delivery of 100+ Units

*Dependent on asset performance



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BlackBee has identified a unique strategy to invest in social housing by targeting an existing stock of older or nearly complete blocks of residential units which require refurbishment or completion of fit-out.

Following completion of the finishing and renovation works, which will be undertaken by an experienced residential property developer, the units will be let on long term leases to Local Authorities.

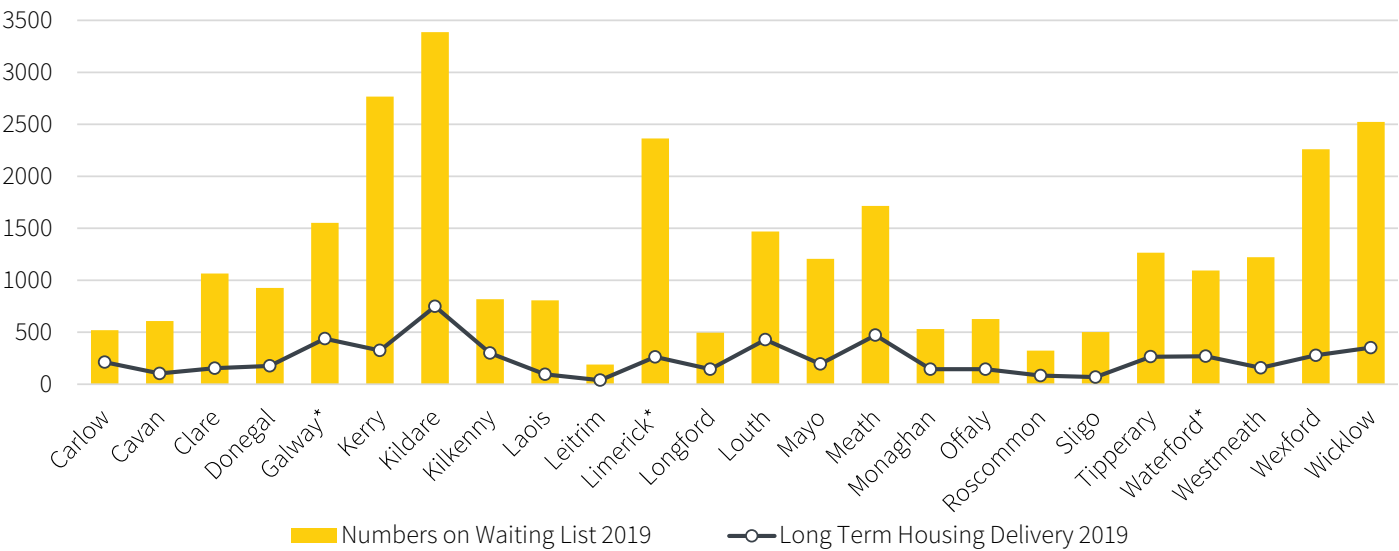
This approach will allow the acquisition of stock at below replacement cost and also minimises construction risk.

The leases will generate stable 25-year income underwritten by the Government and provide ideal characteristics for sale or restructuring as long term investments.

Investors will benefit from a first legal charge over the underlying assets. A loan-to-value covenant of 85% will be applied throughout the Investment.

The Investment will aggregate a portfolio of 100+ units which is expected to result in yield compression and also prove attractive to long term income seeking investors. The primary focus for exit is through a portfolio sale to a Social Housing Fund.

Social Housing Waiting List (Regional) 2019 vs Government Delivery 2019**



The Social Housing crisis remains a deep-rooted issue despite Government efforts over recent years. Over 68,000 households are on the social housing waiting list with the number of households waiting longer than 5 years increasing by 10,659 (60%) since 2013¹

Social Housing Crisis

It is a nationwide problem, with regional areas additionally suffering from a lack of construction activity as many financing institutions have targeted the larger urban centres. Over 68% of housing completions occurred in the Dublin region and Cork in 2019, demonstrating the issues regional counties have in addressing social housing needs from newly developed units.

BlackBee’s focus will be on regional locations where social housing units are significantly undersupplied and the requirements will take over 5 years to be addressed based on most recent supply and demand levels.

¹ Figures as at December 2019

Summary Terms

The Investment:	BlackBee Social Housing Series 1 2022
Underlying Assets:	A portfolio of residential units to be refurbished and leased to Local Authorities
Borrower:	SPV TBD
Development Partner:	Quint Property Ireland Limited
Investment Term:	2 Year Term
Liquidity:	None
Issuer:	City Quarter Capital II PLC
Investment Arranger:	BlackBee Alternatives Limited
Target Investment Notional:	€10.5m
Return:	A) Income Option: 6% Annual Coupon or; B) Growth Option: 12% paid at Maturity
Currency:	Euro
Minimum Investment:	€10,000
Closing Date:	04 December 2020 (27 November 2020 for all final cheques, funds and applications for Pension Providers)
Start Date:	11 December 2020*
Maturity Date:	09 December 2022**
Expected Tax Treatment:	Capital Gains Tax or Income Tax (where applicable)
Available to:	Private, Pension, Corporate, ARFs, AMRFs, Charities & Trusts

*Please note that the Start Date of the investment is subject to the final execution of legal and associated documentation. Any payment dates and the maturity date will be effective from the dates as outlined in final executed documentation which may be different to those dates as outlined in the Brochure.

**Dependent on asset performance



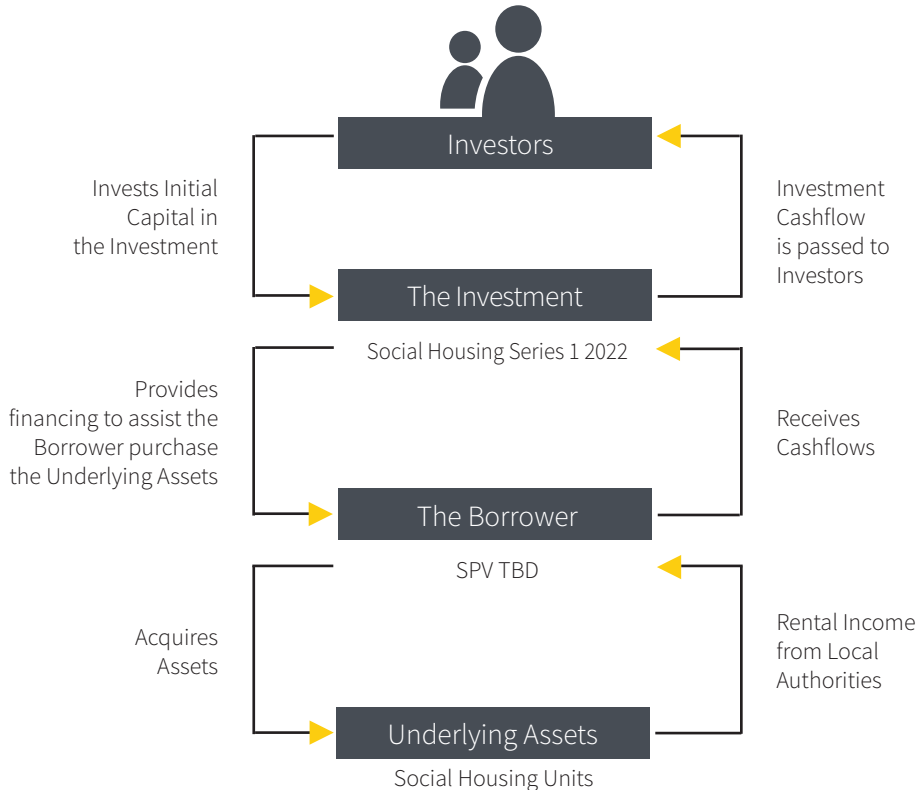
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Structure

