SUMMARY

of the Offering Circular of Baltic Horizon Fund dated 6 June 2016 and as supplemented with the Prospectus Supplement dated 20 June 2016.

This Summary is made up of disclosure requirements known as "Elements" in accordance with the Annex XXII (Disclosure Requirements in Summaries) of the Prospectus Regulation. These elements are numbered in Sections A – E (A.1 – E.7) below. This Summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the Summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the Summary with the mention 'not applicable'.

Section A - Introduction and Warnings

A.1	**Warning**	This summary should be read as an introduction to the Offering Circular. The summary information set out below is based on, should be read in conjunction with, and is qualified in its entirety by, the full text of this Offering Circular, including the financial information presented herein. Any consideration to invest in the Offer Units should be based on consideration of the Offering Circular as a whole by the investor. Where a claim relating to the information contained in the Offering Circular is brought before a court, the plaintiff investor might, under the applicable law, have to bear the costs of translating the Offering Circular in the course of the legal proceedings or before such proceedings are initiated. No person assumes civil liability for this summary or the information herein, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Offering Circular, or does not provide key information to allow investment decision making.
A.2	**Consent by the issuer**	Not applicable

Section B - Issuer

B.1	**Legal and commercial name**	Baltic Horizon Fund
B.2	**Domicile, legal form and legislation**	The Fund is a public closed-ended contractual investment fund. The Fund is a real estate fund. The Fund is registered in the Republic of Estonia.
B.3	**Key factors relating to the Fund and its activities**	The Fund is a newly-established contractual investment fund. Therefore, it has no operating history. It also has no assets and liabilities. The Fund is a real estate fund and invests directly or indirectly in real estate located in Estonia, Latvia, and Lithuania, with a particular focus on the capitals - Tallinn, Riga, and Vilnius. See more information on the Fund's investment policy in Element B.34 below. A closed-ended contractual investment fund is a proven tax and cost efficient structure which can specifically be used for long-term real estate transactions producing regular dividends (similar to internationally known REITs).

		After the Combined Offering the Management Company aims to generate returns to the Unit-holders by investing in commercial real estate assets primarily at central and strategic locations in the Baltic capital cities. The Fund will primarily focus on fully-developed premium office and retail properties with high-quality tenants mix, low vacancy and stable and strong cash flows. The Fund will generate revenue by leasing out space at its properties to tenants. Constant flow of rental income will be the basis for the Fund to distribute dividends to its Unitholders. The Fund seeks to become the largest commercial property owner in the Baltics. In the longer term it targets to reach a property portfolio size of EUR 1,000m and NAV of EUR 500m in order to maximize unit-holder returns through cost efficiencies, increase negotiation power with tenants and sellers of properties and ensure high liquidity of its Units. The Fund's investment strategy aims to take advantage of higher property yields in the Baltics. According to Colliers, prime yields for office and retail properties in the Baltic capitals stood at 6.75-7.25% at the end of 2015. They exceeded yields in Nordic capitals by approximately 2.5% and Warsaw by approximately 1.5%. Higher property yields enable the Fund to generate greater cash returns, which are paid out to unit-holders as dividends, and also offer a potential for capital appreciation due to possible compression in the Baltic yields. The Fund targets a debt level of 50% of the value of its properties enabling to leverage returns to unit-holders and utilize currently low market interest rates. Dividends are targeted to yield 7-9% of invested equity per annum, payable semi-annually or on a more frequent basis. The focus on the Baltic commercial real estate is also based on positive leasing trends: low vacancy, gradually growing rent rates and a significant and still increasing presence of large international tenants. In addition, rising activity in the Baltic property transaction market leads to greater availability of potential acquisition targets which is important for the implementation of the Fund's investment strategy. The Fund's geographical focus on the Baltics is supported by the stable macroeconomic situation in the region. All three Baltic countries are members of the EU and have euro as a national currency. Their economies have been growing at a higher pace than the EU average. Ranked by real GDP growth over 2000-2015 (Eurostat), they are in the top 7 of the fastest expanding members of the EU. The EC forecasts economic growth in the Baltics to continue outperforming the EU average. Furthermore, government debt and private debt levels of the Baltic countries are among the lowest in the EU. Government debt to GDP ratio of Lithuania, the highest of the three, stood at 43% at the end of 2015 – substantially below the EU average of 87% (according to the EC). Simultaneously with the Combined Offering, the Management Company is in the process of merging the Fund with Baltic Opportunity Fund ("BOF") (the "Merger"). BOF is a closed-ended contractual real estate investment fund registered in Estonia on 1 September 2010, and managed by the Management Company.

		The purpose of the Merger is to add the assets and liabilities of BOF to the Fund simultaneously with a successful capital raising and to continue with the Fund that holds a solid property portfolio with an immediate opportunity to expand it. As part of the Merger, Unit-holders of BOF will receive 100 Units for 1 unit of BOF, rounded to the closest integer number. Units are issued at the Offer Price. The Merger shall be completed after the announcement of the results of the Combined Offering and prior to the completion of the Combined Offering and prior to the listing of the Units, on or about 30 June 2016.
B.4a	**Significant trends**	The Baltic economies have been among the fastest growing in the EU. Their GDP growth has significantly outperformed EU average. In 2015 economies of the Baltic countries were 19-20% larger in real terms compared to 2010 level whereas overall EU's GDP increased by only 5% real over the same period. In year 2015, despite a fall in exports to Russia, the Baltic economies delivered growth (albeit slower than in previous years) supported by expanding household expenditure which benefited from declining unemployment, rising wages and low inflation. The EC forecasts that buoyed by growing private consumption the Baltic countries will continue expanding at a considerably faster pace than EU as a whole. Overall EU is expected to achieve real GDP growth of 1.8% in 2016 and 1.9% in 2017. In contrast, the EC forecasts both Lithuania and Latvia to deliver growth of 2.8% in 2016 and 3.1% in 2017 and Estonia to grow by 1.9% in 2016 and 2.4% in 2017. Government finances of the Baltic States stand out in the European context as prudent, fiscally responsible and not overburden by debt. The Baltic countries have one of the lowest government debt levels in the EU. Whereas the overall EU is forecast by the EC to reach government debt to GDP ratio of 86% in 2017, Estonia's government debt is projected to be only 9% of GDP (the lowest in the EU), Latvia's 36% (the 4th lowest) and Lithuania's 43% (the 9th lowest). The activity in the Baltic property transaction market has been growing rapidly in recent years. According to Colliers, in 2015 the turnover of property transactions, aggregated for all three Baltic countries, reached EUR 1.4bn – up by more than 60% compared to 2014 and exceeding the previous peak of EUR 1.0bn recorded in 2007. Office and retail properties constituted 24% and 49% of the transaction volume in 2015 respectively. Prime yields in the Baltic capital cities have been gradually declining since 2010 on the back of stable and growing economy, improving real estate market fundamentals (declining vacancy and increasing rent rates), falling borrowing costs and high demand for cash flow-generating assets in a low interest rate environment. At the end of 2015 prime yields for office and retail properties stood at 7.0-7.25% in Riga, 7.0% in Vilnius and 6.75% in Tallinn. Despite a downward trend, yields in the Baltic capitals are still considerably higher than in Poland and even more so than in Nordics. Colliers estimates that at the end of 2015 prime yields for office and retail (SCs) properties were between 5.0-6.0% in Warsaw, 4.5-5.0% in Copenhagen, 4.25-4.50% in Stockholm and 4.0-4.25% in Oslo.

