

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

Hg Fusion Private Capital Fund (the "Sub-Fund"), a sub-fund of **S64 AltoFlex VI Private Markets, SICAV** (the "Fund") - Class O-1-EUR Shares (the "Product")

Manufacturer of the Product: Carne Global Fund Managers (Luxembourg) S.A. (Competent Authority: CSSF, Luxembourg) (the "Manufacturer").

Platform Advisor: S64 Ventures Limited

ISIN: LU2862930695

Website: <https://wealth.hgcapital.com>

Call: +44 20 7887 2475

Last updated: July 2024

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

What is this product?

Type

The Sub-Fund is an open-ended investment compartment of the Fund, which is a multi-compartment investment company société d'investissement à capital variable (SICAV) governed by Part II of the Luxembourg law of December 17, 2010 on undertakings for collective investment, as amended from time to time (the "Law") and incorporated as a public limited company (société anonyme) in accordance with the Luxembourg law of 10 August 1915 on commercial companies, as amended from time to time. The Sub-Fund is classified as an alternative investment fund for regulatory purposes. The assets and liabilities of the Sub-Fund are segregated from the assets and liabilities of other sub-funds of the Fund pursuant to the Law, with no right to transfer holdings to other sub-funds.

The Product is O-1-EUR Share Class which means that the retail investor is an investor investing for their own account and not through a financial intermediary.

The depositary of the Sub-Fund is CACEIS Bank, Luxembourg Branch. See the "Other relevant information" section below for obtaining further information on the Sub-Fund.

Term

The Sub-Fund will continue for an unlimited period of time, until being put into liquidation in certain specified circumstances including as described in the Sub-Fund Prospectus ("Supplement"). Investors may request the redemption of their Shares on a quarterly basis as described in the Supplement, subject to the limitations set out in the Supplement. See the "How long should I hold it, and can I take money out early?" section below for further information on recommended holding period and information about the Product's redemption policy.

Objectives

Carne Global Fund Managers (Luxembourg) S.A. is the alternative investment fund manager of the Sub-Fund (the "AIFM") and has delegated the portfolio management of the Sub-Fund to Hg Pooled Management Limited (the "Investment Manager"). The Investment Manager is authorised and regulated by the FCA. Subject to the investment restrictions set out in the Supplement, it is intended that the Investment Manager shall pursue investment opportunities for the Sub-Fund in lead or control growth buyout equity investments and captive junior debt investments, predominantly in Northern Europe (and North America by exception) in the software and services sectors. The Sub-Fund will seek to implement its investment strategy by investing, directly or indirectly in (i) certain alternative investment funds managed by the Investment Manager and its affiliates (together with its subsidiaries, "Hg") that invest across a number of different asset classes and are available to the Sub-Fund and other investors (each a "Hg Underlying Fund") by subscribing for interests in Hg Underlying Funds during their fundraisings as well as by the acquisition of secondary interests in Hg Underlying Funds, and (ii) on an opportunistic basis Co-investments alongside Hg and/or Hg Underlying Funds (collectively and together with any other investments of the Sub-Fund, "Alternative Investments"). It is intended that the Sub-Fund will invest at least 85% of its assets in Alternative Investments, with the balance intended to be used for (i) a liquidity reserve to facilitate Investor redemptions; and (ii) any reserves for the payment of expenses, liabilities or other obligations of the Sub-Fund, in each case which may comprise cash, cash equivalents and/or liquid instruments, through one or more subsidiaries established for the purpose of holding the Alternative Investments.

The Investment Manager will exercise discretion in the management of the Sub-Fund, participating in investment opportunities that comply with the terms described in the Supplement. The Sub-Fund does not give investors any discretion as to the Sub-Fund's investments. The Sub-Fund is not managed by reference to a benchmark. Other than at the discretion of the Board, the Sub-Fund does not anticipate declaring or paying cash dividends on the Shares. Accordingly, the Sub-Fund may retain any gains or income from underlying investments to increase the Sub-Fund's net assets. The Sub-Fund may enter into hedging transactions to manage currency risks in connection with investments including through the use of derivatives. Subject to the Leverage Limit set out in the Supplement, the Sub-Fund may also utilise leverage, incur indebtedness and provide other credit support for any purpose, including to fund all or a portion of the capital necessary for an investment. The main factors likely to affect returns of the Sub-Fund are the ability of Hg to source suitable investment opportunities, prevailing market conditions and investment diversification. The risk and reward profile of the Sub-Fund described in this document assumes that you hold your investments in the Sub-Fund for at least the recommended holding period – see "How long should I hold it, and can I take money out early?" Section below.

Intended retail investor

The Product may be subscribed by professional investors and eligible retail investors as outlined in the Supplement. The Sub-Fund is only intended for investors who: (i) understand the Sub-Fund's strategy, characteristics and risks in order to make an informed investment decision; (ii) have knowledge of alternative strategies, (including (in particular) those that may use borrowing to leverage investment (such as this Sub-Fund)) and financial markets generally; (iii) are able to maintain their investment in the Sub-Fund over a long-term horizon; and (iv) are able to bear a loss of their investment or not recover fully the amounts that have been invested. The minimum initial subscription amount will be EUR 100,000.

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

Risk indicator

1	2	3	4	5	6	7
---	---	---	---	---	---	---

Lower risk Higher risk

The risk indicator assumes you keep the Product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to sell your product easily or may have to sell at a price that significantly impacts on how much you get back.

The summary risk indicator is a guide to the level of risk of the Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the market or because we are not able to pay you. We have classified this Product as a 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions could impact our capacity to pay you. This Product does not include any protection from future market performance so you could lose some or all of your investment. If the Sub-Fund is not able to pay you what is owed, you could lose your entire investment.