Investors are investing in the Social Housing Series 1 2022 (the “Investment”) which will be issued by City Quarter Capital II plc. The term of the Investment will be 2 years from the proposed start date (subject to pending legal due diligence & the final execution of the legal and associated documentation). The Investment is providing a fixed 6% coupon per annum.



Payment Structures

Illustration of Return Payoff - Income Option

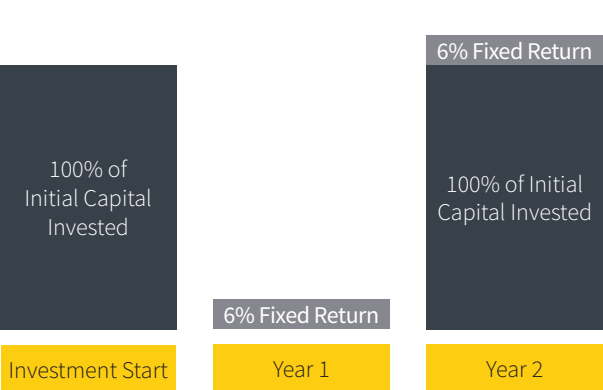
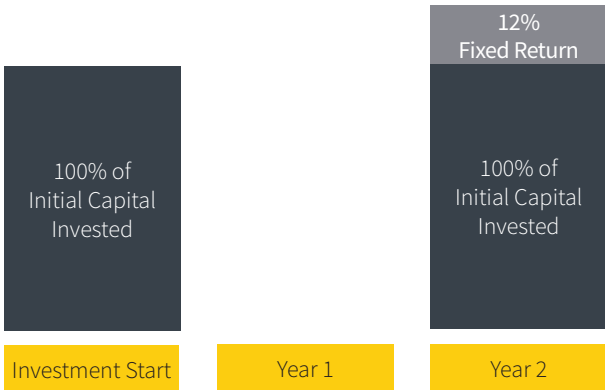


Illustration of Return Payoff - Growth Option



Macro Environment

The delivery of social housing in Ireland is a key issue for our society at present. The number of people and families on waiting lists for suitable and affordable housing grew substantially in the period 2008 – 2012 following the Global Financial Crisis. It has remained unacceptably high since, resulting from increasing population pressure and insufficient construction activity. The requirement for social housing disproportionately impacts lower income and single parent households.

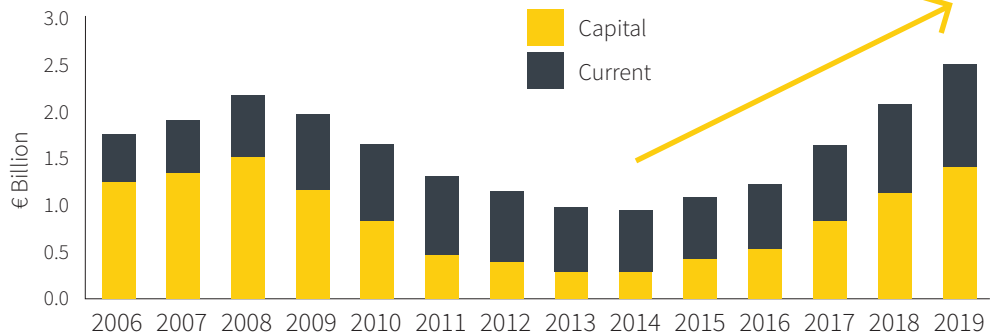
As the housing crisis became politicised, government policy changed in around 2015 and the Rebuilding Ireland programme was introduced. The programme has committed to delivering over 50,000 long term social housing units before 2021. The involvement of the private sector is required to achieve these targets and various initiatives have been deployed to specifically incentivise private sector capital.

BlackBee has devised a unique strategy to invest private capital into the sector and align with these government policies to deliver a meaningful and impactful contribution to addressing the crisis. Through securing long term leases to Local Authorities, an innovative new asset class in social housing attractive to income seeking investors can be structured.

Since 2014 the Government has increased expenditure by **c. 163%**, recognising the scale of the social housing crisis.

Source: Rebuilding Ireland - Pattern of Social Housing Construction (2016-2018) IGEES Analytical Note

Govt. Capital & Current Expenditure on Housing in Ireland

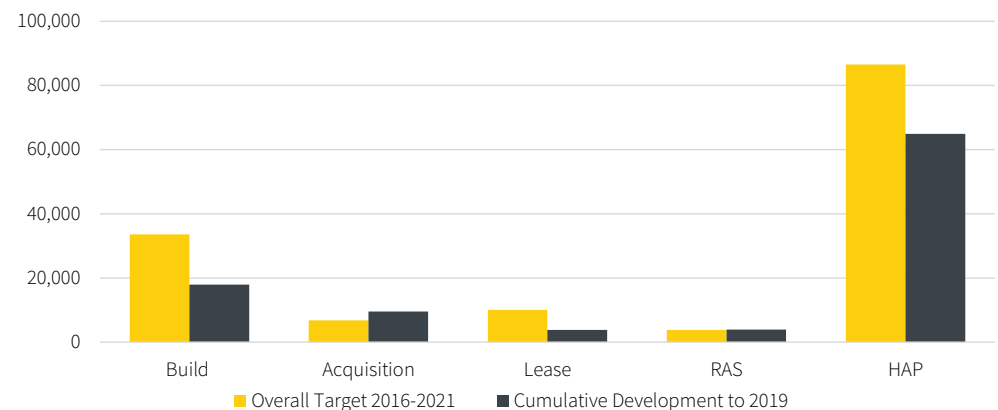


Government Strategy

Rebuilding Ireland

Launched by the government in 2016, Rebuilding Ireland is considered an ambitious strategy to alleviate the housing crisis by accelerating the housing supply nationwide and delivering sustainable long-term housing solutions to those in need. It aims to address the needs of homeless people and families in emergency accommodation, accelerate the provision of social housing, deliver more housing, utilise vacant homes and improve the rental sector. This will be achieved through collaboration between Local Authorities, Approved Housing Bodies (AHBs), the National Treasury Management Agency (NTMA) and the private sector.