		Stock of modern office space in the Baltic capital cities increased by 5% to 1,624 thousand sqm of GLA in 2015. Office vacancy dropped to 4.3% from 6.5% in Vilnius and to 6.0% from 7.0% in Tallinn while in Riga it was stable at 5.7%. Development activity has picked up recently in Vilnius and Tallinn office markets as growth in demand for office premises has outpaced additions to supply illustrated by falling vacancy. The demand has been supported by launches of new shared service centers of international companies, especially in Vilnius. A major part of office buildings under construction are pre-let. Retail space (in shopping centers) in the Baltic capitals rose by 2% to 1,786 thousand sqm of GLA in 2015. Vacancy rates in SCs were low – 2.7% in Riga, 1.9% in Vilnius and 0.8% in Tallinn. The most successful SCs in the Baltic capital cities effectively had no vacant space. Demand for retail space has been supported by increasing household consumption which has been the main driver of economic growth in the Baltics in recent years. In 2015 retail trade (excl. motor vehicles and motorcycles) expanded by 4.4-5.4% in real terms in the Baltic countries exceeding 3.0% rise in the EU and 2.4% in the euro area. Development activity in retail property sector has been modest and below one in Vilnius and Tallinn office markets.
B.5	**Group**	Not applicable
B.6	**Unitholders**	Holdings in the Fund are not notifiable under Estonian law. All Units rank *pari passu* without preference or priority among themselves. To the extent known to the Management Company, no Unit-holder holds majority of the Units and controls the Fund.
B.7	**Selected historical financial information**	As at the date of the Offering Circular, the Fund has not commenced operations and no financial statements have been made up. Together with the completion of the Combined Offering, the Fund will take over BOF, established in 2010, whose property portfolio will be a seed portfolio of the Fund. The following tables present selected historical consolidated financial information of BOF. This is consistent with how the Fund will report its financial results after the Combined Offering – in a consolidated form. In years prior to 2015 BOF qualified as an investment entity under IFRS 10. According to consolidation requirements in IFRS 10, investment entities are required to measure subsidiaries at fair value through profit and loss rather than consolidate them. In 2015 BOF's objectives expanded beyond simply holding and managing a portfolio of real estate properties, to include active property management and the possibility to develop real estate projects. Consequently, BOF no longer met characteristics of an investment entity under IFRS 10 and, hence, was required to consolidate its subsidiaries. For year 2015, BOF reported statutory consolidated financial statements prepared according to the IFRS. In order to provide prospective investors with comparable financial information for years prior to 2015, special purpose consolidated financial statements have been prepared for 2014 and 2013.

The consolidated financial information of BOF, provided in the following tables, has been derived as follows:

- For year 2015: BOF's audited statutory consolidated financial statements for year ending 31 December 2015 prepared according to the IFRS;
- For years 2014 and 2013: BOF's audited special purpose consolidated financial statements for years ending 31 December 2014 and 31 December 2013. Because prior to 2015 BOF was qualified as an investment entity under IFRS 10, these statements do not comply with consolidation requirements in IFRS 10 according to which investment entities are required to measure their subsidiaries at fair value through profit and loss rather than consolidate them. Apart from this exception, these special purpose financial statements are prepared based on all other standards and interpretations of the IFRS.

Table 1: Consolidated income statement of BOF, EUR thousand

	2013	2014	2015
Rental income	2,454	3,048	6,073
Expenses reimbursement revenue	632	829	2,062
Cost of rental activities	-806	-1,177	-2,796
Net rental income	**2,280**	**2,700**	**5,339**
Administrative expenses	-592	-665	-984
Other operating income	4	-	267
Net loss on disposal of investment properties	-	-	-10
Valuation gains/losses on investment properties	1,326	611	2,886
Operating profit	**3,018**	**2,646**	**7,498**
Financial income	40	72	17
Financial expenses	-440	-656	-1,100
Profit before tax	**2,618**	**2,062**	**6,415**
Income tax charge	-102	-55	-890
Profit for the period	**2,516**	**2,007**	**5,525**
Earnings per unit (basic and diluted), EUR	**14.45**	**10.15**	**23.10**

Source: audited consolidated financial statements of BOF

Table 2: Consolidated financial position of BOF, EUR thousand

	31 Dec 2013	31 Dec 2014	31 Dec 2015
Investment properties	33,135	46,170	86,810
Other non-current assets	23	-	263
Total non-current assets	**33,158**	**46,170**	**87,073**
Trade and other receivables	2,139	214	840
Prepayments	13	11	81
Cash and cash equivalents	456	2,626	1,677
Total current assets	**2,608**	**2,851**	**2,598**
TOTAL ASSETS	**35,766**	**49,021**	**89,671**
Paid-in capital	18,156	22,051	25,674

