

# Key Information Document

## PURPOSE

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## PRODUCT

### Redhedge Relative Value UCITS Fund – SI Shares

Redhedge Relative Value UCITS Fund is manufactured by Redhedge Asset Management LLP.

Information on Redhedge Asset Management LLP can be obtained at [www.redhedge.com](http://www.redhedge.com). Redhedge Asset Management LLP can be contacted by email at [info@redhedge.com](mailto:info@redhedge.com) and by phone on +44 203 9405626. Redhedge Asset Management LLP is authorised and regulated by the Financial Conduct Authority of the United Kingdom.

The fund Management Company is KBA Consulting Management Limited, 4th Floor, 35 Shelbourne Road, Ballsbridge, Dublin, D04 A4EO, Ireland, registered in Ireland, Company No. 430897

This key information document is accurate as of 27<sup>th</sup> June 2023.

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

## WHAT IS THIS PRODUCT?

### TYPE

The Fund is an open-ended sub-fund of Redhedge UCITS ICAV (the "ICAV"), an umbrella type Irish collective asset management vehicle (ICAV) pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act, 2015, with segregated liability between sub-funds authorised and regulated by the Central Bank of Ireland as an Undertaking for Collective Investment in Transferrable Securities (UCITS), with registration number C445057.

### OBJECTIVES

The investment objective of the Fund is to achieve medium to long-term (5 to 7 years) capital growth and absolute returns under all market conditions.

The Fund will seek to maximise total return, comprised of income and capital appreciation, while limiting risk and volatility through diversification of investments and sub-strategies of the investment strategy, regardless of the directional movement in equity, interest rate or currency markets.

In seeking to achieve its investment objective, the Fund will invest and trade in a portfolio of listed and unlisted bonds (which may be fixed or floating) or other fixed income securities, including, without limitation, commercial paper and "higher yielding" (including non-investment grade) (and, therefore, higher risk) debt securities especially banks subordinated bond and corporate hybrids. The Fund may also invest in collective investment schemes, including exchange traded funds in order to gain indirect exposure to fixed income instruments. Such securities will be mainly focused on corporate bonds. The Fund shall also invest in financial derivative instruments in order to gain exposure to the securities listed above.

The Fund is not guaranteed and investment results may vary substantially over time.

### INTENDED RETAIL INVESTOR

Investors must initially invest at least EUR 50,000,000 for Class SI EUR (IE000RR750A1)

Investors must:

- (a) receive an appraisal from an EU credit institution, a MiFID firm or a UCITS management company that they have the appropriate expertise, experience and knowledge to adequately understand the investment in the Fund; or
- (b) certify that they are an informed investor by providing the following:
  - (i) confirmation (in writing) that the investor has such knowledge of and experience in financial and business matters as would enable the investor to properly evaluate the merits and risks of the prospective investment; or
  - (ii) confirmation (in writing) that the investor's business involves, whether for its own account or the account of others, the management, acquisition or disposal of property of the same kind as the property of the Fund.

Investors must certify in writing that they meet the minimum criteria listed above and are aware of the risks involved in the proposed investment and of the fact that inherent in such investments is the potential to lose all of the sum invested.

The Fund may be suitable for investors seeking long-term (at least 5 years) capital appreciation and seeking a total return on their investment. It is expected that the Fund will be held as part of a diversified portfolio. It is important to understand that the Fund should be viewed as a long-term (at least 5 years) investment.

### TERM

The Fund is open-ended and has no defined term.

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

### SUMMARY RISK INDICATOR ("SRI")



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 2 out of 7, which is a low risk class. This rates the potential losses from future performance at a low level and poor market conditions are very unlikely to impact the capacity of the Fund to pay you.

**Be aware of currency risk.** If the PRIIP is denominated in a currency other than your local currency and the return is expressed in your local currency, the return you will receive may change depending on the exchange rate between the two currencies.

The prices of financial instruments in which the Fund may invest can be highly volatile. The Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of its clearinghouses.

This product does not include any protection from future market performance so you could lose some or all of your investment.

If the Fund is not able to pay you what is owed, you could lose your entire investment.

**Credit Risk** – issuers of securities may be subject to credit difficulties.

**Liquidity Risk** – The inability to sell investments quickly may result in failure to return funds to investors on a timely basis.

**Market Operational Risk** – Losses may be incurred in the event of disrupted markets or other extraordinary events.

**Valuation Risk** – A position in the Fund may be valued incorrectly, as some prices may be uncertain at a point in time.