Rebuilding Ireland's Targets vs. Delivery to date



HAP = Housing Assistance Payment

RAS = Rental Accommodation Scheme

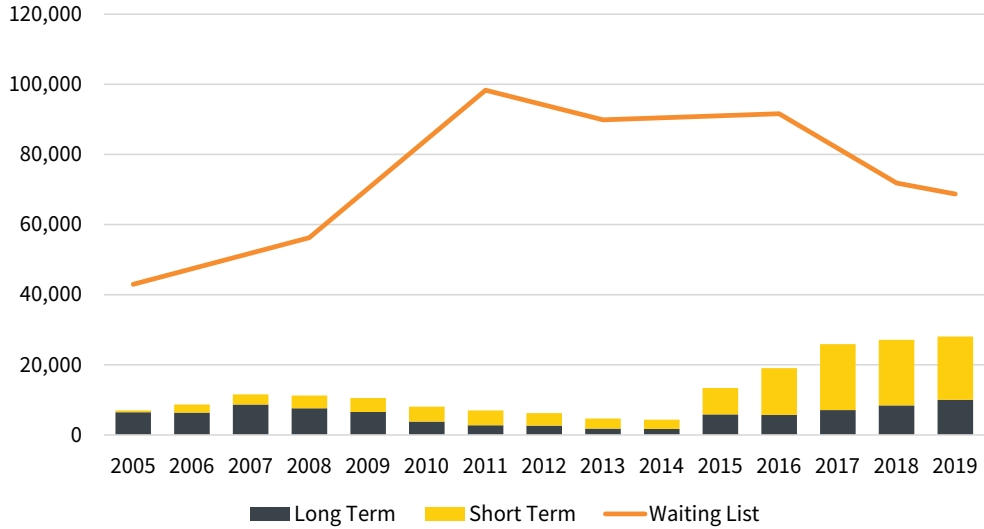
Source: Rebuilding Ireland, 2020

Rebuilding Ireland's Pillar Action

- To deliver 50,00 social housing units by 2021.
- 6,500 homes will be acquired by Local Authorities (LAs) and Approved Housing Bodies (AHBs) directly from the market or the Housing Agency.
- 10,000 homes will be leased by LAs and AHBs.
- To streamline approvals, planning and procurement to deliver these as quickly as possible.
- To accelerate the rollout of the Housing Assistance Payment (HAP) Scheme.
- To prioritise the creation of mixed communities of private, social and rented housing on State lands.
- To deliver more housing for older people and people with disabilities, amongst others.

The Rebuilding Ireland programme has a multifaceted approach, but one of their key aims is to utilise existing vacant residential stock to provide as social housing. Pillar 2 of Rebuilding Ireland's plan is to accelerate social housing.

Deployment of Social Housing vs. Social Housing Waiting List



Source: Housing Agency website & Summary of Social Housing Assessments 2019.

While the Rebuilding Ireland programme has increased social housing supply in recent years, the majority of these units (c. 64% in 2019) have been delivered through short-term leasing such as the Housing Assistance Payment (HAP) scheme and the Rental Accommodation Scheme (RAS).

This is not considered a sustainable, long-term solution to the social housing crisis, as it supports poor-quality housing, provides no security of tenure and often requires rental "top-ups".

The Rebuilding Ireland target of 10,000 long-term social housing leases by 2021 is substantially behind target. As of end 2019, only 37% of this target had been met.

BlackBee is targeting delivery of its social housing units in this area.

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Enhanced Long-Term Social Housing Lease

There are several different options available to the private sector to lease properties to Local Authorities (or Approved Housing Bodies). BlackBee is targeting the Enhanced Long-Term Lease option for the delivery of its housing units.

The Enhanced Long Term Social Housing Leasing Scheme is aimed at private investment in order to deliver social housing at scale. It provides the opportunity for Local Authorities to lease from developers and investors in a manner that achieves the best outcome for all parties.

The main features of the lease are:

- The lease term is 25 years.
- The Local Authority (the lessee) pays up to 95% of an agreed market rent at commencement of the lease to the lessor (owner of property).
- Rent is reviewed every 3 years, linked to the Harmonised Index of Consumer Prices.
- The Lessor is obliged to provide Management Services for the properties.
- The relevant Local Authority is the landlord to the tenant and collects differential rent from them.
- Each proposal should include a minimum of 20 no. properties in any Local Authority area (that can be on multiple sites).

Tenancy Risk under these leases is minimal. Recourse on rental income is effectively to the Government, and payment continues throughout vacancy periods, subject to meeting maintenance obligations.

BlackBee, in conjunction with the Development Partner, will set up a property maintenance company that will supply any maintenance services required on the housing units. This will ensure that maintenance obligations are met in line with the lease, maximises rental income and minimises any outgoings to external providers.



Quint Property Ireland Limited (Quint)

Quint is led by an experienced residential property development team, which has been active in the sector for over 20 years and delivered in excess of 300 housing units, primarily in the Galway area.

Quint's management team has most recently been focused on the provision of social housing in regional locations. They have built relationships with Local Authorities and Approved Housing Bodies (all Tier 3) and bring in-depth knowledge of the specifications sought and processes required to secure agreement with these agencies.

They have successfully delivered over 50 social housing units across 3 developments in the past 2 years and also secured a pipeline of similar projects for a further 100+ units.

BlackBee is partnering with Quint to deliver Social Housing units through this Investment. As part of this arrangement, Quint is introducing housing stock with a value of c. €950,000 as upfront equity which will be secured to the Investors.

Approved Housing Bodies that the Development Partner has transacted with:

Cluid Housing Association Limited

Clúid Housing is a not-for-profit charity that has provided over 7,500 affordable, high quality homes to people in housing need. It is the largest approved housing body (AHB) in Ireland.

Cluid Housing aims to "operate efficiently and effectively and ensure that our financial stewardship is of the highest standard".