Cash flow hedge reserve	-210	-194	-199
Retained earnings	1,510	2,458	6,218
Total equity	**19,456**	**24,315**	**31,693**
Interest bearing loans and borrowings	15,415	22,395	39,586
Deferred tax liabilities	57	670	3,673
Derivative financial instruments	211	149	215
Other non-current liabilities	41	160	451
Total non-current liabilities	**15,724**	**23,374**	**43,925**
Interest bearing loans and borrowings	229	644	11,608
Trade and other payables	313	534	2,036
Income tax payable	44	-	112
Derivative financial instruments	-	60	17
Other current liabilities	-	94	280
Total current liabilities	**586**	**1,332**	**14,053**
Total liabilities	**16,310**	**24,706**	**57,978**
TOTAL EQUITY AND LIABILITIES	**35,766**	**49,021**	**89,671**

Source: audited consolidated financial statements of BOF

Table 3: Consolidated statement of cash flows of BOF, EUR thousand

	2013	2014	2015
Operating activities			
Profit before tax	2,618	2,062	6,415
Adjustments for non-cash items:			
Value adjustment of investment properties	-1,326	-611	-2,886
Gain/loss on disposal of investment property	-	-	10
Value adjustment of derivative finance instruments	1	14	18
Change in allowance for bad debts	3	29	22
Financial income	-40	-72	-17
Financial expenses	440	656	1,100
Non-realised exchange differences	-30	-	-
Working capital adjustments:			
Decrease/-increase in trade and other accounts receivables	176	-81	-156
-Increase/decrease in other current assets	-31	271	-82
-Decrease/increase in other non-current liabilities	32	83	120
Increase/-decrease in trade and other accounts payable	-271	77	69
-Decrease/increase in other current liabilities	29	-559	407
Refunded/-paid income tax	-1	-102	-54
Net cash flow from operating activities	**1,600**	**1,767**	**4,966**
Investing activities			

Interest received	40	-	17
Acquisition of subsidiaries, net of cash acquired	-	-1,357	-7,657[1]
Acquisition of investment properties	-11,919	-	-
Disposal of investment properties	-	-	990
Capital expenditure on investment properties	-25	-468	-2,213
Net cash flow from investing activities	**-11,904**	**-1,825**	**-8,863**
Financing activities			
Proceeds from bank loans	8,150	499	4,804
Repayment of bank loans	-156	-463	-2,684
Granted loans	-2,000	-	-
Proceeds from issue of units	1,197	3,019	3,160
Profit distribution to unitholders	-1,235	-184	-1,302
Interest paid	-427	-643	-1,030
Net cash flow from financing activities	**5,529**	**2,228**	**2,948**
Net change in cash and cash equivalents	**-4,775**	**2,170**	**-949**
Cash and cash equivalents at the beginning of the year	5,231	456	2,626
Cash and cash equivalents at the end of the year	**456**	**2,626**	**1,677[2]**

Source: audited consolidated financial statements of BOF

[1] In BOF's audited consolidated financial statements for 2015, *acquisition of subsidiaries, net of cash acquired,* is equal to EUR 6,324 thousand which is comprised of EUR 7,657 thousand payment (net of cash acquired) for an acquisition of Europa SC reduced by EUR 1,333 thousand cash and cash equivalents held by BOF's SPVs at the beginning of 2015. The subtraction of SPV's cash position is due to a change in BOF's status under IFRS 10 from an investment entity at the end of 2014 to a non-investment entity in 2015. In BOF's reported consolidated statement of cash flows for 2015, cash and cash equivalents at the beginning of the year reflect non-consolidated position, i.e. only cash held by BOF itself (EUR 1,293 thousand). In order to consolidate cash held by SPVs at the beginning of 2015, the amount is recognised under *acquisition of subsidiaries, net of cash acquired,* as a positive cash flow item. This EUR 1,333 thousand consolidation adjustment is eliminated from the table above because in it cash and cash equivalents at the beginning of 2015 already reflect consolidated position, i.e. cash held by both BOF itself (EUR 1,293 thousand) and all its SPVs (EUR 1,333 thousand).

[2] Of that, EUR 500 thousand were restricted following requirements set in bank loan agreements.

Table 4: Key indicators of BOF

	2013	2014	2015
Property-related			
Value of investment properties, EUR'000	33,135	46,170	86,810
Number of properties, period end	3	4	5
Rentable area, sqm			
Period end	23,268	30,928	48,651
Period average[1]	21,825	28,322	44,718
Vacancy rate			
Period end	3.7%	6.3%	2.0%
Period average[2]	4.0%	9.8%	2.8%
Net initial yield[3]	7.8%	6.6%	7.1%
Financial			
EPRA NAV per unit[4], EUR	108.69	116.46	147.58
NAV per unit, EUR	107.21	111.95	126.69

ROE[5]	13.8%	9.2%	19.7%
Earnings per unit, EUR	14.45	10.15	23.10
Cash earnings[6], EUR'000	1,291	1,349	3,485
Cash earnings per unit, EUR	7.42	6.82	14.57
Distributable cash flow[7], EUR'000	1,188	656	3,382
Distributable cash flow per unit, EUR	6.82	3.32	14.14
Dividends per unit, EUR	7.03	5.06	7.17
Interest coverage ratio[8]	3.9	3.2	4.3
LTV[9]	47.2%	49.9%	59.0%

[1] Computed as average of monthly estimates.
[2] Computed as average of monthly estimates.
[3] Net initial yield = net rental income / value of investment properties. Annual estimate is calculated as average of monthly estimates.
[4] EPRA NAV is a measure of long term NAV, proposed by European Public Real Estate Association (EPRA) and widely used by listed European property companies. It is designed to exclude assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value of financial derivatives and deferred taxes on property valuation gains. EPRA NAV = NAV per financial statements + derivative financial instruments liability net of related deferred tax asset + deferred tax liability related to investment property fair and tax value differences.
[5] Return on average equity = profit for a year / average total equity; where Average total equity = (total equity at the beginning of a year + total equity at the end of a year) / 2.
[6] Cash earnings = profit before tax - valuation gains or losses on investment properties - net gains or losses on disposals of investment properties - paid income taxes.
[7] Distributable cash flow = net cash flow from operating activities - capital expenditure on investment properties (excl. investments in development projects) - less interest paid + interest received.
[8] Interest coverage ratio = (operating profit - valuation gains or losses on investment properties - net gains or losses on disposals of investment properties) / interest on bank loans.
[9] Loan-to-value = total interest bearing loans and borrowings / value of investment properties.