## PERFORMANCE SCENARIOS

**Example Investment EUR 100,000**

**Recommended holding period: 5 years**

Scenarios		1 year	5 years
Stress scenario	What you might get back after costs	€95,510	€92,720
	Average return each year	-4.49%	-1.50%
Unfavourable scenario	What you might get back after costs	€99,190	€104,167
	Average return each year	-0.81%	0.82%
Moderate scenario	What you might get back after costs	€101,580	€108,420
	Average return each year	1.58%	1.63%
Favourable scenario	What you might get back after costs	€102,540	€113,749
	Average return each year	2.54%	2.61%

This table shows the money you could get back over the next 5 years, under different scenarios, assuming you invest €100,000 per year.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past and are not an exact indicator. What you will get will vary depending on how the market performs and how long you keep the investment/product.

This product can be cashed in daily. It is difficult to estimate how much you would get back if you cash in before the recommended holding period.

The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of Fund over the last 2 years. The stress scenario shows what you might get back in extreme market circumstances.

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The figures shown include all the costs of the product itself but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may affect how much you get back.

Historical performance data is available at the following link: <https://redhedge.com/regulatory-disclosures/>

## WHAT HAPPENS IF REDHEDGE ASSET MANAGEMENT LLP IS UNABLE TO PAY OUT?

Redhedge Asset Management LLP does not hold any investor monies. If Redhedge Asset Management LLP defaults, investors in the Fund would not face any financial losses. Investors would face financial losses if the Fund defaulted. Any losses referred to above would not be covered by an investor compensation or guarantee scheme.

## WHAT ARE THE COSTS?

Annual cost impact:

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest and how long you hold the product and how well the product does. The amounts shown here are illustrations based on the example investment amount and different possible investment periods.

The amounts shown here are the cumulative costs of the product itself, for two different holding periods. They include potential early exit penalties. The figures assume you invest EUR 100,000 and a performance of the product that is consistent with each holding period shown. The figures are estimates and may change in the future.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

**Investment: EUR 100,000**

Scenarios	If you cash in after 1 year	If you cash in after 5 years
<b>Total costs</b>	<b>€712</b>	<b>€3,578</b>
<b>Annual cost impact</b>	<b>0.71%</b>	<b>0.66%</b>

#### **Composition of Costs**

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period; and
- the meaning of the different cost categories.
- The cost as percentage of the invested capital as well as the EUR amount ("Monetary impact"), based on the assumption of an EUR 100,000 and a performance in line with the "moderate" scenario. The Monetary impact is the Annual Cost Impact if you cash in after 5 years.

Type of cost	Specific cost	Cost (%)	EUR	Cost Description
<b>One-off costs</b>	<b>Entry costs</b>	0%	0.00	The impact of the costs you pay when entering your investment (this is the most you will pay, and you could pay less).
	<b>Exit costs</b>	0%	0.00	The impact of the costs of exiting your investment when it matures.
<b>Ongoing costs</b>	<b>Portfolio transaction costs</b>	0.06%	60.00	The impact of the costs of us buying and selling underlying investments for the product.
	<b>Management fee and other ongoing costs</b>	0.65%	650.0	The impact of the costs that we take each year for managing your investments.
<b>Incidental costs</b>	<b>Performance fees</b>	0%	0.00	The impact of the performance fee over the entire holding period: The actual amount will vary depending on how well your investment performs. The aggregated cost estimation includes the average over the last 5 years.

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

This product has no required minimum holding period but is designed for long term investment; you should be prepared to stay invested for at least 5 years.

A Redemption Charge of up to 3% of the redemption amount in relation to the redemption of Shares in any Classes of the Fund may be levied at the discretion of the Directors in case of redemptions exceeding 10% of the outstanding Shares. The charge will be in favour of the Fund to cover potential losses and trading costs incurred in liquidating the assets to pay the redemption proceeds.

#### **HOW CAN I COMPLAIN?**

Complaints should be addressed to the Compliance Officer of Redhedge Asset Management LLP and can be made by mail by sending to Compliance Officer, Redhedge Asset Management LLP, at 3<sup>rd</sup> Floor, 43 Grosvenor Street, London W1K 3HL, United Kingdom or by email to [compliance@redhedge.com](mailto:compliance@redhedge.com).

A description of how to make a complaint is found on the Redhedge Asset Management LLP website at [www.redhedge.com](http://www.redhedge.com).

#### **OTHER RELEVANT INFORMATION**

By law, investors must receive the Prospectus, the supplement thereto in respect of the Fund, the latest annual report of the Fund, and the monthly net asset value per share and performance since inception before subscribing to the Fund. These documents are available free of charge and in English from Redhedge Asset Management LLP, at 3<sup>rd</sup> Floor, 43 Grosvenor Street, London W1K 3HL, United Kingdom or by email at [info@redhedge.com](mailto:info@redhedge.com). Potential investors may request additional information. Further information can be obtained at <http://www.redhedge.com>.