In 2019 Cluid handed over keys to 721 houses. 477 were new builds, 125 were second-hand acquisition.

Tuath Housing Association Limited

Tuath Housing was established in 2000 to meet a wide variety of housing needs in Ireland with experience and commitment, providing accommodation for single people, families and those with special needs.

Tuath Housing's aim is "to provide long-term, safe, quality housing at best value whilst locally building mixed, sustainable communities".

One of Tuath's 2020 Objectives is "the efficient and cost-effective acquisition and management of at least 3,500 social homes by December 2020."

Co-operative Housing Ireland Society Limited

Since its foundation in 1973, the Co-operative Housing Ireland has provided over 5,700 homes through home-ownership, shared ownership and social rented co-operatives.

Co-operative Housing Ireland works closely with various stakeholders in the housing sector, including Local Authorities, Government, aspiring homeowners, tenants and developers, to provide high quality social-rented and home ownership co-operative homes.

Co-operative Housing Ireland are members of Housing Europe and the International Co-operative Alliance.

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Target Acquisitions

BlackBee and Quint have identified a pipeline of acquisitions that align with the Investment strategy of requiring completion or refurbishment before meeting Local Authority requirements for social housing.

Negotiations are significantly progressed on all of these with acquisitions expected to be complete within 6-9 months. It is anticipated that a portfolio of 100+ units will be aggregated.

The first two acquisitions expected to close are as follows:

Newport, Co Mayo

- This acquisition consists of 14 apartments (a mix of 2 & 3 bed units) and 9 houses (a mix of 2 & 3 bed units).
- Contracts for sale on all the units have been executed and acquisition is expected to close within 2 months.
- The apartments require full fit out; the houses will undergo a minor refurbishment.
- The estimated timeline for completion of all works is 10 months with further 3 months expected before securing leasing agreements with Mayo County Council.
- Independent valuation shows a value of completed units at €2.45m.
- Estimated Rental Value of €160,000 @ 6.5% yield gives estimated exit value of €2.46m.

Tubbercurry, Co Sligo

- This acquisition comprises 16x 2 bed apartments and 8x 4 bed houses.
- The apartments have already been acquired and will transfer into the SPV, with no debt attaching. This will form the initial equity into the Investment. The apartments require minor renovation and works are underway.
- The houses are currently under offer. Fit out works are required on some of the units while others require only minor refurbishment.
- Expected timeline to complete all works is 9 months with a further 3 months anticipated before securing leasing arrangements with Sligo County Council.
- Co-operative Housing Ireland has provided an Expression of Interest in acquiring the apartment at €2.08m which underlines the end value and need for social housing units.
- Estimated Rental Value of €201,210 @ 6.5% yield gives estimated exit value of €3.09m.

A further pipeline of targeted acquisitions is listed below. While BlackBee is in a strong position to conclude on these purchases, it is also expected that other opportunities will arise which may be in addition to or substitution of the below depending on financial assessment and conclusion of negotiations.

All acquisitions will be purchased at Gross Reversionary Yields of 7-10%.

Location	No of Units	Description of units	Completion works	Estimated Project Cost	Gross Reversionary Yield
Co Meath	10	3 bed houses	Refurb & finish	€1.35m	8.3%
Co Longford	12	3 & 4 bed houses	Refurb & finish	€1.55m	7.94%
Co Limerick	11	2 & 3 bed apartments	Refurb	€0.85m	9.08%
Co Galway	23	Mix of apartments and houses	Refurb & finish	€3.1m	7.8%

The below tables show a financial assessment of the Newport acquisition. This is considered a representative sample of the forecast cost structure for the targeted acquisitions.

Financial Assessment of Newport (14x apartments, 9x houses)

Financial Appraisal		Description			
Purchase Cost	1,250,000	No Units	Rent PM	Total	
Stamp Duty (1% <1m; 2% >1m)	16,000	Apartment Rent	14	600-700	103,200
Legal, Engineer & Introducer Costs	81,250	House Rent	11	500-750	65,400
Fit Out Costs	650,000	Total ERV			168,600
Professional & Monitoring Costs*	32,500	Enhanced Lease Amount (95%)			160,170
Leasing Costs	25,000	Valuation (6.5% Yield)			2,464,153
Contingency	40,238				
Arrangement and Structuring Fees	167,599				
Total Project Cost	2,262,587				

*Independent development monitor will be appointed to authorise payment of renovation costs.

The following table identifies the projected returns from a portfolio comprising the targeted acquisitions:

Acquisition	No. of Units	Estimated Project Cost (€'000)	Estimated Rental Value (€'000)	Exit Value (€'000)	Exit Waterfall (€'000)	
Newport, Co. Mayo	23	2,262	160	2,464	Exit Value	14,079
Tubercurry, Co. Sligo	24	1,380	201	3,092	Investment Notional	10,500
Co. Meath	10	1,350	112	1,723	Investor Coupon	1,260
Co. Longford	12	1,550	123	1,892	Est. Disposal Costs (5%)	704
Co. Limerick	11	850	77	1,185	Development Partner Equity	950
Co. Galway	23	3,100	242	3,723	Pre-tax Surplus	665
Total	103	10,492	915	14,079		

All acquisitions will fully cross-collateralise and investors will have the benefit of a first legal charge over all of the underlying assets. The Investment will be subject to an overall Loan-to-Value covenant of 85%.

Pre-tax surplus is shown after the return of Development Partner's equity, which is being introduced upfront into the Investment in order to ensure the LTV covenant is satisfied.

Estimated maturity value based on 6.5% yield results in an exit loan to value of 75%.

The annual rental income generated across the portfolio is estimated at €0.915m and provides additional coverage on the Investment coupon payment. The estimated rental income provides 1.4x cover on the annual coupon.

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Exit Strategy

It is expected that 12 months will be required to deploy all capital within the Investment and complete the acquisition, renovation and leasing of the target assets.

As this strategy progresses, it is intended to pursue the primary exit mechanism of disposing of the portfolio into a Social Housing Fund. However given the key investment characteristics of the assets, a number of options to allow the repayment of capital and investment return at maturity will also emerge.

Refinance

A loan to value of 75% is forecast at exit which, in combination with the stability of the rental income, will satisfy the main criteria for securing long term senior debt funding to achieve a full refinance of the Investment.

Sale to Institutional Investor

As the Investment progresses, its strategy of consolidating a large portfolio (100+) of residual units let on long term leases underpinned by the Government, it will present an attractive investment opportunity to institutions seeking stable long-term income. There is now an established market for residential portfolios in Ireland which have transacted at yields <5% for prime residential portfolios. We are forecasting compression in yield to 6.5% for the Investment's portfolio which allows full redemption of capital and return to be achieved.