The main events that affected historical results of BOF were acquisitions of new properties. Since the beginning of 2013, four out of five assets comprising the existing property portfolio have been purchased: Sky Supermarket in January 2013, Coca Cola Plaza in March 2013, Domus Pro in May 2014 and Europa SC in March 2015. The fair value of BOF’s property portfolio expanded from EUR 33.1m at the end of 2013 to EUR 46.2m at the end of 2014 and EUR 86.8m at the end of 2015. Rentable area grew from 23.3 thousand sqm at the end of 2013 to 30.9 thousand sqm at the end of 2014 and 48.7 thousand sqm at the end of 2015.

In 2015 rental income of BOF doubled to EUR 6.1m from EUR 3.0m in 2014. The increase was primarily attributable to newly acquired Europa SC that contributed EUR 2.4m to the consolidated rental income during the year. Rental income of Domus Pro grew by EUR 0.4m thanks to its full year contribution and a drop in its vacancy. In 2014 rental income of BOF increased by 24% to EUR 3.0m from EUR 2.5m in 2013 driven mainly by Domus Pro which generated EUR 0.6m of rental income since its acquisition.

Expenses reimbursement revenue, representing supplementary charges to tenants to cover cost of rental activities, rose to EUR 2.1m in 2015 from EUR 0.8m in 2014 and EUR 0.6m in 2013 owing to the larger size of the portfolio which led to higher property operating expenses. BOF’s cost of rental activities grew by EUR 1.6m to EUR 2.8m in 2015 explained primarily by the acquisition of Europa SC whose operating expenses amounted to EUR 1.5m since the acquisition. In 2014 cost of rental activities rose to EUR 1.2m from EUR 0.8m in the previous year. The increase was mainly attributable to the addition of Domus Pro to the property portfolio which incurred EUR 0.3m of

		rental costs over 8 months of 2014. BOF's administrative expenses increased to EUR 1.0m in 2015 from EUR 0.7m in 2014 and EUR 0.6m in 2013. The growth was mainly driven by rising management fee (fixed at 1.9% of year-end NAV) impacted by increases in NAV. In additon, in 2015 a performance fee was recognised amounting to EUR 79 thousand (no performance fees recorded in previous years). Valuation gains on investment properties amounted to EUR 2.9m in 2015, EUR 0.6m in 2014 and EUR 1.3m in 2013. Properties of BOF have been recognised at fair value based on independent appraisals which have been carried out once a year with a valuation date of 31 December. The independent appraisals for 31 December 2015 were conducted by Colliers. Net financial expenses grew to EUR 1.1m in 2015 from EUR 0.6m in 2014 and EUR 0.4m in 2013. Increases were attributable predominantly to rising interest expenses on bank loans as BOF used bank financing to partly finance acquisitions of new properties. Financial debt of BOF, fully comprised of bank loans, expanded from EUR 15.6m at the end of 2013 to EUR 23.0m at the end of 2014 (impacted by Domus Pro acquisition) and EUR 51.2m at the end of 2015 (impacted by Europa SC acquisition). Income tax went up to EUR 0.9m in 2015 (fully comprised of deferred tax) from EUR 0.1m in the two previous years caused by substantially higher profits from properties located in Lithuania. Profits in Lithuania grew on the back of successful timing of the acquisition of Europa SC, full year contribution of Domus Pro and substantial fair value gains recognised from completing the rented out expansion of Domus PRO. Over the history of BOF, income tax has been recorded only for properties based in Lithuania and Latvia. Estonian properties, on the other hand, incurred no income tax because they did not pay dividends - retained profits are tax exempt in Estonia.
B.8	**Pro forma financial information**	Not applicable. Pro forma financial information is not provided in the Offering Circular.
B.9	**Profit forecast**	Not applicable. A profit forecast is not provided in the Offering Circular.
B.10	**Qualifications in audit reports**	The Fund has not made up financial statements. BOF's financial statements provided in this Offering Circular, including special purpose consolidated financial statements for years 2014 and 2013, received unqualified opinions from independent auditors. Europa SPV's financial statements (included in this Offering Circular in accordance with item 2.2(a)(i) of Annex XV of the Prospectus Regulation) for years ending 31 December 2015 and 31 December 2014 received unqualified opinions from independent auditors. For Europa SPV's financial statements for the year ending 31 December 2013, independent auditors issued a qualified opinion noting that they were unable to obtain sufficient audit evidence that certain valuation assumptions used by independent appraisers to determine the value of Europa SC property for 31 December 2012 were appropriate in the market conditions at that time. The fair value of investment property as at 31 December 2012 had an impact to revaluation

