

OCITY

***Société en commandite par actions (SCA)
Société d'investissement à capital variable (SICAV) -
Reserved alternative investment fund (RAIF)***

**Annual report
including audited financial statements for the period
from October 7, 2020 (date of incorporation) to
December 31, 2021**

**R.C.S. Luxembourg B 247898
26 Boulevard Royal
L-2449 Luxembourg**

No subscription can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current prospectus accompanied by the latest annual report if published thereafter.

OCITY

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OCITY

Organisation of the Fund

| | |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Registered Office | 26, Boulevard Royal, L-2449 Luxembourg Grand Duchy of Luxembourg |
| Managing General Partner | OCITY Fund Management S.à r.l. 26, Boulevard Royal, L-2449 Luxembourg Grand Duchy of Luxembourg |
| Members of the Board of Managers of the Managing Partner | Mr Christophe Nadal Mr Laurent Olmedo Mr Frédéric Reichling |
| Members of the Investment Committee for the OCITY - OCITY I subfund | Mr Frédéric Reichling Mr Michael Reichling Mr Laurent Olmedo Mr Bernard Olmedo Mr Michael Verschuure Mr Timothé Fuchs Mr Bernd von Manteuffel Mr Christophe Nadal |
| Alternative investment Fund Manager ("AIFM") | Fuchs Asset Management, S.A. , 49, Boulevard Prince Henri, L-1724, Luxembourg Grand Duchy of Luxembourg |
| Depositary and Administration Agent | EFG Bank (Luxembourg) S.A. , 56, Grand-Rue, L-1660 Luxembourg Grand Duchy of Luxembourg |
| Approved Statutory Auditor | Ernst & Young S.A. , 35E, Avenue John F. Kennedy, L-1855 Luxembourg Grand Duchy of Luxembourg |
| Legal Counsel | Van Campen Liem, Luxembourg 2, rue Dicks, L-1417 Luxembourg Grand Duchy of Luxembourg |

ACTIVITY REPORT OF OCITY FOR THE PERIOD FROM 7th OCTOBER 2021 TO 31st DECEMBER 2021

Dear Investors,

The Managers (the “Managers”) of OCITY Fund Management (the “General Partner”) are pleased to present you their Activity Report and the audited financial statements of OCITY (the “Fund”) for the period from 7th October 2020 to 31st December 2021 (the “Financial Period”).

MACROECONOMIC ENVIRONMENT AND MARKET TRENDS

On 11th March 2020, the World Health Organization declared Covid 19 as a pandemic. The pandemic continues to disrupt human ways of living and connections between people, which are at the heart of real estate business.

Although Covid-19 has created some turbulences, its impact has been mitigated by the closed monitoring our management teams. The development of the real estate projects has processed as planned and does not encounter significant delays. The management strongly believe that the going concern and viability of the Fund remain despite the temporary turbulences created by COVID19.

The ongoing development in the Eastern European Conflict is being closely followed and monitored. The General Partner continuously engages to monitor and protect against a range of disruptions and assess any potential exposure. The preliminary assessment performed by the General Partner concludes that there is limited overall exposure to the crisis.

Although the overall turbulence in capital markets, the Luxembourg economy has strengthened further, with an estimated growth of 6.9%¹ compared to 2020. Other indicators confirm this trend with a robust growth in employment and wage with an unemployment rate of 5.2% at the end of 2021 compared to 6.4% as at 31st December 2020². Population in Luxembourg continues to growth increasing from 245,4 inhabitants per km² in 2021 compared to 242,1 inhabitants in 2020³.

Population growth combined with a decreasing unemployment rate has the effect that demand of residential properties remain high with an insufficient supply. Luxembourg is showing one of the lowest vacancy rate of the European Union with a 3.6% in 2021 against 4% in 2020⁴.

We again observe that the health crisis and confinement had limited impact on the real estate price spike.

We can observe a geographical diversification of demand, with areas outside the capital seeming to be increasingly attractive to private buyers and investors. While the outskirts of Luxembourg City have long been of interest to buyers, we are now seeing other regions further afield, notably the north of the country; a market segment in which the Fund is positioned.

Finally, we can note that the South of the country is more sought after by future buyers. As the prices charges are much more affordable than in the Centre, buyers can still seek areas more conducive to new post-covid lifestyles with flexibility in teleworking. The Fund is orienting its strategy in this direction.

¹ Source : Statnews n°9 du 14/03/22 de statistiques.lu

² Source: Government.lu

³ Source : Statistiques.lu

⁴ Source :JLL

INVESTMENT ACTIVITY IN 2021

The Fund has one Sub-Fund named Ocity 1 Sub-Fund.

The main objective of the Fund and its sub fund is to build up a portfolio of real estate assets that are intended to become property development projects in the residential sector, as well as for office space and various type of real estate properties for commercial and hospitality operations and health care facilities (in the broadest sense) or real estate properties offering restructuring and repositioning opportunities.

The investment objective of the Sub-fund is to achieve capital growth in the short/medium term by capitalizing on investment opportunities existing in real estate sectors in the Grand-Duchy of Luxembourg.

During the Financial Period, the Fund acquired the following real estate assets:

On 16th December 2020, the Fund acquired 100% of the shares in MULHENBACH 91, a SPV holding two houses to be demolished over 3 plots of land of a total area of 700 sqm. This acquisition is in view of developing a residential building of c. 827 sqm with 15 apartments and dedicated parking lots located in Mühlenbach, a residential district of Luxembourg City (the “**M91 Investment**”).