Sale to Social Housing Fund

A long-term income fund secured and underwritten by social housing leases will attract institutional capital (equity and senior debt) that is seeking low risk, socially responsible investments. A portfolio of 100+ units yielding 6.5% can provide seed assets for these types of funds. BlackBee is currently in the process of structuring a Social Housing Fund.

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Access to the Investment

The Investment is structured to perform over a fixed Investment Term and any Investment Security that applies does so only at Maturity. The Investment has not been designed to provide for liquidity during the Investment Term. In certain limited circumstances, it may be possible for investors to sell or encash the Investment before the Maturity Date, subject to a minimum amount of €10,000 and in rounds of '000's. Any encashments are done so on a best efforts basis by the Calculation Agent. Where an investor intends to encash before Maturity, the Calculation Agent will be the only provider of a market for investors to sell the Investment which may reduce liquidity. Any encashment price will be determined by market conditions at that time including the performance of the investment strategy, interest rates, liquidity, volatility, fees, etc. Additionally, the front loading of fees may disproportionately impact investors who choose to exit early. This may result in investors receiving less at exit than if fees had been applied uniformly over the lifetime of the Investment. This could result in investors receiving back an amount less than the amount they originally invested, especially in stressed market conditions. In certain market conditions there may be no opportunity for investors to sell the Investment before the Maturity Date.

Investors should be aware that when there is a partial or full encashment, investors forego any benefits accrued to date or in the future on that encashment amount. Please refer to the Terms and Conditions for full details.

In certain limited circumstances providers of non-insured PRSAs may allow for accessibility in the case of death where this occurs within 2 years of the Investment Start Date but investors should consult with their provider and the terms and conditions of their specific non-insured PRSA to determine the applicability of this accessibility.

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Understanding Risk

	In addition to risk factors outlined overleaf, investors should be aware of and understand the following list of non-exhaustive risk factors. You should consult your Financial Adviser if you are unsure about any of these risk factors.
Market Risk	Future growth in Social Housing Series 1 2022 is linked to the continued improvement in the Irish economy. Slower than expected growth may impact on profitability and the Borrower's ability to repay or refinance the Investment.
Leverage Risk	The Social Housing Series 1 2022 represents the entire funding of the transaction, including costs. In the event that the Asset does not perform the equity buffer may be diminished resulting in a loss to be borne directly by investors.
Competition Risk	The financial data outlined is based on information provided by the Borrower, and/or prepared by the investment arranger made in good faith, of the trading and commercial conditions to be encountered. Increased competition may impact on the profitability of the Asset.
Operational Risk	Issues concerning operation of the asset and adherence to sector regulations may negatively impact on the performance of the Assets. The value of the Underlying Asset at Maturity may be dependent on the borrowers ability to deliver on the disposal valuation outlined.
Default Risk	The Borrower might default on the interest payments which may result in the Investment Arranger or an associate company, repossessing the Underlying Assets. This may entail further legal costs. There is no guarantee that, at that time, the value of the Assets will be sufficient for the borrower to repay the loan balance and /or any accrued interest to the Issuer, and therefore investors in the Social Housing Series 1 2022 will face full or partial loss of Capital.
Government & Legal Risk	Any change in government policy such as taxation and VAT may impact on the profitability of the Assets.
Liquidity Risk	Investors should note that this is an illiquid investment and there is no liquidity provided for during the Investment Term.
Exit/Maturity Risk	While the Investment Term of the Assets is expected to be 2 years there is no guarantee that the Investment will be repaid at that date. The Borrower may be unable to repay investors initial capital invested at the Maturity Date and an administrator/ liquidator may be required to be appointed. The subsequent process of realising value from the Assets may be a multi-year process. The loan to the Borrower may be repaid earlier or later than the stated Maturity Date, and consequently the Social Housing Series 1 2022 may be redeemed earlier or later than the stated Maturity Date. The Term of Investment may be impacted by delayed sales process.

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Warning: The value of your Investment may go down as well as up. You may get back less than you invest.

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

Warning: Investors are advised to take tax advice.

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

Warning: Return of capital invested and any income due is linked to the borrowers capacity to repay and, ultimately, the market value of the Underlying Asset. Neither BlackBee Alternatives Limited nor City Quarter Capital II PLC make any guarantee regarding the security or protection of capital and/or any accrued income.

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: The Issuer reserves the option to redeem the Investment at any time.

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 Adviser.

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 Adviser 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 Adviser.

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

What may constitute a default?

1. **Non-Payment:** The Borrower fails to pay on the specified Income Payment or at Maturity dates;
2. **Breach of Financial Covenants:** Any requirement of the financial covenants as set down in any Loan Agreement, Share Agreement or any other form of legal agreement containing financial covenants between the Issuer and the Borrower is not satisfied;
3. **Misrepresentation:** Any undertaking, representation or warranty provided by the Borrower which is incorrect or untrue in any material respect;
4. **Taxes:** The Borrower fails to pay any taxes due to be paid by it by their due date;
5. **Insolvency:** The Borrower is unable to pay its debts as they fall due;
6. **Breach of Agreement:** The Borrower fails to adhere to material obligations under any Loan Agreement, Share Agreement or any other form of legal agreement or breaches any covenant, undertaking, condition, representation or warranty;
7. **Change of Ownership:** Change of ownership will constitute an event of default unless prior consent is obtained from the Issuer.

Communication

BlackBee Alternatives Limited will write to investors after the Start Date, confirming ISIN security identifier and other details of the Investment. BlackBee will provide product performance updates during the lifetime of the Investment which will be available through your Financial Adviser only. BlackBee will provide updates to investors via their Financial Adviser in the event of any material change to the terms and conditions of the Investment. On an annual basis, BlackBee will provide investors with a statement of account. BlackBee will also write to investors after any early encashment and after the Maturity Date. BlackBee will provide copies of all communications to your Financial Adviser.