		amount recognised in the income statement for 2013 and, consequently, auditors were unable to determine whether any adjustments might be necessary to expenses from financing and investing activities and net result for the year ended 31 December 2013. Auditors concluded that, except for the possible effect of this matter, the financial statements gave a true and fair view of the financial position of Europa SPV at 31 December 2013, and of its financial performance and its cash flows for the year then ended in accordance with Business Accounting Standards of the Republic of Lithuania.
B.34	**Investment objective and policy**	The objective of the Fund is to provide its unit-holders with consistent and above average risk-adjusted returns by acquiring high quality cash flow generating commercial properties with the potential for adding value through active management, thereby creating a stable income stream of high yielding current income combined with capital gains. The focus of the Fund is to invest, directly or indirectly, in real estate located in Estonia, Latvia, and Lithuania, with a particular focus on the capitals - Tallinn, Riga, and Vilnius - and a preference for city centres within or near the central business districts. At least 80% of the Fund's gross asset value shall be invested in real estate and securities relating to real estate in accordance with the investment objectives and policy of the Fund. Up to 20% of the Fund's gross asset value may be invested in the deposits and financial instruments. The assets of the Fund may be invested in derivative instruments only for the purpose of hedging the property loan risks. The Fund shall meet the following risk diversification requirements: • up to 50% of the gross asset value of the Fund may be invested in any single real estate property, or in any single real estate fund; • the annual rental income from one single tenant shall not form more than 30% of the total annual net rental income of the Fund.
B.35	**Borrowing and/or leverage limits**	The Management Company has, on account of the Fund, the right to guarantee an issue of securities, provide surety, take a loan, issue debt securities, enter into repurchase or reverse repurchase agreements, and conclude other securities borrowing transactions. Subject to the discretion of the Management Company, the Fund aims to leverage its assets and targets a debt level of 50% of the value of its assets. At no point in time may the Fund's leverage exceed 65% of the value of its assets. Loans may be taken for periods of up to 30 years.
B.36	**Regulatory status and the name of a regulator**	The Fund is registered with, and is regulated by the Estonian Financial Supervision Authority.
B.37	**Profile of a typical investor**	A typical investor of the Fund is either an institutional or a retail investor seeking to have a medium or long term indirect exposure to commercial real estate property. Investors should be ready to accept investment risk generally inherent to real estate markets. Provided that Fund's investments are made with a long term perspective with a view to gain both from the increase of the property value over economic cycles and through continuous cash flow generation, also investors are expected to invest with a long term view. Furthermore, investors who expect regular distributions out of cash flows

		(e.g. dividends, interests) should consider an investment in the Fund. Any investor, who has had no or very little experience in investing in real estate funds or directly in commercial real estate property, should consult their professional adviser in order to learn about the characteristics and risks associated with such investments.
B.38	**Identity of assets in which the Fund invested more than 20% of its gross asset value**	According to the Fund Rules, up to 50% of the gross asset value of the Fund may be invested in any single real estate property, or in any single real estate fund. As of 31 December 2015, the fair value of Europa SC, a shopping mall in Vilnius, constituted 41% of BOF's gross assets and 43% of its property portfolio value. No other single property (or other investment) comprised more than 20% of the BOF's gross asset value.
B.39	**Identity of collective investment undertakings in which the Fund invested more than 40% of its gross asset value**	According to the Fund Rules, up to 50% of the gross asset value of the Fund may be invested in any single real estate fund. BOF has never invested in other collective investment undertakings.
B.40	**Service providers and fees**	The main service providers to the Fund are the Management Company and the Depositary. See Element B.41 below. For the fund management services, the Management Company is paid a management fee and a performance fee on account of the Fund. The management fee shall be calculated as follows: • the management fee shall be calculated quarterly based on the 3-month average market capitalisation of the Fund. After each quarter, the management fee shall be calculated on the first banking day of the following quarter. • the management fee shall be calculated based on the following rates and in the following tranches: - 1.50% of the market capitalisation below EUR 50 million; - 1.25% of the part of the market capitalisation that is equal to or exceeds EUR 50 million and is below EUR 100 million; - 1.00% of the part of the market capitalisation that is equal to or exceeds EUR 100 million and is below EUR 200 million; - 0.75% of the part of the market capitalisation that is equal to or exceeds EUR 200 and is below EUR 300 million; - 0.50% of the part of the market capitalisation that is equal to or exceeds EUR 300 million. • the management fee shall be calculated after each quarter as follows: - the market capitalisation as calculated on the fee calculation date, split

		into the tranches and each tranche of the market capitalisation ($MCap_t$) multiplied by - respective fee rate (F_n) applied to the respective tranche, then the aggregate of the fees from each tranches multiplied by - the quotinent of the actual number of days in the respective quarter ($Actual_q$) divided by 365 days per calendar year, as also indicated in the formula below $((MCap_1 \times F_1)+...+(MCap_5 \times F_5)) \times (Actual_q / 365)$ • in case the market capitalisation is lower than 90% of the net asset value, the amount equal to 90% of the net asset value shall be used for the Management Fee calculation instead of the market capitalisation. In this case, the net asset value means the average quarterly net asset value and such management fee adjustments shall be calculated and paid annually after the annual report of the Fund for the respective period(s) has been audited. For each year, if the annual adjusted funds from operations of the Fund divided by the average paid in capital during the year (calculated on a monthly basis) exceeds 8% per annum, the Management Company is entitled to a performance fee in the amount of 20% of the amount exceeding 8%. The performance fee is calculated annually by the Management Company and is accrued to the performance fee reserve. Once the performance fee reserve becomes positive, the performance fee can be paid to the Management Company. However, the performance fee for the year shall not exceed 0.4% of the Fund's average net asset value per year (upper performance fee limit). Negative performance Fee shall not be less than -0.4% of the Fund's average net asset value per year (lower performance fee limit). A performance fee for the first year of the Fund (i.e. 2016) shall not be calculated. The performance fee first becomes payable in the fifth year of the Fund (i.e. 2020) for the period of 2017, 2018, and 2019. The Depositary shall be paid a depositary fee for the provision of depositary services. The annual Depositary Fee will be 0.03% of the gross asset value of the Fund, but the fee shall not be less than EUR 10,000 per annum. In addition, the Depositary shall be paid or reimbursed for fees and out-of-pocket expenses related to the transactions made on account of the Fund. The fees and other expenses paid out of the Fund (including out of SPVs) shall not exceed 30% of the net asset value of the Fund per calendar year.
B.41	**Investment manager**	Northern Horizon Capital AS, registry code 11025345, address City Plaza, Tartu mnt 2, 10145 Tallinn, Estonia, acts as the fund management company of the Fund (the "Management Company"). Swedbank AS, registry code 10060701, address Liivalaia 8, 15040 Tallinn, Estonia acts as the depositary for the Fund. The depositary may delegate its tasks to third party service provider in compliance with the regulations and the Fund Rules (the "Depositary").