On 4th May 2021 and on 15th October 2021, the Fund acquired 100% of the shares in SANDWEILER PROMOTIONS S.A. and SANDWEILER 2 PROMOTIONS S.A. respectively. These SPVs hold four plots of lands of a total area of 17,581 sqm. These acquisitions are in view of developing, in two stages, a total of 20 buildings composed of 104 units (94 apartments, 5 office units and 5 retail units) over an authorized area of c. 13,560 sqm, together with dedicated parking lots. Those assets are located in Sandweiler (Luxembourg), a green and family municipality closed to Luxembourg City (the “**Sandweiler Investment**”).

On 2nd August 2021, the Fund acquired, through its SPV B CITY S.à r.l., a house on 4 plots of land totaling 5.965 sqm and located in the municipality of Bridel. This acquisition is indented to develop three residential building of 3.051 sqm with 38 apartments and dedicated parking. Bridel is a chic residential and green municipality surrounded of numerous woods and located several kilometers in the East side of Luxembourg City (the “**Bridel Investment**”). Since the acquisition, the house has been demolished, the required rate of pre-sold lots has been reached and thus the construction of the first building has started.

The M91 Investment, Sandweiler Investment and Bridel Investment resulted in an assets portfolio held by the Fund valued at c. EUR 73 million.

FUND ACTIVITY IN 2021

As at 31 December 2021, the Total Commitments of the Fund through the issuance of bonds amounted to EUR 42.473.968.

FINANCIAL REVIEW

The net asset value ("NAV") per class of bonds of the fund as at 31st December 2021 is shown in the table below:

| | 31.12.2021 |
|------------------|------------|
| Class OB1 bonds | 1.108,33 |
| Class OB2 bonds | 1.100,00 |
| Class OB3 bonds | 1.058,33 |
| Class OB4 bonds | 1.033,33 |
| Class OB5 bonds | 1.008,33 |
| Class OB6 bonds | 1.000,00 |
| Class OBS1 bonds | 1.017,50 |
| Class OBS2 bonds | 1.000,00 |
| Class OBS3 bonds | 1.000,00 |


SUBSEQUENT EVENTS

On 31st May 2022, the Fund acquired, through its newly incorporated SPV MULHENBACH 95 S.à r.l., two houses to be demolished over 4 plots of land of a total area of 673 sqm, located in the continuity of the M91 Investment plots of land in the Mülhenbach district. This acquisition is in view of developing a common residential project with M91 Investment. Based on preliminary studies, this acquisition allows to develop c. 1.782 sqm of residential area with 23 apartments and dedicated parking lots (the "M95 Investment").

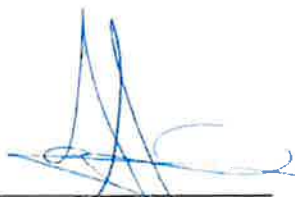
The management is pursuing its strategies by seeking good opportunities to develop its real estate asset base in line with the Fund's strategy and performance objective.

As the fundraising objective has been reached, the Fund closed the subscription period for its Ocity 1 sub-Fund as at 31st March 2022.


Ocity Fund Management



Mr. Christophe Nadal
Class A Manager
Date : 14th October 2022



Mr. Laurent Olmedo
Class B Manager
Date :14th October 2022



Mr. Frédéric Reichling
Class C Manager
Date: 14th October 2022



Ernst & Young
Société anonyme

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Independent auditor's report

To the Shareholders
OCITY S.C.A. SICAV-RAIF
26, Boulevard Royal
L-2449 Luxembourg

Opinion

We have audited the financial statements of OCITY (the "Fund") which comprise the statement of net assets as at 31 December 2021, and the statement of operations and changes in net assets for the period from 7 October 2020 (date of incorporation) to 31 December 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2021, and of the results of its operations and changes in its net assets for the period from 7 October 2020 (date of incorporation) to 31 December 2021 in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Managers of the Fund's General Partner is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers of the Fund's General Partner for the financial statements

The Board of Managers of the Fund's General Partner is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Managers of the Fund's General Partner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Managers of the Fund's General Partner is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers of the Fund's General Partner either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers of the Fund's General Partner.

- Conclude on the appropriateness of Board of Managers of the Fund's General Partner's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Julie Honoré

OCITY

Statement of net assets as at December 31, 2021

| | Note | OCITY EUR |
|---------------------------------------------------------|------|----------------------|
| ASSETS | | |
| Investments at fair value | 7 | 21,438,373.12 |
| Loans | 7 | 5,596,464.58 |
| Interest on loans | 7 | 171,055.85 |
| Cash at banks | | 18,381,189.92 |
| Capitalized Costs | 10 | 5,184,577.70 |
| Formation expenses | 2.4 | 85,488.56 |
| Receivable from investors | 4 | 100.00 |
| Other receivable | | 19,553.63 |
| TOTAL ASSETS | | 50,876,803.36 |
| LIABILITIES | | |
| Administration fees payable | 8 | 33,246.58 |
| Audit fees payable | 8 | 25,798.50 |
| Depository fees payable | 8 | 26,184.27 |
| Financing fees payable | 8 | 384,100.00 |
| Acquisition fees payable | 10 | 498,403.71 |
| Distribution fees payable | 10 | 1,218,008.96 |
| Operating fees payable | 10 | 522,003.84 |
| AIFM fees payable | 8 | 34,036.84 |
| Management fees payable | 8 | 22,970.59 |
| Taxe d'abonnement payable | | 459.51 |
| Transfer Agent fees payable | 8 | 7,050.00 |
| Credit Line facility | 11 | 1,710,912.02 |
| TOTAL LIABILITES (excluding bondholders payable) | | 4,483,174.82 |
| Amounts payable to bondholders | 6 | 42,473,967.71 |
| Interests payable to bondholders | 6 | 1,676,304.93 |
| NET ASSETS AS AT DECEMBER 31, 2021 | | 2,243,355.90 |

The accompanying notes form an integral part of these financial statements.

