

KEY INFORMATION DOCUMENT

PURPOSE

This document provides you with key information about this investment product (the “**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

Product: CEIBA Investments Limited (“**CEIBA**” or the “**Company**”) – Ordinary Shares

PRIP Manufacturer: CEIBA Investments Limited

ISIN: GG00BFMDJH11

Ticker: CBA

Listing: Specialist Fund Segment, Main Market, London Stock Exchange

Website: ceibainvest.com

Telephone number for more information: +44 1481743030

Document valid as at: 4 September 2023

Competent Authority: Financial Conduct Authority

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

WHAT IS THE PRODUCT?

Type

The Company is a Guernsey-incorporated, closed-ended investment company and is listed on the Specialist Fund Segment (“**SFS**”) of the Main Market of the London Stock Exchange.

The SFS is a dedicated segment for specialist, closed-end investment funds targeting institutional, professional, professionally advised and knowledgeable investors. As a regulated market, securities listed on SFS will normally be acceptable to institutional mandates.

Objectives

The Company seeks to provide a regular level of income and substantial capital growth.

The Company’s primary focus is on Cuban real estate assets. The Company seeks to deliver the investment objective primarily through investment in, and management of, a portfolio of Cuban real estate assets, with a focus on the tourism and commercial property sectors. Cuban real estate assets may also include infrastructure, industrial, retail, logistics, residential and mixed-use assets (including development projects).

The Company may also invest in any type of financial instrument or credit facility secured by Cuba-related cash flows.

The Company may invest in other Cuba-related businesses, where such are considered by the Management Team to be complementary to the Company’s core portfolio (“**Other Cuban Assets**”). Other Cuban Assets may include, but are not limited to, Cuba-related businesses in the construction or construction supply, logistics, energy, technology and light or heavy industrial sectors.

Investments may be made through equity investments, debt instruments or a combination of both.

The Company will invest either directly or through holdings in special purpose vehicles (“**SPVs**”), joint venture vehicles with the Cuban Government, partnerships, trusts or other structures. The Cuban Foreign Investment Act (Law 118 / 2014) guarantees that the holders of interests in Cuban joint venture companies may transfer their interests, subject always to agreement between the parties and the approval of the Cuban government.

Intended Retail Investor

The Shares are only suitable for institutional investors, professional investors, high net worth investors and professionally advised and knowledgeable investors who: (i) understand the risks involved in investing in the Company, the risks directly related to its investment territory, the Republic of Cuba, and the risks related to the United States embargo against Cuba; (ii) are capable of evaluating the risks and merits of such an investment; (iii) have sufficient resources to bear the economic risk of a substantial or entire loss of their investment; and (iv) can accept that there may be limited liquidity in the shares.

Under applicable U.S. legislation, U.S. Persons are generally prohibited from, directly or indirectly, acquiring or holding Shares.

It should be remembered that the price of the Shares and the returns from them can go down as well as up and that investors may not receive, on a sale of Shares, the amount that they invested.

Maturity

There is no fixed maturity date for the Company and the product’s manufacturer cannot choose to close/terminate.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

Risk Indicator



The risk indicator assumes you keep the Product for 5 years. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

The summary risk indicator is a guide to the level of risk of the 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 a 5 out of 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions are likely to impact our capacity to pay you. 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 what is owed, you could lose your entire investment.

Performance Information

The main factors that will affect the performance of CEIBA are: - The Management Team's ability to identify, acquire and realise investments in accordance with the Company's investment policy; CEIBA is invested in commercial and tourism property sectors within the Caribbean. Specifically, it has indirect interests in a business centre with a total rentable area of approximately 600,000 square foot, five hotels, and a (greenfield) logistic warehouse project, all within Cuba. As a result, key risk factors are: (i) general market conditions within Cuba and across the tourism and commercial property sectors; (ii) the political stability of Cuba; (iii) the overall liquidity position of Cuba and the possibilities to repatriate hard currency profits; (iv) the impact of US Cuba embargo; (v) the inclusion of Cuba on the US State Department's State Sponsors of Terrorism List; (vi) meteorological conditions (drought, hurricanes, floodings, etc.), and (vii) the ability of Management Team to realise value from hotel investments and to deliver hotel construction projects on time and within budgets.

CEIBA has delivered a negative annualised shareholder return of -21.6% and an annualised volatility of 16.2% since trading began on the 19th October 2018 up to the 4th September 2023 – the date of this document.

Due to infrequent trading of the Shares, we have formed a daily liquid proxy from a blend of CEIBA's return index, and prior to CEIBA's trading history, we have used an equal weighting to the FTSE AIM SS Travel and Leisure index, and S&P Latin America 40 index. For indicative longer-term performance, we backfilled performance to 31st December 1998.

We have used an ex-ante moderate performance scenario return of -21.6% for the recommended holding period of five years, this return is used in our reduction in yield calculations in the 'What are the costs?' section below.