B.42 | **Net asset value calculation and communication**

The net asset value of the Fund shall be calculated monthly, as of the last banking day of each calendar month. The net asset value of the Fund and of a Unit shall be made available on the Website (www.baltichorizon.com), via a stock exchange release, and at the registered office of the Management Company on the 15th day of the following month at the latest.

B.43 | **Cross liabilities in the case of umbrella collective investment undertaking**

Not applicable. The Fund is not an umbrella collective investment undertaking and BOF has never invested in other collective investment undertakings.

B.45 | **Description of the Fund's portfolio**

As at the date of the Offering Circular, the Fund had no assets. However, subject to the completion of the Merger and the Combined Offering, the Fund will take over BOF whose property portfolio will be a seed portfolio of the Fund.

Table 5: BOF's property portfolio, 31 December 2015

Property	Sector	Rentable area, sqm	Fair value, EUR'000	Net rental income[1], EUR'000	Vacancy	WAULT, years
Europa SC	Retail	16,856	37,210	2,330[2]	3.1%	3.4
Domus Pro	Retail	9,018	16,340	865[3]	1.1%	6.4
Lincona	Office	10,849	15,460	1,143	3.0%	5.1
Coca Cola Plaza	Leisure	8,664	12,650	962	0.0%	7.2
Sky Supermarket	Retail	3,263	5,150	415	0.2%	4.7
Total		**48,651**	**86,810**	**5,715**	**2.0%**	**4.9**

[1] Net rental income earned in 2015.
[2] Europa SC's figure reflects full year 2015 including the period before the acquisition by BOF which was finalised on 2 March 2015. Taking into account only the period since its acquisition, Europa SC contributed EUR 1,954 thousand to BOF's consolidated net rental income in 2015.
[3] Includes only 1 month contribution from the first part (1,700 sqm) of the second stage commissioned in December 2015.

On 31 December 2015 BOF's total gross assets reached EUR 89.7m. The fair value of its property portfolio amounted to EUR 86.8m or 97% of gross assets. The property portfolio was comprised of 5 commercial properties located in the capital cities of the Baltic States. The portfolio has been built up from scratch since the inception of BOF. The first acquisition, Lincona office complex in Tallinn, took place in July 2011. Sky Supermarket, a neighborhood SC in Riga, and Coca Cola Plaza, a cinema in Tallinn, were bought at the beginning of 2013. In May 2014 the acquisition of Domus Pro, a neighborhood SC in Vilnius, was finalized. Europa SC, a shopping mall in Vilnius, was acquired in March 2015 becoming the last addition to the portfolio.

At the end of December 2015 the total rentable area of the portfolio stood at 48.7 thousand sqm. Low level of vacancy – 2.0% for the overall portfolio – signified strong demand for space in BOF's properties. Remaining lease term

		stood at comfortable 4.9 years. The composition of the BOF's property portfolio was tilted towards a retail sector and the city of Vilnius. Retail properties represented 68% of the portfolio value while a single office accounted for 18% and a cinema complex comprised the remaining 14%. Location-wise, Vilnius constituted the largest weight with 62% of the total value. Tallinn comprised 32% and Riga made up 6%. All assets in the portfolio were operational and generating rent revenue. In addition, construction of the 3,700 sqm second stage in Domus Pro SC was in progress. The expansion is expected to be fully completed and rental income in full swing by May 2016. Furthermore, it was decided to develop the third stage of Domus Pro – a 6-story building with 4,380 sqm of rentable space. Construction is planned to begin in July 2016 at the latest (conditional to 50% of space being pre-let) and be completed in one year. Domus Pro is a single asset in the portfolio that was not operational at the start of its acquisition (SPA signed in July 2013).
B.46	**Most recent net asset value per unit**	As of 31 May 2016 BOF's NAV per unit amounted to EUR 130.86 while EPRA NAV, the measure of long term NAV, stood at EUR 152.51 per unit. These figures have not been audited.

Section C - Securities

C.1	**Type and class of securities**	The Fund has one class of Units. The Units are registered with the Estonian Central Securities Depository, with ISIN EE3500110244.
C.2	**Currency of securities issue**	Units are issued in euros.
C.3	**Number of securities issued**	Up to 23,668,112 New Units will be issued in the Combined Offering. 25,016,675 Units will be issued as a result of the Merger, of which up to 6,898,906 Sale Units are sold as part of the Combined Offering by the Selling Unit-holders. Under the Upsizing Option up to 15,283,509 additional Offer Units may be issued. Immediately after the completion of the Merger and the Combined Offering, assuming that the Upsizing Option is exercised in full, the total number or Units will be 63,968,296 Units. Units are issued with no nominal value.
C.5	**Restrictions on transferability of securities**	Units are freely transferable.
C.7	**Dividend policy**	The Management Company targets to pay out to Unit-holders at least 80% of the distributable cash flow which is defined as cash flow from operating activities less capital expenditure to maintain the quality of

		properties and less financing expenses. Dividends will be determined taking into account the sustainability of the Fund's liquidity position. Up to 20% of the distributable cash flow might be used for follow on investments. As % of invested equity, dividends are targeted to yield 7-9% per annum. The Management Company intends to pay dividends semi-annually or on a more frequent basis. As of the date of the Offering Circular, the Fund has not commenced operations and, thus, has not paid dividends. BOF, which, subject to completion of the Combined Offering, will be merged with the Fund, has paid dividends every year since 2012.
C.11	**Admission to trading**	The Management Company has applied for the conditional listing of all the Units on Nasdaq Tallinn Stock Exchange. Trading in the Units is expected to commence on or about 6 July 2016.