OCITY

Statement of operations and changes in net assets for the period from October 7, 2020 (date of incorporation) to December 31, 2021

| | Note | OCITY EUR |
|--------------------------------------------|------|-----------------------|
| INCOME | | |
| Interest income on debt securities | | 172,300.16 |
| Other income | 9 | 526,824.28 |
| TOTAL INCOME | | 699,124.44 |
| EXPENSES | | |
| Management fees expenses | 8 | (368,214.11) |
| Legal fees expenses | | (30,368.63) |
| Audit fees expenses | 8 | (25,798.50) |
| Amortisation of formation expenses | 2.4 | (27,991.87) |
| Taxe d'abonnement | | (976.55) |
| Banking fees and Interests expenses | 11 | (40,746.59) |
| Depository fees expenses | 8 | (49,246.90) |
| Transfer Agent fees expenses | 8 | (13,850.00) |
| Administration fees expenses | 8 | (69,885.25) |
| Operating fees expenses | 10 | (1,290,023.76) |
| AIFM fees expenses | 8 | (73,986.29) |
| Professional fees expenses | | (2,326.33) |
| Regulatory fees expenses | | (2,000.00) |
| Cost of Investors return | 6 | (1,676,304.93) |
| TOTAL EXPENSES | | (3,671,719.71) |
| NET INVESTMENT RESULT | | (2,972,595.27) |
| CHANGE IN UNREALISED RESULT | | |
| - appreciation on investments | 7 | 5,182,851.17 |
| TOTAL UNREALISED RESULT | | 5,182,851.17 |
| OPERATIONS RESULT | | 2,210,255.90 |
| Subscriptions | 5 | 33,100.00 |
| Net assets at the beginning of the period | | - |
| NET ASSETS AT THE END OF THE PERIOD | | 2,243,355.90 |

The accompanying notes form an integral part of these financial statements.

OCITY

Statistical Information

| Shares | Currency | Shares outstanding 31/12/2021 | NAV per share 31/12/2021 |
|----------------|-----------------|----------------------------------------------|-------------------------------------|
| OCITY | | | |
| Class A shares | EUR | 32.00 | 1,125.00 |
| Class C shares | EUR | 100.00 | 22,062.31 |
| GP shares | EUR | 1.00 | 1,125.00 |

| Bonds | Currency | Quantity 31/12/2021 | Par value 31/12/2021 |
|------------------|-----------------|--------------------------------|---------------------------------|
| Class OB1 bonds | EUR | 10,600.00 | 1,108.33 |
| Class OB2 bonds | EUR | 1,620.00 | 1,100.00 |
| Class OB3 bonds | EUR | 2,912.26 | 1,058.33 |
| Class OB4 bonds | EUR | 2,624.00 | 1,033.33 |
| Class OB5 bonds | EUR | 2,534.78 | 1,008.33 |
| Class OB6 bonds | EUR | 6,173.63 | 1,000.00 |
| Class OBS1 bonds | EUR | 5,000.00 | 1,017.50 |
| Class OBS2 bonds | EUR | 672.00 | 1,000.00 |
| Class OBS3 bonds | EUR | 10,337.50 | 1,000.00 |

The accompanying notes are an integral part of these financial statements.

OCITY

Notes to the financial statements as at December 31, 2021

NOTE 1 - GENERAL

OCITY (hereinafter the "Fund") is an investment company with variable share capital ("société d'investissement à capital variable") incorporated under the form of a partnership limited by shares ("société en commandite par actions") with an umbrella structure subject to the 2016 Act, the 1915 Act (insofar as there are no exceptions instituted by the 2016 Act) and the Articles of Association and organised as a RAIF under the RAIF Law, registered on the official list of RAIFs held with the Luxembourg Companies and Trade Register under number B247898.

The Fund qualifies as an Alternative Investment Fund and its Authorised Alternative Investment Fund Manager ("AIFM") pursuant to the 2013 Law is Fuchs Asset Management S.A.

The sale and holding of bonds issues by the Fund are restricted to Well-Informed Investors qualifying as Eligible Investors.

The Fund launched its operation on October 7, 2020, this being decided at the Board Meeting of the directors of the General Partner ("GP").

The Fund produces an annual report, including Audited Financial statements, within 6 months from the end of the financial year.

The financial year of the Fund starts on the 1st of January of each year and ends on December 31 of the same year, except for the first financial period that began on October 7, 2020 (date of incorporation) ended December 31, 2021.

No subscription can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current Prospectus.

The Fund was established for an unlimited term and will end with the dissolution and liquidation of its last Sub-Fund.

As at December 31, 2021, the Fund offers the following Sub-Fund:

- OCITY - OCITY 1 in EUR.

The Sub-Fund is established for a term of fifteen years as from the First Subscription Day, except in the cases of early dissolution detailed in the current Private Placement Memorandum.

As at December 31, 2021, the above Sub-Fund offers the following classes of shares:

- Class A shares (EUR); reserved for Founder Shareholders and their Affiliated Persons at the Issue Price of EUR 1,000;
- Class C shares (EUR); with a maximum of 300 C shares issued at a price of EUR 1;
- GP shares (EUR).

The end of the subscription period into OCITY 1 Sub-Fund is December 31, 2022.

