

Key Investor Information

This document provides you with key investor information about EFTEN Real Estate Fund III AS. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in EFTEN Real Estate Fund III AS. You are advised to read it so you can make an informed decision about whether to invest.

EFTEN Real Estate Fund III AS share (ISIN: EE3100127242)

The management company: EFTEN Capital AS (registry code 11505542).

OBJECTIVES AND INVESTMENT POLICY

EFTEN Real Estate Fund III AS (hereinafter the Fund) is a public closed-end investment fund founded in the Republic of Estonia as a public limited company (alternative investment fund) whose objective is to provide shareholders with an opportunity to participate in an actively managed property portfolio. The Fund is not a guaranteed fund. The Fund is a closed-end real estate fund, the activity of which is investment into commercial real estate (retail, office, logistics and hotels) generating a cash flow or securities related to them, while at least 80% of the value of the Fund's assets is invested into real estate or securities related to real estate and the remaining 20% can only be invested into the deposits or derivative instruments of the credit institutions of the European Economic Area. The geographical investment region of the Fund is the Baltics: Estonia, Latvia and Lithuania. The Fund may borrow up to 65% of the value of each investment at the moment of making the investment. The Fund is focused on an opportunistic and value-added investment strategy. The assets of the Fund are registered on behalf of the Fund and are held separately from the assets of the management company. The fund has a depository. The Fund only has one type of share – ordinary shares with a nominal value of 10 euros. Share certificates shall not be issued for the shares. The shares of the Fund are listed in the Baltic Main List of Nasdaq Tallinn. The Shares can be transferred freely. The Fund shall not repurchase shares from the shareholders. Each year, a part of the profit (up to 80% from free cash-flow) is distributed among the Fund's shareholders according to the nominal value of the shares owned by the shareholder if it is legally possible and the Fund's general meeting approves the respective decision. Dividend payments to investors are not guaranteed. The Fund is targeting natural and legal persons (who may be both non-professional or professional investors), who want to make passive mid-risk investments into real estate. An investor, who does not have prior experience with investing in shares and/or closed alternative investment funds, should consult a professional investment advisor.

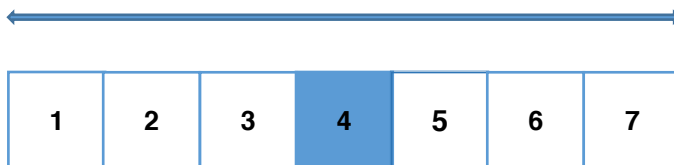
RISK AND REWARD PROFILE

Lower risk

Potentially lower reward

Higher risk

Potentially higher reward



The risk and reward indicator illustrates the relationship between risk and expected return for the Fund. This risk indicator is calculated using historical data which may not be a reliable indicator of the future risk profile of the Fund. The risk and reward classification may not stay at the same level and may change over time. Even the lowest risk class does not mean that the investment is risk-free. The following risks are materially relevant to the Fund and not entirely covered by the synthetic indicator:

- * There is no guarantee that an active secondary market will be sustained in relation to the shares of the Fund or that the shares will trade at prices close to their underlying net asset value per share.
- * The success of the Fund depends on the competence of the representatives of the Fund and the management company and any key persons leaving may have a negative impact on the Fund's economic performance.
- * In the case of a closed-end fund, the legally required risk spreading measures are more lenient than in the case of open-end investment funds.
- * The Fund involves various operational risks.

* There is no long-term historic financial data.
A detailed overview of the risks is provided in section 2 of the prospectus, which is available at www.eref.ee

CHARGES

The charges paid are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment value.

One-off charges taken before or after you invest

Entry charge	0%
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Exit charge	0%
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This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.

Charges taken from the Fund over a year

Ongoing charges	1,2%
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Charges taken from the fund under certain specific conditions

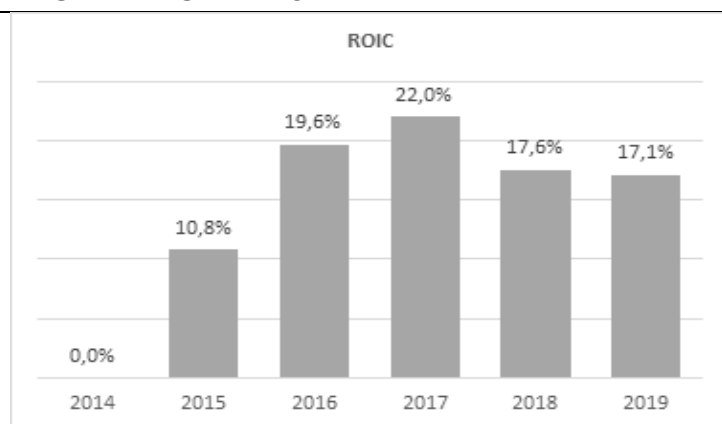
Performance fee*	20%
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The ongoing charges figure is based on expenses for the previous calendar year, i.e. 2019. This figure may vary from year to year. The ongoing charges do not include performance fee. Ongoing charges include general expenses of parent company and management fee of the Fund. The Fund's annual report for each financial year includes information of the charges and costs of the Fund.

* After the listing of shares (01.12.2017) the performance fee shall be calculated on the basis of the adjusted closing price of the last trading day of the reporting year and the adjusted closing price of the last trading day of the previous reporting year, which is multiplied by the number of shares at the end of the reporting period. On the basis of the closing price of the last trading day of 2019, a performance fee of 478 997 thousand euros was calculated for the management company.

A detailed overview of the charges is provided in section 8 of the prospectus, which is available at www.eref.ee

PAST PERFORMANCE



There is insufficient data to provide an overview of past performance of the Fund as the Fund was launched in 2015. The indicator characterizes the Fund's return on the invested capital. Past performance is calculated in Euros.

Past performance does not constitute a promise or indication of the Fund's performance over the coming periods.

PRACTICAL INFORMATION

The depositary of the Fund is Swedbank AS (registry code 10060701). The prospectus, the latest annual report, latest prices of shares and other information about the Fund are available free of charge at www.eref.ee. The prospectus is available in Estonian. The Articles of Association of the Fund and annual and half-yearly reports are available in Estonian and English. The Estonian taxation regime may have an impact on the personal tax position of the investors. The Fund may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.

This fund is authorised in the Republic of Estonia and regulated by Estonian Financial Supervision Authority. The Management Company is authorised in the Republic of Estonia and regulated by Estonian Financial Supervision Authority. This key investor information is accurate as at 19 March 2020.