Section D - Risks

D.2	**Key risks specific to the Fund**	- The Fund is exposed to macroeconomic fluctuations. - Subject to the completion of the Merger and the Combined Offering, the Fund will take over BOF, established in 2010, whose property portfolio will be a seed portfolio of the Fund. The Fund itself has no operating history. - Financial risks related to the euro area and its member states may affect the Fund's operating environment. - The successful implementation of Fund's investment strategy is subject to risks such as limited availability of attractive commercial properties for sale, unfavourable economic terms of potential investment targets, intensive competition among investors for high quality properties and inability to raise debt financing at attractive terms. - The past performance of the Management Company is not a guarantee of the future performance of the Fund. - Newly acquired real estate assets could require unforeseen investments and/or demonstrate lower than expected performance and financial returns. - The Fund will incur the burden of ownership, which includes the paying of expenses, taxes, maintaining such property and any improvements thereon and ultimately disposing of such property. - If a tenant leaves, there is a risk that a new tenant may not be found at the equivalent economic terms or at all for some time. There is also a risk that a tenant may not pay rent on time or at all. - Increased competition in property industry may require the Fund to invest in upgrading its properties and offer rent discounts to attract tenants. - A fair value of the Fund's property portfolio is subject to fluctuations. - Real estate investments are relatively illiquid. - The Fund employs a significant financial leverage when acquiring properties which also leads to interest rate risk and refinancing risk. - The Fund may to a limited extent invest in development projects which typically involve greater risks than fully-developed properties.

		- Performance of the Fund will depend on the Management Company's execution of the Fund's investment policy. - Fund's insurance policies could be inadequate to compensate for losses associated with damage to its property assets, including loss of rent. - Fund's properties could be subject to unidentified technical problems which could require significant capital investments. - Risk of changes in legislation and taxes. - The Fund may be drawn into legal disputes with tenants or counterparties in real estate transactions. - Use of external service providers involve risks related to the quality of services and their cost. - The Fund could be held liable for environmental damage incurred in a property owned by the Fund. - Potential damage to Fund's reputation could affect its ability to attract and retain tenants at its properties as well as Management Company's ability to retain personnel.
D.3	**Key risks specific to securities**	- Investors may lose the value of their entire investment in the Fund. - There is no guarantee that an active trading market for the Units will develop or be sustained. - The Offer Price may not be representative of the Unit market price after the listing. Investors that acquire the Units in the Offering may not be able to resell them in the secondary market at or above the Offer Price. - Potential future issuances of new Units could lead to dilution of unitholders holdings in the Fund and reduction in earnings per unit. - Once the lockup period for existing unitholders of BOF ends, they may sell their Units in the market which could potentially suppress the Unit market price. - The Fund may become subject to regulatory or legal proceedings in relation to registration, admission or qualification requirements or other restrictions that an issuance of units is subject to. - Court proceedings in Estonia and enforcement of judgements by foreign courts in Estonia may be more complicated or expensive than in investor's home country. - The tax consequences for the Swedish Unit-holders would depend on the assets directly held by the Fund and will vary over time if the Fund's assets change. - Neither the payment of future dividends, nor their size are guaranteed. - The need to comply with additional laws, rules and requirements arising from the public listing of Units could lead to higher general and administrative costs for the Fund.

Section E - Offer

E.1	**Net proceeds and expenses of the Offering**	Assuming all New Units will be issued and the Upsizing Option is exercised in full, net proceeds to the Fund from the Combined Offering are estimated to be EUR 47.7m. Assuming all New Units will be issued and the Upsizing Option is

		exercised in full, the total expenses of the Combined Offering including but not limited to financial audit, legal advice, financial advice and marketing are estimated to be approximately EUR 3.2m. This amount includes estimated EUR 0.4m expenses incurred by the Management Company in relation to the Combined Offering which will be charged to the Fund in equal monthly instalments over a period of 12 months subsequent to the completion of the Combined Offering.
E.2b	**Reasons for the Offering and use of proceeds**	The Fund aims to become the largest publicly listed real estate investor in the Baltics and to generate its prospective unitholders attractive returns by investing into commercial properties located in Baltic capital cities. Reasons for the Combined Offering in particular are: 1. To attract new capital which will be deployed to acquire fully developed and cash flow generating commercial properties in the capital cities of the Baltic States. 2. To expand unit-holders base and ensure liquidity of Units. 3. To add public capital markets to the Fund's financing options for future investments. 4. To increase awareness of the Fund among existing and prospective stakeholders and general public. The Management Company will use the net proceeds of the Fund from the Combined Offering to acquire commercial properties comprising Fund's investment pipeline. The investment pipeline of the Fund consists primarily of office and retail properties at central and strategic locations in the capital cities of the Baltic States. They are fully operational and cash flow generating real estate assets with attractive risk return profile, high-quality tenants mix, low vacancy rates and long lease maturities. As of the date of the Offering Circular, the Management Company is in late stages of acquisition negotiations for 3 properties with a combined value of EUR 58m enabling to finalise acquisitions of them by the end of August 2016 at the latest. The Management Company has entered into a conditional a sale and purchase agreement (SPA) of a real estate property at Paldiski road 80, Tallinn, Estonia. The SPA is conditional to the completion of the Merger, and to the fulfilment of other customary conditions precedent by the parties. The property is an office building with net leasable area 8,363 sqm and vacancy rate 0%. There is one tenant in the building and the existing lease agreement lasts at least until the end of 2022. All transaction matters, including a purchase price in the range of EUR 15.5-15.7m, were agreed with the property owner. Bank financing has been agreed at an interest cost of approximately 1.5%. The 3 properties are expected to be purchased at a 7.5% yield while their vacancy is almost non-existent at 0.1% and WAULT stands at 4.2 years. The total investment pipeline of the Fund consists of 21 Baltic properties with a total value of EUR 764m which could be acquired at an average 7.5% yield. Vacant space constitutes 3.8% and WAULT amounts to 7.6 years. To the extent the net proceeds of the Combined Offering are not used according to the purposes stated above, they will otherwise be used for the general purposes of the Fund.