As at December 31, 2021, the above Sub-Fund offers the following classes of bonds:

- Class OB Bond will be divided into tranches (from OB1 to OB10). The minimum subscription amounts to EUR 250,000, with a par value of EUR 1,000 and the maturity date being the 36th month after the subscription date of the relevant OB bond. The maturity date may be extended (see section 6 of the Supplement 1 of the current Private Placement Memorandum). The objective of the Sub-fund is to generate a return calculated per OB Bond from the subscription day of the relevant OB Bond until the redemption or the maturity of such OB Bond, based on the issue price of 10% per annum.
- Class OBS Bond will be divided into tranches (from OB1 to OB10). The minimum subscription amounts to EUR 250,000, with a par value of EUR 1,000 and the maturity date being the 36th month after the subscription date of the relevant OB bond. The maturity date may be extended (see section 6 of the Supplement 1 of the current Private Placement Memorandum). the objective of the Sub-Fund is to generate a return calculated by OBS bond from the subscription day of the relevant OBS Bond until the redemption or the maturity of such OBS Bond, based on the issue price of 7% per annum, with the objective to pay, subject to the availability of distributable income and any relevant adjustment to be made by the managing general partner at its discretion taking into account the best interest of the Sub-Fund:
 - 5% per annum pro-rata (temporis) p, a quarterly basis at the end of each calendar quarter, calculated from the subscription day of the relevant OBS bond;
 - the remaining 2% at the redemption date or the maturity date.

Given the unprecedented impact COVID-19 is having on the economy, construction sector, markets and society as a whole, the Fund carried out actions plan to mitigate its consequences.

Although COVID-19 has created some turbulences, its impact has been mitigated by the closed monitoring our management teams. The development of the real estate projects has processed as planned and does not encounter unforeseen delays. The management strongly believe that the going concern and viability of the Fund remain despite the temporary turbulences created by COVID-19.

OCITY

Notes to the financial statements as at December 31, 2021 (continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

1 - General

The financial statements are presented in accordance with Luxembourg legal and regulatory requirements for investment funds.

2 - Presentation of financial statements

The Fund's Reference Currency is the euro (EUR).

The financial statements of the Fund are expressed in EUR.

3 - Valuation of investment and other assets

Shares in Portfolio Companies are valued at fair value.

Fair value movements are accounted for in the Statement of operations and changes in net assets.

The value of the Fund's assets is determined as follows:

- i. The value of cash in hand or deposited, bills and notes payable on demand and accounts receivable, prepaid expenses, cash dividends and interest declared or due but not yet received will be the total value of the Fund, except where it is unlikely that payment will be made, in which case the value will be determined by deducting an amount deemed adequate to reflect the real value of such assets;
- ii. Any marketable securities and money market instruments listed or traded on a stock exchange or any other regulated market will be valued based on the last available price, unless this price is not representative, in which case the value of this asset will be determined based on the fair value which will be estimated in good faith by the AIFM with the agreement of the Managing General Partner;
- iii. The financial instruments and securities held by the Fund are valued in good faith by the AIFM with the consent of the Managing General Partner and in accordance with the Luxembourg accounting regulations applicable to the Fund but taking into account tax consequences deriving from the structure of the Fund;
- iv. Each real estate asset (other than financial interests in real estate companies) will be valued at least once a year and, in principle, but at the discretion of the Managing General Partner, upon each acquisition by a Sub-Fund, by an independent expert appointed by the Managing General Partner. Such independent valuations will then be reviewed and approved subject to adjustments, if applicable, by the AIFM and the Managing General Partner by considering the principles of precaution and good faith;
- v. If the price determined in accordance with the above-mentioned provisions is not representative or, if the valuation concerns assets which are not mentioned above (including real estate assets), the value will be based on the predictable realisable value which will be estimated with precaution and in good faith by the AIFM with the agreement of the Managing General Partner, in accordance with generally accepted valuation principles and procedures.

The Net Asset Value ("NAV") of the Fund, each Sub-Fund and each Class, Share and Bond will be determined in accordance with Luxembourg law, subject to any adjustments necessary to guarantee that investors are treated fairly in accordance with this Prospectus and the Articles of Association.

Unless otherwise specified in a Supplement, the Net Asset Value of the Fund, each Sub-Fund and each Class, Share and Bond will be calculated in good faith in Luxembourg in euros once a year by reference to the date of 31 December (the **Valuation Date**).

The NAV of each Class is calculated by the Administration Agent under the supervision of the Managing General Partner by reference to the Valuation Date as follows: each Class participates in the Fund and the relevant Sub-Fund based on the portfolio and distribution rights allocated to each Class. The value of the entire portfolio and the distribution rights allocated to a Class in particular with reference to a specific Valuation Date adjusted with the liabilities relating to this Class on this Valuation Date represents the total Net Asset Value allocated to this Class on this Valuation Date. A separate Net Asset Value per Security, which may vary according to such factors, will be calculated as follows: the Net Asset Value per Security of this Class on the Valuation Date divided by the total number of Securities of this Class issued on the Valuation Date and adjusted in accordance with the Distribution Policy and the financial entitlements of each Security as provided for in this Prospectus.

The total net assets of the Fund will be the result of the difference between the Fund's Assets and the Fund's obligations and liabilities.