For an indication of risk, we examined rolling five-year windows of the backfilled proxy's performance. The average volatility over these rolling windows was 17.8% per annum. However, during periods of stress in the market, the volatility temporarily increased to an annualised rate of 37.9%.

What could affect my return positively?

Specific factors that could affect returns positively are good performance of projects and investments within the portfolio, and the ability of the Management Team, to effectively manage the portfolio of the Group's investments and monitor the market conditions within Cuba. Broad factors that will likely contribute to positive returns would be: - a loosening of travel and trade restrictions from the US to Cuba; enhancements in Cuba's economic, political, legal, and financial landscape, a rise in international airlift and tourist inflow to Cuba, and access to programs provided by the International Monetary Fund and the World Bank. Overall improvements in valuations within the broader equity market are also likely to correlate to improvements in the Company's valuation. In terms of quantitative evidence, CEIBA's best performance over a rolling one-year period was 33.9% and, over the longer term, our proxy's best performance over a 5-year rolling period was 28.6% per annum.

What could affect my return negatively?

Specific factors that could affect returns negatively are poor performance of projects and investments within the portfolio, construction delays to hotel construction projects and an inability of the Management Team to manage and monitor the portfolio effectively. Broad factors that would contribute to negative returns would be: - worsening travel and trade restrictions; a downturn in the tourism sector in Cuba; a further decline in Cuba's economic, political, legal, or financial landscape. External factors that may correlate to negative returns are a decrease in valuations across the broader equity market, and unfavourable currency fluctuations between the U.S. Dollar and the Cuban Peso. In terms of quantitative evidence, CEIBA's worst performance over a rolling one-year period was -39.1%; and over longer periods the proxy's worst five-year rolling performance was -22.0% per annum.

What could happen in severely adverse market conditions?

The markets are currently experiencing adverse market conditions, CEIBA stock price has experienced a loss of 70.7% from October 2018 to July 2023. This is comparable to FTSE AIM Travel and Leisure, which lost 79.3% from May 2006 to December 2008 and recovered in March 2018. Under severely adverse market conditions, there is a risk that the capital value of an investment in the Company's shares could reduce significantly, potentially down to zero.

WHAT HAPPENS IF THE COMPANY IS UNABLE TO PAY OUT?

As a shareholder of the Company, you will not be entitled to compensation from the Financial Services Compensation Scheme or any other compensation scheme in the event that the Company were unable to pay any dividends or other returns it may elect to pay from time to time, or if it were unable to pay amounts due to you on a winding-up. No guarantee scheme applies to an investment in the Company.

WHAT ARE THE COSTS?

The Reduction in Yield (RIY) shows what the impact the total costs you pay may have on your investment return. 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 different holding periods. The figures assume you invest £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 10,000 GBP	if you cash in after 1 year	if you cash in after 3 years	if you cash in after 5 years <i>Recommended holding period</i>
Total Costs	317 GBP	606 GBP	645 GBP
Impact on return (RIY) per year	3.17 %	3.16 %	3.15 %

Composition of Costs

The table shows the impact of each year of the different types of costs on the investment return that you might get at the end of the recommended holding period.

This table shows the impact on return per year over 5 years

One-off costs	Entry costs	0.00 %	The impact of the costs you pay when entering your investment. The impact of costs already included in the price.
	Exit costs	0.00 %	The impact of costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.00 %	The impact of the costs of us buying and selling underlying investments for the Product.
	Other ongoing costs	3.15 %	The impact of the costs that we take each year for managing your investment includes 1.48% paid in interest expense.
Incidental costs	Performance fees	0.00 %	The impact of the performance fee. We take these from your investment if the Product outperforms its benchmark.
	Carried interests	0.00 %	The impact of carried interests.

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

Recommended holding period: 5 years

An investment in the Company should be regarded as a long-term investment. This product has no required minimum holding period, although five years have been used for the purposes of the calculations in the Key Information Document. The shares are traded on the London Stock Exchange and can be traded at any time that the market is open for business.

HOW CAN I COMPLAIN?

As a shareholder of the Company, you do not have the right to complain to the Financial Ombudsman (FOS) about the management of the Company. Complaints about the Company should be communicated to the company secretary using any of the contact details set out below:

Postal address: NSM Funds Limited, Les Echelons Court, Les Echelons, St Peter Port, Guernsey GY1 1AR

Website: ceibainvest.com

Telephone: +44 1481 743030

Email: operations@nsmfunds.com.

OTHER RELEVANT INFORMATION

You can obtain further information about the Company, such as details of the Company's share price and copies of the financial reports and other documents published by the Company, as well as information on the Directors and governance arrangements, from the Company's website: ceibainvest.com. Hard copies of these documents are available free of charge upon request. You can also refer to this website for additional information such as announcements made by the Company to the market.