

# Key Information Document (KID) Mint Tower Arbitrage Fund – H-Unit

**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.

## Mint Tower Arbitrage Fund – H Unit in euro (“Fund”) - ISIN: NL0015000WA3

Mint Tower Capital Management B.V. (“Manager”)

[www.minttowercapital.com](http://www.minttowercapital.com)

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Supervisory authority: Autoriteit Financiële Markten (AFM)

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

### What is this product?

#### Type

The Fund is a Dutch open-ended fund for joint account. The Fund is not a legal entity, but capital formed pursuant to an agreement between the Manager, the Legal Owner and each of the investors in the Fund. Because the Fund isn't a legal entity, the Stichting Juridisch Eigendom Mint Tower Arbitrage Fund (“Legal Owner”) is the legal owner of the assets and liabilities of the Fund. The Manager manages the Fund. IQ EQ Depository B.V. is the depository of the Fund (“Depository”) and supervises the Manager for the benefit of the investors. The Fund has no maturity date and is established for an indefinite period of time. Further information about the Fund, including the prospectus, investment policy, annual report and other information, is available free of charge at [www.minttowercapital.com](http://www.minttowercapital.com).

#### Objectives

The Fund aims to achieve an average return of 5% (after deduction of costs) over a period of 3-5 years, regardless of the direction of the market. The Fund invests globally in various sectors and makes use of volatility strategies that take advantage of movements in financial markets. The Fund primarily uses two global strategies: (convertible) bond arbitrage and volatility arbitrage. Various financial instruments are used (including options, various types of bonds issued by governments and legal entities, convertible bonds, warrants, futures, forwards, interest options and credit-default swaps). The Fund is actively managed and the Fund may use various (hedging) techniques to hedge financial risks. The Fund may also use leverage. The Fund's low risk profile is partly due to the fact that the Fund's strategies are mainly market neutral and market direction risk is minimized. The Fund does not use a benchmark and the specific investments are at the discretion of the Manager within the framework of the investment policy of the Fund. Dividends received are not paid out but reinvested. More detailed information can be found in the Fund's prospectus.

#### Intended retail investor

The Fund is suitable for both retail and professional investors (i) who possess knowledge of investing in financial instruments, (ii) are willing to take the risk of a (substantial) reduction in the value of the investment and are also able to bear that risk, (iii) for whom the interest in the Fund represents only a part of their total assets, (iv) do not need income from this investment, (v) accept limited liquidity of their investment as withdrawals are only possible once a month with a 90 day notification obligation and (vi) intend to keep the investment in the Fund for a period of at least 3 to 5 years. The minimum investment is EUR 100,000. The product does not have a predetermined term.

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

#### Risk Indicator

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 market or because we are not able to pay you.

We have classified this product as 2 out of 7, which is a low risk class. This rates the potential losses from future performance at a low level and poor market conditions are very unlikely to impact the capacity to pay you. The Fund does not provide a capital guarantee.

#### Risk indicator



The risk indicator assumes you keep the product for the recommended holding period (3-5 years). The actual risk can vary significantly if you cash in at an early stage and you may get back less.

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.

Other risks relevant to the product that are not captured in the overall risk indicator include leverage and concentration risk. For more detailed information on the risks, please refer to the “Risk Factors” section of the prospectus, which is available at [www.minttowercapital.com](http://www.minttowercapital.com)

## Performance Scenarios

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of possible results based on recent returns. Actual returns may be lower.

Investment 10,000 EUR	Scenarios	Recommended holding period: 3-5 years	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Stress scenario		What you might get back after costs	€9,266	€8,768	€8,442
		Average return each year	-7.34 %	-4.29 %	-3.33 %
Unfavourable scenario		What you might get back after costs	€10,003	€10,588	€11,335
		Average return each year	0.03 %	1.92 %	2.54 %
Moderate scenario		What you might get back after costs	€10,478	€11,481	€12,576
		Average return each year	4.78 %	4.71 %	4.69 %
Favourable scenario		What you might get back after costs	€10,938	€12,395	€13,889
		Average return each year	9.38 %	7.42 %	6.79 %

This table shows the money you could get back over the next 5 years under different scenarios, assuming you make a single investment of EUR 10,000. In these scenarios, past results of the Ordinary Units in euros are also included. This unit has virtually the same characteristics as the H – Unit. It is currently not possible to purchase Ordinary Units.

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

The figures shown include all the costs of the product itself and - if applicable - the performance fee but may not include all costs 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 Mint Tower Capital Management B.V. is unable to pay out?

The assets of the Fund and the Manager are separated from each other. As a result, the investor cannot suffer an immediate financial loss as a result of default by the Manager. Stichting Juridisch Eigendom Mint Tower Arbitrage Fund is the legal owner of all assets and liabilities of the Fund. In the event of default by this party, the investor may incur a financial loss. The Fund's investments are held with the prime brokers -supervised financial institutions- of the Fund. In case of default of a prime broker, there is a risk of loss of assets in custody. You may suffer financial loss as a result. Losses are not covered by an investor compensation or guarantee scheme.

## 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 cost of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest EUR 10,000. 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 10,000	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total Cost	€214	€668	€1,170
Effect on return (RIY) per year	2.40 %	2.23 %	2.34 %

### Composition of Costs

The table below shows the following:

- 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 effect on the return per year.

<b>One-off costs</b>	<b>Entry costs</b>	1.00 %	The impact of the costs you pay when entering your investment.
	<b>Exit Costs</b>	0.00 %	The impact of the costs of exiting your investment.
<b>Ongoing costs</b>	<b>Portfolio transaction costs</b>	0.11 %	The impact of the costs of us buying and selling underlying investments for the product.
	<b>Other ongoing costs</b>	2.07 %	The impact of the costs that we take each year for managing your investments.
<b>Incidental costs</b>	<b>Performance fees</b>	1.24 %	The impact of the performance fee. We take these costs from the realized increase in the net asset value per participation above the highest net asset value achieved in the past (so-called high watermark). The actual % may vary depending on how your investment pays off. The percentage included here is based on the average of the past 5 years.
	<b>Carried interests</b>	n.a	Carried interests do not apply to this product

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

The Fund has no mandatory minimum holding period, but the Fund is less suitable for investors who intend to withdraw their money within a year. We recommend that you hold your investment for at least 3-5 years. This is the minimum period during which the Fund's investment strategy is best realized and there is sufficient time to achieve the intended returns. You can exit your investment on the fixed trading day of each calendar month by submitting a request in writing at least 90 days before the intended trading day. If you wish to exit within a year, an exit fee of 3% applies. If you wish to exit after 1 year, no costs will be charged. See above under "What are the costs". Under certain circumstances, as described in chapter "Buy back of Units" in the prospectus, the Manager may suspend or limit the redemption of units in the Fund.

## How can I complain?

You can submit a complaint about the Fund, the Legal Owner or the Manager by email to the Manager at [compliance@minttower.com](mailto:compliance@minttower.com). The Manager will confirm receipt within five working days and indicate how the complaint will be handled.

## Other relevant information

Further information about the Fund, including the prospectus, terms of management and custody, annual and semi-annual report and other relevant documentation is available on the Manager's website at [www.minttowercapital.com](http://www.minttowercapital.com) in accordance with legal requirements.