OCITY

Notes to the financial statements as at December 31, 2021 (continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

4 - Formation expenses

The Set-up Costs will be capitalised to the extent possible and depreciated on a straight-line basis over a five-year period, it being understood that the acquisition costs will be capitalised in the balance sheet of the Fund (or the balance sheet of Intermediate Vehicles) and will be considered as charges to be depreciated as from the Last Subscription Day until the Fund reaches its term and, in any case, over a maximum period of 5 years. The Set-up Costs during this five-year depreciation period will be allocated to the Sub-Funds on a reasonable, fair basis and, without prejudice to the foregoing, on a pro-rata basis to the Classes and the Securities issued.

Formation expenses are capitalised and amortised over a five-year period using the straight-line method in the Statement of operations and changes in net assets.

5 - Net realised gain/loss on sales of investments

The net realised gain/loss on sale of investments is calculated as the difference between the total cost price and the total of sale proceeds.

6 - Conversion of foreign currencies

The accounting records and the financial statements of the Fund are expressed in EUR. Bank accounts, other net assets and market value of the investments in securities expressed in currencies other than the reporting currency are converted into the reporting currency at exchange rates on the date of the balance sheet. Income and expenses in currencies other than the reporting currency are converted into the reporting currency at the rate of exchange prevailing at payment date.

Cost of financial fixed assets in currencies other than EUR is translated into EUR at the exchange rate applicable at purchase date.

The value of any assets and liabilities not expressed in the reference currency of a Sub-Fund shall be converted to the reference currency for each Sub-Fund at the latest exchange rates listed by a large bank. If such quotations are not available, the exchange rate will be prudently determined in good faith or using procedures established by the AIFM/Managing General Partner.

The AIFM/Managing General Partner can allow the use of other valuation methods if it determines that this valuation better reflects the fair value of all Fund assets.

7 - Income (Dividend; Interest)

Dividends from portfolio investments are recognized when they are declared and shown net of any withholding tax. Loan interest is recognized on an accrual basis. Tax suffered on investment income for which no relief is available is treated as an expense. Interest receivable from short-term deposits and temporary investments is accrued to the end of the year. The gains and losses arising from changes in the fair value are recognized directly in the profit and loss account.

8 - Debt

Debts are recorded at their reimbursement value. When the amount to be reimbursed is superior to the perceived amount, the difference is recognized at the profit and loss account at the issue of the debt.

9 - Capitalized costs

Capitalized costs are recorded on the balance sheet as an asset at their historical cost. These capitalized costs will be amortized as from end of subscription period until the end of the Fund's life.

10 - Carried interests

Carried interest are recorded under the Class C Net Asset Value as per mechanisms described in the note 11 below.

NOTE 3 - TAXATION

In accordance with the current legislation in Luxembourg, the Fund is exempted from Luxembourg income tax and net wealth tax. Dividends (if any) are exempted from dividend withholding tax.

The Fund is however liable in Luxembourg to a subscription tax ("taxe d'abonnement") at a rate of 0.01% per annum of its net assets, such tax being payable quarterly and calculated on the basis of the total net assets of the Fund at the end of the relevant quarter.

Notes to the financial statements as at December 31, 2021 (continued)

NOTE 4 - RECEIVABLE ON SUBSCRIPTIONS

On December 31, 2021, the fund launched the Class C Shares by the issuance of 100.00 shares of nominal value EUR 1.00.

Such shares are reserved at the time of their subscription for the Managing General Partner, its Affiliated Persons and their directors, shareholders, associates, corporate officers and employees and entitling them to the payment of Carried Interest.

The EUR 100.00 in the receivable from investors account corresponds to the price of the C shares not yet paid at the date of the report. The investors contributions have been received in January 2022.

NOTE 5 - SHARE CAPITAL

The minimum share capital of the Fund is EUR 1,250,000. This minimum must be reached within twelve months of setting up the Fund. The initial capital of the Fund was thirty-three thousand euros (EUR 33,000) represented by thirty-two (32) A Shares and one (1) GP Share, all fully paid up and without par value.

The Share Capital for the year ended December 31, 2021 was as follows:

| Type | Date | Class A Shares (EUR) | | Class C Shares (EUR) | | GP Shares (EUR) | |
|-------------------|------------|----------------------|------------------|----------------------|---------------|-----------------|-----------------|
| | | Quantity | Amount | Quantity | Amount | Quantity | Amount |
| Incorporation | 07/10/2020 | 32.00 | 32,000.00 | - | - | 1.00 | 1,000.00 |
| Class C issuance | 31/12/2021 | - | - | 100.00 | 100.00 | - | - |
| Total 2021 | | 32.00 | 32,000.00 | 100.00 | 100.00 | 1.00 | 1,000.00 |

NOTE 6 – BONDS ISSUANCE

The fund has issued bonds to its investors as per the below table and schedule:

| Bond Name and Issuance date (Series) | Nominal | Issue Price | Quantity | Accrued Interests | Total Value | Maturity Date | Interest Rate |
|--------------------------------------|----------------------|-------------|------------------|---------------------|----------------------|---------------|---------------|
| OB1 30/11/2020 | 10,600,000.00 | 1,000.00 | 10,600.00 | 1,148,333.33 | 11,748,333.33 | 30/11/2023 | 10% |
| OB2 31/12/2020 | 1,620,000.00 | 1,000.00 | 1,620.00 | 162,000.00 | 1,782,000.00 | 31/12/2023 | 10% |
| OB3 31/03/2021 | 2,912,259.00 | 1,000.00 | 2,912.26 | 169,881.78 | 3,082,140.78 | 31/03/2024 | 10% |
| OB4 30/06/2021 | 2,624,000.00 | 1,000.00 | 2,624.00 | 87,466.67 | 2,711,466.67 | 30/06/2024 | 10% |
| OB5 30/09/2021 | 2,534,777.60 | 1,000.00 | 2,534.78 | 21,123.15 | 2,555,900.75 | 30/09/2024 | 10% |
| OB6 31/12/2021 | 6,173,632.65 | 1,000.00 | 6,173.63 | - | 6,173,632.65 | 31/12/2024 | 10% |
| OBS1 30/06/2021 | 5,000,000.00 | 1,000.00 | 5,000.00 | 87,500.00 | 5,087,500.00 | 30/06/2024 | 7% |
| OBS2 30/09/2021 | 672,000.00 | 1,000.00 | 672.00 | - | 672,000.00 | 30/09/2024 | 7% |
| OBS3 31/12/2021 | 10,337,298.46 | 1,000.00 | 10,337.30 | - | 10,337,298.46 | 31/12/2024 | 7% |
| Total 2021 | 42,473,967.71 | | 42,473.97 | 1,676,304.93 | 44,150,272.64 | | |