Be aware of currency risk. This Product is denominated in EUR. You may receive payments in a different currency so the final return you get will depend on the exchange rate between the applicable currencies. This risk is not considered in the indicator shown above.

Other risks materially relevant to the Sub-Fund not included in the summary risk indicator are set out in the Supplement. This classification is not guaranteed and may change over time and may not be a reliable indication of the future risk profile of the Sub-Fund. The lowest category does not mean risk free. The risk of the Product may be significantly higher than the one represented in the summary risk indicator where the Product is not held for the recommended holding period.

Investment Performance Information

The performance of the Sub-Fund is primarily affected by the performance of the unlisted private investments held directly or indirectly by the Sub-Fund and the Alternative Investments comprising the Sub-Fund, consisting mainly of UK, European and North American companies, and the ability of the investment manager to manage the portfolio of investments including maintaining sufficient expertise, relationships and market knowledge across investment types and geographic regions during different market conditions. Performance will be affected by multiple factors including (in no particular order): (a) investment strategy including portfolio concentration (b) specific risks of the underlying investments which includes assets not listed on a public market (c) broader economic and market condition.

The Sub-Fund is actively managed and no index is used for the purposes of determining or constraining the composition of the Sub-Fund. The Manufacturer has determined a proxy for the purposes of establishing a risk indicator, which is a representative strategy managed by the Investment Manager over the last 10 years.

What could affect my return positively?

The Sub-Fund aims to produce long-term capital growth by investing in an actively managed portfolio of Alternative Investments. Specific factors that are likely to affect returns positively are good performance within Hg Underlying Funds and Co-Investments; good due-diligence, selection, management and exit of investments. Good liquidity management by the Investment Manager and favourable macro-economic environments are also likely to benefit returns. The Sub-Fund may use leverage to increase its investment exposure which can present opportunities for increasing returns.

What could affect my return negatively?

The Sub-Fund invests in an actively managed portfolio of Alternative Investments. These Alternative Investment comprise a portfolio of private companies in the lower mid-market, mid-market and upper mid-market equity price valuation ranges (e.g. EUR 150m to EUR 750m+) which can involve higher risks in some respects than investments in larger companies. For example, prices of small-capitalisation companies are often more volatile than prices of large-capitalisation companies and the risk of bankruptcy or insolvency of many smaller companies is higher than for larger companies. The Sub-Fund may use leverage which can increase losses during economically stressed market conditions.

Market conditions can change rapidly, for example through developments such as military conflict, changes in government policy, or for any other global factors like natural disasters or pandemics. This may lead to the Sub-Fund's investments being difficult to sell. Under severely adverse market conditions, there is a risk that the capital value of an investment in the Sub-Fund's shares could reduce significantly, potentially down to zero.

What happens if the Manufacturer is unable to pay out?

The investor will not face a financial loss due to the default of the Manufacturer. The investor may face a financial loss due to the default of the Fund or Sub-Fund. The Fund and Sub-Fund are not covered by any investor compensation or guarantee scheme and you may face financial loss.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest EUR 10,000. The figures are estimates and may change in the future.

Costs over time

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

	If you exit after 1 year	If you exit after 3 years	If you exit after 5 years
Total costs	698 EUR	642 EUR	1,590 EUR
Impact on return (RIY) per year	6.98%	1.98%	1.98%

Composition of Costs

The table below shows (i) 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 (ii) the meaning of the different cost categories.

This table shows the impact on return per year

One-off costs	Entry costs	0.00%	The person selling you the product may charge fees and will inform you of the actual fee. The product does not itself charge an entry fee.
	Exit costs	5%	Redemption requests within 24 months of the subscription date will be subject to a 5% deduction from the net asset value of the Product.
Ongoing costs	Portfolio transaction costs	0.19%	0.19% of the value of your investment per year, including an estimate of the projected management and performance fees of the Hg Underlying Funds. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.
	Other ongoing costs	1.79%	1.79% of the value of your investment per year. This is an estimate and the actual amount may vary depending on the investments made by the Fund.
Incidental costs	Performance fees and carried interests	0.00%	There is no performance fee for this product, but these are included on the underlying investments.

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

Recommended holding period: 5 Years based on Sub-Fund liquidity, portfolio investment and expected return profile. The Product is suitable only as long-term investment for persons of adequate financial means who do not need near-term liquidity from their investment. 5% early redemption deduction from the net asset value of the Product is applicable within the first 24 months of holding the Product. Redemptions are expected to be offered each quarter at the net asset value per share as per the terms of the Supplement. Redemptions are also subject to limits in relation to redemption requests for the Sub-Fund (and certain parallel entities) as a whole exceeding certain threshold. The AIFM has not considered the suitability or appropriateness of this investment for your personal circumstances. If you are in any doubt about the suitability of the Sub-Fund to your needs, you should contact your placement agent or financial adviser and seek appropriate professional advice.

How can I complain?

Any complaint regarding the person advising on, or selling, the Product can be submitted directly to that person. Any complaint regarding the Product or the conduct of the Manufacturer should be addressed in writing to the AIFM at Complaints Officer, Carne Global Fund Managers (Luxembourg) SA, 3, Rue Jean Piret, L-2350 Luxembourg, or by email to complaints@carnegroup.com or by consulting the following website www.carnegroup.com.

Other relevant information

Any additional documentation in relation to the Product and in particular the Sub-Fund Supplement are available from the AIFM and on the following website wealth.hgcapital.com in accordance with applicable legal requirements. In order to obtain more detailed information - and in particular details of the structure of and risks associated with an investment in the Product - you should read the Sub-Fund documents.