Tax Treatment

Investment returns on the Investment are paid gross and are subject to tax where applicable. It is the responsibility of each investor to pay, where applicable, any tax liability due and to file their own tax return. Certain investors such as pension funds or registered charities may be exempt from tax. It is the responsibility of each investor to obtain any tax relief that may apply. Investors should be aware that tax rates and any tax exemptions that currently apply may change over the lifetime of the Investment without warning. With respect to investors who are Irish resident individuals: (i) if the investor disposes of the Social Housing Series I 2022, whether to BlackBee or another party, after the second anniversary of issuance but before maturity, it is the understanding of the Arranger that this should generally provide for Capital Gains Tax treatment; (ii) if the investor holds the Social Housing Series I 2022 until maturity should generally be liable for Income Tax treatment. BlackBee intends to carry on a trade of buying and selling investments. Investors should note that it is the intention of BlackBee to offer investors a facility for selling their investments prior to maturity, should they so wish, but that there are no guarantees that a price can be offered at any particular time.

Parties Involved

Your Financial Adviser	Your Financial Adviser is responsible for providing you with investment advice regarding the suitability of this Investment and the correct allocation that you should consider as part of a balanced portfolio. No money is held or administered at any time by your Financial Adviser.
BlackBee Alternatives	BlackBee Alternatives Limited is the Investment Arranger. It is the generator of the investment idea, responsible for the structuring, execution, marketing and administration of the Investment.
City Quarter Capital II PLC	City Quarter Capital II PLC is responsible for the issuing of the Investment.
The Borrower: Special Purpose Vehicle TBC	Special Purpose Vehicle created to acquire the Underlying Assets.

TARGET MARKET ASSESSMENT

BlackBee does not provide financial advice and would strongly recommend that you seek professional and independent financial advice before investing. To help you consider whether this Investment is appropriate for you, we have set out below the type of investor this Product was designed for.

This Investment may be appropriate for Investors who:

- ✓ Understand the risks associated with investing in secured investments;
- ✓ Understand that you may get back less than you invest in certain scenarios;
- ✓ Have received appropriate independent financial and tax advice in relation to this Investment;
- ✓ Understand the Investment is not a deposit and does not qualify for the Irish Deposit Guarantee Scheme (DGS);
- ✓ Have experience and knowledge of investing in similar products;
- ✓ Are willing and able to invest for the full Investment Term;
- ✓ Have considered this Investment as part of an overall investment strategy;
- ✓ Understand that the Investment does not provide liquidity and there is no early exit option during the Investment Term;
- ✓ Understand that if the Borrower defaults you may lose some or all of your capital;
- ✓ Understand that this is a high risk investment;
- ✓ Can bear the potential loss of capital and can tolerate the risk associated with this Investment;
- ✓ Understand that this investment is not covered by an investor compensation scheme.

The Investment may not be appropriate for Investors who:

- ✗ Are not comfortable with the risk profile of the Investment and have not considered the Investment as part of a broader asset allocation strategy;
- ✗ Do not understand the risks associated with investing in secured or similar investments;
- ✗ Have not received independent financial and tax advice in relation to this Investment;
- ✗ Have no previous knowledge or experience of investing in asset backed securities or similar types of investments;
- ✗ Require liquidity over the Investment Term and cannot afford to leave their money in the Investment until Maturity;
- ✗ Require a deposit-based investment or an investment which qualifies for the Irish Deposit Guarantee Scheme (DGS);
- ✗ Are not comfortable investing in asset backed securities;
- ✗ Cannot bear the potential loss of capital or tolerate the risk associated with this Investment.

The following Terms and Conditions apply to the Investment. These Terms and Conditions will come into effect when BlackBee receives a copy of the Application Form signed by you. Please read these Terms and Conditions carefully.

1. Definitions

The following conditions apply to these Terms and Conditions and the contents of this Document.

Social Housing Series 1 2022	Is the name given by BlackBee to a series of Investments to be issued by the Issuer (ISIN: TBC). A copy of the Memorandum and any Supplements and Final Terms (containing the full Terms and Conditions of the Investments as well as disclosure on the risks in respect of the Investments) are available upon request from BlackBee. These documents set out any roles and responsibilities of the Issuer, the Calculation Agent and any other related parties.
Term Loan Agreement/ Loan Facility	Means the agreement between the Issuer and the Borrower which sets out the full terms and conditions under which the Issuer lends the capital to the Borrower, secures legal charge on the Borrower's property and leases and sets out the responsibilities of each party, the events of default and all associated definitions pertaining to the rights secured by the Issuer.
The Investment/ Product	Means the Social Housing Series 1 2022
Document	Means this brochure which explains the features and operations of the Investment and includes these Terms and Conditions and the Application Form.
The Issuer	Is City Quarter Capital II PLC and its successors, assigns and transferees. The Issuer is the legal entity that issues the Investment.
The Calculation Agent	Is BlackBee Alternatives Limited and its successors, assigns and transferees. The Calculation Agent is the legal entity that determines the price of the Investment at inception and during the Investment Term.
The Investment Arranger	Is BlackBee Alternatives Limited and its successors, assigns and transferees.
The Underlying Assets	A series of older or unfinished residential units to be refurbished or completed to lease to Local Authorities or Approved Housing Bodies
The Borrower	Means Special Purpose Vehicle TBC
The Lead Manager	Is BlackBee Alternatives Limited and its successors, assigns and transferees.
The Paying Agent	Is BlackBee Alternatives Limited and its successors, assigns and transferees.
Investment Term	2 Year Investment Term
BlackBee	Means BlackBee Alternatives Limited and its successors, assigns and transferees.
Custodian	Means BlackBee Alternatives Limited and its successors, assigns and transferees.
Financial Adviser	Means the Financial Adviser firm that gives intending investors investment advice in relation to the Investment.
You/Your/Investor	Means the person(s) (natural or corporate) investing in accordance with these Terms & Conditions (including successors).
PRSA	Means Personal Retirement Savings Account.
Closing Date	30 November (23 November 2020 for all final cheques, funds and applications for Pension Providers)
Proposed Start Date	7 December 2020
Maturity / Maturity Date	06 December 2022, Dependent on asset performance

2. Availability

- Applications cannot be accepted after the Closing Date, except at the discretion of BlackBee. A completed application means BlackBee or the relevant Life Company receiving a fully completed application form, cleared funds and relevant anti-money laundering documentation as outlined on the application form by the dates specified.
- In the event that this offering is oversubscribed, BlackBee reserves the right to close the Investment early.
- There is no interest paid to investors on any monies held.
- If funds in your account are lower than the amount specified on the application form, BlackBee will only invest the available funds balance in the Investment.
- If funds transferred for the Investment are greater than the amount specified on the application form, funds will remain in your account held with BlackBee until BlackBee is otherwise notified. As routine, BlackBee will periodically notify clients of any outstanding amounts in their account.
- BlackBee reserves the right to close this offering earlier or not proceed for any reason including (i) if funds raised are deemed to be insufficient; (ii) if for any reason the economic terms of the Investment cannot be maintained. If BlackBee cancels the Investment, your funds will be returned in full to you within 14 days of the cancellation.