NOTE 7 - FINANCIAL FIXED ASSETS

The fair value of Equity investments as at December 31, 2021 is as follows:

| Description | Ownership % | Acquisition Cost 31/12/2021 EUR | Value Adjustment 31/12/2021 EUR | Fair Value 31/12/2021 EUR |
|-----------------------------|-------------|---------------------------------|---------------------------------|---------------------------|
| B CITY Sarl | 100% | 12,000.00 | 574,406.47 | 586,406.47 |
| Muhlenbach 91 Sarl | 100% | 2,243,521.96 | (762,076.21) | 1,481,445.75 |
| Sandweiler Promotions S.A | 100% | 7,881,320.47 | 3,363,225.10 | 11,244,545.57 |
| Sandweiler Promotions 2 S.A | 100% | 6,118,679.52 | 2,007,295.81 | 8,125,975.33 |
| Total | | 16,255,521.95 | 5,182,851.17 | 21,438,373.12 |

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Notes to the financial statements as at December 31, 2021 (continued)

NOTE 7 - FINANCIAL FIXED ASSETS (continued)

The carrying value of Loans investments as at December 31, 2021 is as follows:

| Description | Interest rate | Maturity | Nominal value 31/12/2021 EUR | Accrued Interests 31/12/2021 EUR | Total Value 31/12/2021 EUR |
|-------------------------------------------------------|---------------|------------|------------------------------------|-------------------------------------------|----------------------------------|
| IBL 1 - Mulhenbach 91 Sarl (Mulhenbach) | 6% | 17/12/2025 | 383,946.65 | 23,315.47 | 407,262.12 |
| IBL 2 - B City Sarl (Bridel) | 6% | 08/03/2026 | 4,487,838.00 | 133,157.58 | 4,620,995.58 |
| IBL 3 - Sandweiler Promotions Sarl (Sandweiler) | 6% | 03/05/2026 | 388,954.79 | 10,235.75 | 399,190.54 |
| IBL 4 - Sandweiler Promotions II Sarl (Sandweiler II) | 6% | 14/10/2026 | 335,725.14 | 4,347.05 | 340,072.19 |
| Total | | | 5,596,464.58 | 171,055.85 | 5,767,520.43 |

NOTE 8 - CHARGES AND COSTS

Management Fee

From the First Subscription Day and until the Liquidation is completed, the Managing General Partner will receive an annual management fee payable in advance and quarterly:

| Share class | Management fee rate* | Charged during the Reporting period |
|------------------------|----------------------|-------------------------------------|
| OCITY - OCITY 1 | | |
| OB1 30/11/2020 | Up to 1.00% | 206,210.89 |
| OB2 31/12/2020 | Up to 1.00% | 31,742.47 |
| OB3 31/03/2021 | Up to 1.00% | 39,290.49 |
| OB4 30/06/2021 | Up to 1.00% | 25,520.10 |
| OB5 30/09/2021 | Up to 1.00% | 12,614.18 |
| OB6 31/12/2021 | Up to 1.00% | - |
| OBS1 30/06/2021 | Up to 1.00% | 49,463.83 |
| OBS2 30/09/2021 | Up to 1.00% | 3,372.15 |
| OBS3 31/12/2021 | Up to 1.00% | - |
| Total | | 368,214.11 |

*of the Gross Asset Value ("GAV") of the Bond Class.

AIFM Fee

The AIFM shall be remunerated by way of variable and fixed fees, as described below.

Variable fees as a percentage of the GAV, with a EUR 20,000.00 minimum:

- 0.10% on GAV from EUR 0.00 to EUR 25,000,000.00.
- 0.08% on GAV from EUR 25,000,000.00 to EUR 50,000,000.00.
- 0.06% on GAV from EUR 50,000,000.00 to EUR 100,000,000.00.
- 0.05% on GAV from EUR 100,000,000.00 to EUR 200,000,000.00.
- 0.04% on GAV above EUR 200,000,000.00.

Yearly fixed fees:

- EUR 10,000.00 for RR RC services.
- EUR 5,000.00 for Risk Management services.
- EUR 6,000.00 for counterparty due dil.
- EUR 2,000.00 for Annex IV reporting.

As at December 31, 2021, the AIFM Fee paid during the year amounts to EUR 73,986.29.

Notes to the financial statements as at December 31, 2021 (continued)

NOTE 8 - CHARGES AND COSTS (continued)

Depository, Administrative Agent, Audit Fees and other costs

The Depository, the Administration Agent and the Approved Statutory Auditor are entitled to receive remuneration from the assets of the Fund in accordance with the practices and customs of the Luxembourg financial centre and to be reimbursed for costs and expenses incurred on behalf of the Fund, in accordance with and within the limits of their respective service agreements.