E.3	**Terms and conditions of the Combined Offering**	Up to 23,668,112 New Units will be offered by the Management Company and issued by the Fund, and up to 6,898,906 Sale Units that are issued in connection with the Merger will be offered by the Selling Unit-holders. Together with determining the completion of the allocation process the Management Company has the right to exercise the Upsizing Option, taking into consideration the total demand in the Combined Offering and the quality of such demand. In exercising the Upsizing Option the Management Company has the right to increase the number of new Offer Units by up to 15,283,509 Offer Units. The Combined Offering will be completed only if i) at least EUR 20.0m net proceeds are raised to the Fund that corresponds to the issue of 16,512,659 New Units, and ii) up to 6,898,906 Sale Units are sold. The Offer Price will be EUR 1.3086 per Offer Unit. The Offer Price will be the same in the Institutional Offering and in the Retail Offering. Catella Bank S.A. Swedish branch, a branch of Luxembourg registered credit institution, address Birger Jarlsgatan 6, 114 34 Stockholm, Sweden, and Swedbank AB, a licensed credit institution registered in Lithuania, address Konstitucijos pr. 20A, 03502 Vilnius, Lithuania, are acting as the Co-Lead Managers of the Combined Offering (the “Managers”). In connection with the Retail Offering in Sweden Catella Bank S.A. Swedish Branch will act as paying and settlement agent (the “Retail Manager”). The Retail Offering is directed only to natural and legal persons in Sweden who are clients of the Retail Manager and to clients of Swedbank AB, a credit institution registered and operating in Sweden, registry code 502017 7753, address 105 34 Stockholm. Investor is considered to be a client of the Retail Manager if it has opened a deposit account with the Retail Manager. Investor is considered to be a client of Swedbank AB if it has opened a current and securities account with Swedbank AB. The Offer Units are marketed to retail investors in Sweden once the Swedish Financial Supervisory Authority has approved the marketing to retail investors in Sweden. Investors may submit purchase orders for the Offer Units (a “Purchase Order”) during the offer period, which commences at 9 a.m. on 8 June 2016 (Central European Time) and terminates at 10 a.m. (Central European Time) on 29 June 2016 (the “Offer Period”). Purchase Orders can only be submitted in the amount of Offer Units corresponding to the value of at least EUR 5,000, and only full number of Units can be subscribed for. An investor wishing to submit a Purchase Order should contact the Manager, the Retail Manager or Swedbank AB and register a transaction instruction for the purchase of securities in the form as set out by the respective Manager, the Retail Manager or Swedbank AB. The Purchase Order can be submitted by any means accepted by the Manager, the

		Retail Manager or Swedbank AB. An investor may amend or cancel a Purchase Order at any time before the expiry of the Offer Period. The Management Company together with the Managers will decide on the allocation on discretionary basis after the expiry of the Offer Period, and no later than on 29 June 2016. The Management Company expects to announce the results of the Combined Offering, including the final number of Offer Units on or about 29 June 2016 on the Website and through the Nasdaq Tallinn Stock Exchange (www.nasdaqbaltic.com/market/). Allocations made to Investors shall be notified to Investors on the same date by the Managers. For the purposes of allocation, multiple Purchase Orders by one Investor, if submitted, will be merged. By submitting a Purchase Order, an Investor agrees to pay for the subscribed Offer Units the Offer Price. In accordance with the allotments determined and announced for each specific Investor, trade instructions for the Offer Units may be placed on or after 29 June 2016 and must reach the relevant custodian bank in a manner which allows the settlement on or about 4 July 2016. The Offer Units allocated to the Investors will be transferred to their securities accounts on or about 4 July 2016 simultaneously with the transfer of payment for such Offer Units. The Management Company may cancel, partly or in full, the Combined Offering and/or modify the terms and dates of the Combined Offering at any time prior to the completion of the Combined Offering. Any cancellation of the Combined Offering or any part thereof will be announced on the Website and through the Nasdaq Tallinn Stock Exchange (www.nasdaqbaltic.com/market/). If the Combined Offering is cancelled, Purchase Orders for the Offer Units that have been made will be disregarded, Offer Units are not allocated to an investor, and the funds blocked on the Investor's cash account or a part thereof (the amount in excess of the payment for the allocated Offer Units) will be released by respective Manager. The Management Company will not be liable for the payment of the interest on the payment amount for the time it was held.
E.4	**Material and conflicting interests**	Not applicable
E.5	**Entity offering to sell securities and lock-up agreements**	The following unit-holders of BOF units are selling their Sale Units in the Combined Offering: • Svenska Kyrkans Pensionskassa – up to 4,606,631 Sale Units • UAB INVL Asset Management acting on behalf of pension funds INVL MEZZO II 53+, INVL MEDIO II 47+ and INVL EXTREMO II 16+ - up to 1,838,359 Sale Units • IPAS INVL Asset Management on behalf of pension funds INVL Ekstra16+ and INVL Komforts 47+ - up to 453,916 Sale Units

		Svenska Kyrkans Pensionskassa, holding approximately 46.04% of the units in BOF prior to the Combined Offering, has agreed not to sell, pledge or otherwise dispose of its Units that it holds after the completion of the Merger, the completion of the Combined Offering without the prior written consent by Swedbank AB, until 1 April 2017. Assuming the Sale Units are sold in full, Svenska Kyrkans Pensionskassa will hold approximately 38.1% of the Units retained by existing unit-holders of BOF and, assuming that all New Units will be sold and the Upsizing Option is exercised in full, 10.8% of the total number of the Units. Other unit-holders of BOF whose Units after the completion of the Merger and the Combined Offering, and assuming that the Upsizing Option is exercised in full, will form approximately 50.3% of the Units maintained by existing unit-holders of BOF and 14.3% of the total number of the Units, have agreed not to sell pledge or otherwise dispose of their Units that they hold after the completion of the Merger and the Combined Offering for 180 calendar days subsequent to the Listing without the prior written consent of Swedbank AB.
E.6	**Dilution resulting from the Offering**	Following the completion of the Combined Offering and assuming that all New Units are issued, the Upsizing Option is exercised in full and the Merger is completed, the existing unit-holders of BOF will hold approximately 28.3% of the total number of Units.
E.7	**Expenses charged to the investor**	An investor bears all costs and fees charged by the Retail Manager or Swedbank AB in connection with the submission of a Purchase Order. Any costs or fees are expected to be charged in accordance with the price list of the Retail Manager or Swedbank AB, or as indicated by them on the respective Purchase Order form.