3. Application Form & Documentation

- Intending investors should complete and sign the Investment's application form. By signing the Investment's application form, you are confirming that you have read BlackBee's Terms of Business, which are available at www.blackbee.ie or through your Financial Adviser.
- In order to satisfy Anti-Money Laundering requirements as set out in the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, as amended, BlackBee needs to establish the identity of all investors. The minimum requirements are set out in this Document.
- By signing the application form you will become a client of BlackBee. BlackBee may send communications directly to you, provided such communications are in respect of existing BlackBee products which you are invested in.
- You confirm that the person signing the application form has the authority to make a subscription to the Investment. In the case of joint accounts, instructions from all parties will be required.
- BlackBee can only accept subscriptions in whole numbers (i.e. no fractional or decimal places). Where BlackBee receives funds for an amount that is not a whole number, BlackBee will return the fractional amount to investors by electronic fund transfer.

4. Right to Terminate the Investment

You have the right to cancel the Investment by notifying BlackBee in writing by post or email prior to the Closing Date. Funds will be returned in full to you within 14 days of receipt of the written request.

5. Fees & Charges

- Fees in the Investment incorporate commissions paid to the Financial Adviser. In general, commission based remuneration can lead to a conflict of interest between clients and their Financial Adviser. BlackBee wishes to draw your attention to this potential conflict of interest before investing in the Investment. Advisers should discuss and disclose any fees with Investors before completing and sign the application form.
- Fees in the Investment are in general not charged uniformly throughout the life of the Investment Term and are instead largely front loaded at the beginning of the Investment. If an investor encashes the Investment during the Investment Term, the front loading of fees will impact the amount of money they receive than if fees were made uniformly over the lifetime of the Investment. iii) BlackBee manages and bears any risk associated with fees for time of purchases. This may result in the overall fee to BlackBee being higher or lower than advertised in this Document. iv) You should refer to BlackBee's Terms of Business available through your Financial Adviser or on www.blackbee.ie for a full breakdown of fees and charges. v) The total fee and the fee payable to BlackBee quoted in this document may vary depending on the fee payable to BlackBee by the Issuer.

6. Accessibility during the Investment Term

The Investment is structured as a fixed term investment and investors should not invest if they need access to their funds during the Investment Term. The Investment has not been designed to provide for liquidity during the Investment Term. In certain limited circumstances, however, it may be possible for investors to sell or encash the Investment before the Maturity Date. Investors should understand the following conditions:

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i) Any encashment price will be determined by market conditions at the time of encashment including the performance of the Investment, interest rates, liquidity, volatility. Additionally, investors should note that the liquidity of some assets may be lower or more volatile than others. Therefore, any early encashment value may result in investors receiving back less than the amount they originally invested, especially in stressed market conditions.

ii) In certain market conditions there may be no opportunity for investors to sell the Investment before the Maturity Date.

iii) Investors should be aware that when there is a partial or full encashment, investors forego any benefits accrued to date or in the future on that encashment amount.

iv) The minimum encashment amount is €10,000. Investors are required to complete BlackBee's standard encashment form.

v) For any early encashments, BlackBee will charge an encashment fee of 1% on the full realised market value, subject to a minimum charge of €100. The full realised market value may be more or less than the amount which was originally invested. Minimum charge of €100 does not apply to PRSA investors. The early encashment fee may be waived in certain circumstances. Any fee levied by BlackBee will be disclosed to clients on the encashment confirmation.

vi) For investors through Life Companies who wish to transfer their pension assets to another pension provider, you may not be able to transfer the Investment. This could mean you have to encash the Investment at the prevailing market price, subject to the conditions outlined above, in order to transfer your assets. You should refer to the Terms and Conditions of your pension contract to find out the full Terms and Conditions applying.

vii) For non-insured PRSA investors there is no access to the Investment and in the event of the death of a non-insured PRSA investor before the Maturity Date, the Investment will continue to the Maturity Date in the name of the executor or administrator of their will according to usual probate rules. In certain limited circumstances providers of non-insured PRSAs may allow for accessibility in the case of death where this occurs within 2 years of the Start Date but investors should consult with their provider and the terms and conditions of their specific non-insured PRSA to determine the applicability of this accessibility.

7. Income Payments

When or where applicable, any income payments due to investors during the Investment Term will be paid to the account outlined on the application form within 6 working days from receipt of these funds by BlackBee.

8. Maturity

BlackBee will contact your Financial Adviser on or shortly after the Maturity Date (or an Event Date if earlier) (if applicable) advising on the final performance of the Investment and will arrange for any proceeds to be returned to investors. All returns are paid gross and it is the responsibility of each investor to satisfy any tax obligations they may have as a result of investing in the Investment. BlackBee cannot be relied upon to advise, nor takes any responsibility for the tax implications (if any) in respect of investing in the Investment.

9. Tax

Returns on the Investment are paid gross and are subject to tax, where applicable. BlackBee is not responsible for making tax deductions on investor's behalf. It is the responsibility of each investor to satisfy any tax obligations they may have as a result of investing in the Investment or to obtain any reliefs which may apply.

10. What happens if I die?

In the event of a death of a sole investor or surviving joint account holder prior to the Maturity Date, the Investment will continue in the name of the Executor or Administrator. Alternatively, the Investment may be redeemed prior to the Maturity Date, subject to normal probate legislation at its realisable value.

For Self-Administered pension/post pension investors, in the event of death of a policyholder/member prior to the Maturity Date, the Investment may be redeemed at its realisable value subject to factors outlined in "Accessibility During the Investment Term" and the terms and conditions of your pension/post pension.

11. Communication

i) BlackBee is committed to a green environment and where possible encourages the use of electronic communication over paper. If you would like to receive communication by electronic means please email BlackBee at invest@blackbee.ie

ii) BlackBee will always write and speak to you in English.

iii) BlackBee will issue communication directly to investors after the Closing Date, any early encashment and after the Maturity Date. BlackBee will issue a copy of all communication to your Financial Adviser. For pension investors BlackBee will issue communication directly to your pension provider.

iv) All investor queries should be directed through your Financial Adviser. Where a client no longer has a Financial Adviser, BlackBee will provide updates directly to the client.

v) BlackBee will issue communication directly to investors at a minimum on an annual basis with a statement of account. BlackBee will issue a copy of this communication to your Financial Adviser.

vi) BlackBee provides regular product performance updates and updates after each Event Date to the Financial Adviser and pension providers only.