As at December 31, 2021 these fees paid during the period are as follows:

| | in EUR |
|------------------------------|---------------------|
| Depository fees | (49,246.90) |
| Central Administration fees* | (83,735.25) |
| Audit fees | (25,798.50) |
| Total | (158,780.65) |

**this caption includes accounting services fees and transfer agent fees*

Operating and subscription management expenses

When the subscription of an Investor enters the Sub-Fund, operating expenses for this Sub-Fund may be due to the Managing General Partner or any Affiliated Person appointed by the Managing General Partner, by the Sub-Fund for processing the subscription application, based on the Issue Price at a maximum rate of 3%.

As at December 31, 2021, the fee amounted to EUR 1,290,023.76.

NOTE 9 – OTHER INCOME

Subscription fee

The Managing General Partner reserves the right to request payment of a subscription fee at a rate based on the Total Subscribed Amount of each Investor, respectively, of 4% up to EUR 500,000 of the Total Subscribed Amount and 2% between EUR 500,000 and EUR 1,000,000 of the Total Subscribed Amount (the Subscription Fee). The Subscription Fee is payable in addition to the Issue Price for the subscribed Shares. No Subscription Fee is due if the Total Subscribed Amount is higher than EUR 1,000,000.

Any Subscription Fee paid will be paid to the Sub-Fund

For the period from October 7, 2021 (date of incorporation) to December 31, 2021, the Subscription fee amounted to EUR 526,823.63.

NOTE 10 - CAPITALIZED COSTS

The following fees remain capitalized until the end of the subscription period and will be subject to linear amortization afterwards, until the end of the compartments' life.

Distribution Fee

A Distribution Fee will be paid to the Managing General Partner (to remunerate the Distributors) as a percentage of the subscribed amounts (shares and bonds) and may not exceed 7%.

As at December 31, 2021, the fees amounted to EUR 3,010,055.43, but do not impact the profit and Loss account since they remain immobilized until the end of the subscription period.

Acquisition fee

When a Sub-Fund invests in real estate, the Sub-Fund may pay an acquisition fee to the Managing General Partner based on the 'net vendor' acquisition price of the relevant asset at a maximum rate of 3%.

As at December 31, 2021, the fees amounted to EUR 1,790,422.26, but do not impact the profit and Loss account since they remain immobilized until the end of the subscription period.

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Notes to the financial statements as at December 31, 2021 (continued)

NOTE 10 - CAPITALIZED COSTS (continued)

Financing Fee

The Sub-Fund will also pay to the Managing General Partner a fee based on the value of any debt financing granted to the Sub-Fund (or any Intermediary Vehicle, JV Vehicle or Investment Holding Company) by one or more third parties to the Fund (or to any Intermediary Vehicle, JV Vehicle or Investment Holding Company), regardless of the form of such financing, on the understanding that the fee is calculated on the face value of such financing (whether or not such financing is immediately drawn down in full and regardless of the draw down that will be made on such financing) (the Financing Fee). The rate of the Financing Fee for the Sub-Fund may not exceed 1%.

As at December 31, 2021, the fees amounted to EUR 384,100, but do not impact the profit and Loss account since they remain immobilized until the end of the subscription period.

NOTE 11 – CREDIT LINE FACILITY

Since October 15, 2021, the fund benefits of a credit line facility from BIL Luxembourg with a maximum amount of EUR 1,700,000 at an interest rate equal to the EURIBOR 1M, , plus a margin of 3%.

NOTE 12 - DISTRIBUTION POLICY

Within the limits provided by law and this Prospectus, the Fund may distribute dividends on Shares or make payments or prepayments of the principal or interest on Bonds in each Sub-Fund independently of any realised or unrealised capital gains or losses. In addition, the dividends or payments may include a distribution of capital respecting the limit of the minimum statutory capital as provided for by the 2016 Act (no distribution may be made if it has the effect of reducing the NAV of the Fund below the threshold of EUR 1,250,000).

During the liquidation, the Fund Liquidator will distribute the Distributable income as follows :

(i) in payment of any unpaid preferred interest on bonds and redemption price of the existing bonds;

(ii) After redeeming all the Bonds by paying the Redemption Price, any Distributable Income will be distributed between the Managing General Partner (including as holder of the GP Share) and the holders of A Shares in the Sub-Fund in proportion to the total number of their respective outstanding Shares until each A and GP Share receives the amount equivalent to its Issue Price and a preferred interest of 10% p.a. based on the Issue Price as from the Subscription Day of the relevant Share until the date on which the Issue Price has been fully reimbursed (the Preferred Distribution);

(iii) If the holders of the GP Share and the A Shares have received the Preferred Distribution, any remaining Distributable Income will be shared between the holders of C Shares in the Sub-Fund in proportion to the total number of their respective outstanding Shares (referred as to the "Carried Interest").

The amount of carried interests allocated to C shares as at 31st December 2021 is EUR 2,206,130.96.

The Shareholders registered into the Shareholders' register and the Bondholders registered into the Bondholders' register will be paid by wire transfer as per their instructions. Collection costs will be at the expense of the Shareholders or Bondholders. No interest will be paid on dividends, interests or any interim dividends payable that are held by the Fund on behalf of the Shareholders.

Dividends and interim dividends as well as interests and redemption payments on the Bonds that are not claimed within five (5) years from the date of payment will be time-barred and will revert to the relevant Sub-Fund.

NOTE 13 - SUBSEQUENT EVENTS

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation.

Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on February 24, 2022. The situation, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, has driven a sharp increase in volatility across markets. The Board of Managers of the General Partner regards these events for the Fund as non-adjusting events after the reporting period. Although neither the Fund's performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Board of Managers of the General Partner continues to monitor the evolving situation and its impact on the financial position of the Fund.

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Supplementary Information (Unaudited)

1 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR")

At the date of the annual accounts, the Fund is not in the scope of the publication requirements of SFTR. No transactions were carried out during the reporting year.

2 - Information concerning the sustainability-related disclosures in the financial services sector (Regulation EU 2019/2088, hereafter the "Sustainable Finance Disclosure Regulation" or "SFDR")

At the date of the annual accounts, the Fund does not promote environmental or social characteristics within the meaning of article 8 SFDR, nor is classified as a product that has sustainable investments as its objective for the purposes of article 9 SFDR.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities as defined in Regulation EU 2020/852 on the establishment of a framework to facilitate sustainable investment (which is also known as the "Taxonomy Regulation" or "TR").

3 - AIFM disclosures

1. Remuneration of the AIFM:

The AIFM, Fuchs Asset Management S.A., has elaborated a remuneration policy as required by the Law of December 17, 2010 (UCITS Law) and by the Law of July 12, 2013 (AIFM Law). Such policy aims at preventing excessive risk taking and at ensuring a proper and effective management of risks. The remuneration of the staff or management was not linked in any way to the performance of the Funds under management. Variable remuneration as defined in the remuneration policy is consistent with the risk management and governance processes. Fixed remuneration is mainly based on the experience, the level of responsibility and the complexity of the task performed. No significant change in the remuneration policy has been noted in 2021.

The article 22 of the AIFM directive (Directive 2011/ 61 / EC of June 8, 2011) and the article 69 (3) of the UCITS V directive (Directive 2014/91/EU of July 23, 2014) require to disclose in the annual report of the Company the information on the total remuneration of the employees of the AIFM for the financial year. Such information is detailed in the below tables.

Total amount of remuneration for the financial year 2021, split into fixed and variable remuneration, paid by Fuchs Asset Management to its staff, and number of beneficiaries, and, where relevant, carried interest paid by the Funds:

| Fixed remuneration | Variable remuneration | Carried interest | Total remuneration | Average number of staff |
|--------------------|-----------------------|------------------|--------------------|-------------------------|
| EUR 3,209,084 | EUR 2,776,332 | EUR - | EUR 5,985,416 | 32 |

Aggregate amount of remuneration broken down by senior management and members of staff of Fuchs Asset Management:

| Category | Total remuneration |
|-------------------|--------------------|
| Senior Management | EUR 2,955,093 |
| Staff | EUR 3,030,323 |

2. Leverage in the Fund:

As at 31 December 2021, there is no leverage in the Fund.

3. Liquidity (how the Fund's is handling the liquidity):

The liquidity management policy applied by Fuchs Asset Management S.A. to Ocity describes the procedures and monitoring tools that ensure that the liquidity profile of the AIF complies with its underlying obligation at all time.

The liquidity policy details the involvement and roles of the management committee and the risk management function of Fuchs Asset Management S.A. in determining the liquidity profile and monitoring and managing liquidity issues.

The liquidity policy also describes the process for establishing the liquidity profile for every AIF and its main input factors.

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Supplementary Information (Unaudited) (continued)

4. Delegation

The AIFM, Fuchs Asset Management S.A., may delegate functions to third parties under certain conditions.

Over the period ended 31 December 2021, the Central Administration function (including central administrative, transfer, domiciliation and registrar agent duties, hereafter "the Agent") of Ocity has been delegated.

The selection and the appointment of the Agent have been performed in accordance with the provisions of article 19 of the AIFMD.

The Central Administration function has been delegated to EFG Bank (Luxembourg) S.A. pursuant to the Engagement letter dated 07/10/2020. An initial due diligence has been conducted by Fuchs Asset Management S.A. upon EFG Bank (Luxembourg) S.A. and on-going monitoring due diligence are performed on a quarterly basis.

5. Risk Management

At the level of Fuchs Asset Management S.A., the risk management function is executed according to the Risk Management Process (the "RMP") approved by the Board of Directors of Fuchs Asset Management S.A.

The RMP is a set of procedures that enables to identify, assess, measure and manage all risks associated with the management of the underlying funds.

The main procedures within the RMP are:

- Risk assessment,
- Data collection and analysis,
- Risk monitoring,
- Self-assessment and mitigating actions.

AIF strategies covered by the RMP are hedge fund strategies, private equity strategies, real estate strategies, fund of fund strategies and other strategies.

The latest RMP is dated May 2021 and includes:

- An introductory part describing the Risk Management function of Fuchs Asset Management S.A., how it is organised, how the control functions are organised and how its independence is ensured.
- A governance part describing the roles of the various stakeholders (Risk Management function of Fuchs Asset Management S.A. and the Board of Directors of the Fund).
- A part dedicated to the risk identification, classification and measurement, the leverage calculation and monitoring. This part also describes the stress and back testing processes.
- A part describing the escalation process and the mitigation systems in place.
- A part describing the risk reporting that the Risk Management function of Fuchs Asset Management S.A. is issuing and providing the Board of Directors with.

For Ocity, a dedicated Risk Profile has been established for the Fund. The Risk Profiles form integral part of the RMP of Fuchs Asset Management S.A.

6. Material Changes

As at 31 December 2021, there is no material change to report with respect to disclosure to investors as described in Directive 2011/61/EU on Alternative Investment Fund Managers.