12. Disruption Events

Over the lifetime of the Investment, market occurrences known as disruption events may occur. Such events can include (but not limited to): mergers; acquisitions; stock/bond changes or cessation; spin-offs; bankruptcy; nationalisation; increased cost of hedging; hedging disruption; settlement disruption; changes in law (including tax law). In the event of any of these events happening, the Issuer or the Calculation Agent may at its discretion and in good faith make adjustments to the terms and conditions of the Investment as set out in the Issuer's Base Prospectus and any supplements and Final Terms. Any adjustment can affect the potential returns of the Investment and may be disadvantageous for investors compared with the originally stipulated provisions. Adjustments could include the early redemption of the Investment at the then current market value. Following the occurrence of a Disruption Event, the Issuer/ Determination Agent will, in its sole and absolute discretion, determine whether or not the relevant Investments will continue or be redeemed early. While the Issuer has a legal obligation to honour the terms and conditions of the Investments and an obligation to make every reasonable commercial effort to ensure that any disruption events are mitigated with an appropriate action, if the Issuer exercises their right of early termination, the Investments will be redeemed at fair market value less any costs. This means there will be no right to payment of any amount provided for in the Terms and Conditions of this Document or for payment of a specified unconditional minimum redemption amount at Maturity. Neither BlackBee, the Issuer, nor their agent(s) will be liable for any potential loss incurred by investors in such circumstances. BlackBee will notify investors of the occurrence of any such disruption event in such manner deemed appropriate by BlackBee.

13. Data Protection

BlackBee and any third parties observe a duty of confidentiality about your information. Your data will be maintained in accordance with the obligations of the General Data Protection Regulation (GDPR) which is effective from 25th May 2018 and any subsequent legislation. No party will disclose details of your account or your name and address to anyone else, other than to any confidentially appointed agents acting on their behalf or where they are permitted or compelled by law to do so. BlackBee may collect your personal data directly from you or through your Financial Adviser or agents or any other third party who communicates with BlackBee. Where your Financial Adviser acts on your behalf, BlackBee will disclose your personal data and information relating to the Investment to the Financial Adviser. BlackBee may use data collected with respect of the Investment for internal statistical analysis. Your personal data is used to enable BlackBee to carry out the investment activity on your behalf or for lawful purposes i.e. Anti-Money Laundering requirements. We will retain your personal data for no longer that is necessary in line with our Data Retention Policy.

Information about you that BlackBee holds will not be transferred outside the European Economic Area ("EEA").

Under the GDPR you have a right to obtain from BlackBee confirmation as to whether or not personal data concerning you is being processed, and, where that is the case, access to the personal data. (You have the right to obtain from BlackBee without undue delay the rectification of inaccurate personal data concerning you and a right to obtain from BlackBee the erasure of personal data concerning you without undue delay). You also have the right to obtain from BlackBee restriction of processing in certain circumstances.

You have the right to receive the personal data concerning you which you have provided to BlackBee in a structured, commonly used and machine-readable format and have the right to transmit those data to another controller without hindrance from the controller. For further information please contact the Data Protection contact at the contact details above.

You have the right to complain to the Data Protection Commission. This can be done using the following contact details:

Email: info@dataprotection.ie
Telephone: 057 8684800
Post: Data Protection Commissioner, Canal House, Station Road, Portlarlinton, 32 AP23, Co Laois

14. Jurisdiction

The Terms and Conditions contained in this Document will be governed by and construed in accordance with the laws of Ireland and the Courts of Ireland will have exclusive jurisdiction to resolve any disputes.

15. Liability and Indemnity

BlackBee will not be held liable for any acts, errors or omissions by City Quarter Capital II PLC. In the event of any acts, error or omissions by City Quarter Capital II PLC. BlackBee will not be liable to make good from its own assets any loss of capital or shortfalls. BlackBee or any third party will not be liable for any failure to provide any service if such a failure results from any

event or state of affair beyond their reasonable control, including, without limitation, to natural disasters, delay or breakdown in communications, suspension of dealing on relevant exchanges or any failure of communication, computer systems or equipment.

16. Variation

BlackBee and the Issuer reserve the right to amend, vary or supplement these Terms and Conditions or to modify any features of the Investment from time to time as required during the Investment Term. BlackBee and the Issuer may also amend these Terms & Conditions if there is a material legal, tax change affecting them. The Issuer reserves the right to move your investment from an Investment structure to a fund type structure in the event that it is deemed more beneficial to you as the Investor. BlackBee will notify you in advance of any changes taking effect, where possible, either through notification on BlackBee's website, by writing to clients or by notification to your Appointed Financial Adviser. None of BlackBee's employees, officers or agents may verbally alter, modify or waive any provision of these Terms and Conditions. No Person (or other Party) other than BlackBee has been involved in the preparation of this Document, nor has issued nor approved it, nor takes any responsibility for such information or makes any representation or warranty regarding the accuracy, completeness of such information and no liability to any person is accepted by any person or other party in connection with such information. Figures presented in this Document may be rounded to the nearest decimal place. The Investment is not sponsored or promoted by any of the securities, nor have they any obligation or liability in connection with the Investment. Any analyst opinions or recommendations from third party providers may not be representative of the views of BlackBee. This Document has not been reviewed, approved or otherwise endorsed by City Quarter Capital II PLC and City Quarter Capital II PLC accepts no responsibility in relation to the accuracy, completeness or adequacy of the information included herein. Nothing in this Document should be considered to be a representation or warranty by City Quarter Capital II PLC to any person regarding whether investing in the Investment described herein is suitable or advisable for such person.

17. US Citizens

By investing in the Investment, investors represent and warrant that they are not a US person for the purposes of US Federal income tax and that they are not acting for, or on behalf of, a US person. A false statement or misrepresentation of tax status by a US person could lead to penalties under US law. If your tax status changes or you become a US citizen or a resident, you must notify BlackBee immediately.

18. Informing BlackBee of changes

You should inform BlackBee of any changes of your personal information including address, bank details or change in financial Adviser to enable BlackBee to keep BlackBee's records up to date. Any communication sent to you will be addressed to the last address you have given to BlackBee. BlackBee will not be responsible for any consequences of your failure to notify BlackBee of a change in respect of your personal information.

19. Telephone Recording

For security and training purposes telephone calls with BlackBee may be recorded.

20. Complaints Procedure

BlackBee aims to provide a positive client experience for all investors. However, if you have any complaint, please contact either the Financial Adviser who arranged the Investment for you or alternatively please contact BlackBee at invest@blackbee.ie

21. Copyright

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