

# KEY INFORMATION DOCUMENT

## Purpose

This document provides you with key investor information about ILUVATAR CAPITAL RAIF V.C.I.C. LTD Fund. This document is not a solicitation to invest in the sub-fund, it does not offer any investment advice and should not be considered as marketing material. The information presented in this document is required by law. An investor is advised to read the document and understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products in order to be able to make an informed decision.

## Product

<b>Name:</b>	ILUVATAR CAPITAL RAIF V.C.I.C. LTD (“Fund”)
<b>Manufacturer:</b>	AUDE FM Limited – Alternative Investment Fund Manager with License Number 30/56/2013
<b>Contact Details of the Manufacturer:</b>	132 Kyrenia Avenue, 2nd Floor, CY-2113 Nicosia T:+357 22 465117 / F:+357 22 455626 / E: info@audefm.com Website: <a href="http://www.audefm.com/">http://www.audefm.com/</a>
<b>Supervising Authority</b>	Cyprus Securities and Exchange Commission (“CySEC”) P.O BOX 24996,P.C.1306,Nicosia,Cyprus Telephone: +357 22 506600

**KID Production Date:** -

This key investor information is accurate as at 24/07/2024

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

## What is this product?

### Product

The Fund is a Private Company limited by shares operating in the form of an open-ended Variable Capital Investment Company and included on the list of RAIFs maintained by CySEC in accordance with Part VIII of the AIF Law as amended or replaced from time to time. The Fund is incorporated in Cyprus on 24/04/2024 (registration number HE 458168) and constituted for an unlimited period. The Fund is not authorized or under the prudential supervision of the CySEC as a consequence of the Fund’s status as a RAIF. Therefore, the protection normally arising as a result of the imposition of the CySEC’s prudential supervision do not apply. Indirect supervision of the RAIF is ensured by the competent supervisory authority of its authorized AIFM.

### Objectives

The primary objective of the Fund is to seek long-term capital appreciation and achieve reasonably attractive returns in excess of comparable public markets by investing the funds available to it in small unquoted companies, primarily in Cyprus, and in other eligible assets under the AIF Law, for the benefit of the Investor Shareholders while reducing investment risks through diversification. Adverse impacts of investment decisions on sustainability factors are not considered due to the lack of available information at the moment which prevents a proper like-to-like comparison between investments in terms of the ESG factors and because this limits the range of available investments under consideration and thus reduces diversification.

### Intended Investors

Professional investors only

### Term

Unlimited

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

### Risk Indicator



- The summary risk indicator (“SRI”) assumes you keep the product for 5 years as per the recommended holding period (“rhp”).
- **⚠ Risk Alert:** The product is considered to be illiquid in nature.
- **⚠ Risk Alert:** The actual risk can be significantly higher than the one represented in the SRI if you cash in at an earlier stage.
- The SRI 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 the Manufacturer is not able to pay you.
- We have classified this product as 6 out of 7, which is the second-highest risk class. This rates the potential losses from future performance at a high level and poor market conditions are very likely to impact our capacity to pay you. The SRI reflects the market risk of the product. Other risks materially relevant to the product are:

- Regulatory risks: The above sectors and the associated regulations and policies are not yet matured and are still under development. Changes in government regulations and policies may adversely impact the viability of any related projects/investments, their profitability and/or the demand by consumers.
  - Technological risks: The technologies in these sectors are still evolving, therefore they bear the risk of not meeting expectations either in performance and/or in meeting the initial objective. Moreover, the development of such technologies may delay for a number of reasons (causing also delays in their commercialization) and/or prove to be more costly than expected.
  - Market risks: Fluctuations in electricity prices can negatively influence the expected returns of distributed power generation projects.
  - Demand risks: Demand for such investments cannot be accurately predicted or managed which may subsequently lead in financial losses.
  - Data risks: The data associated risks relate to data availability, quality, accuracy, privacy and security, especially for investments in the sectors of artificial intelligence and predictive analytics and Connectivity and Big Data analytics in the power and utility sector.
  - Financing risks: The investment in these sectors requires a substantial amount of capital upfront and throughout the project. There is the risk of failure to raise the capital required for the project to be finalized.
  - Liquidity risk in real estate can change drastically due to unforeseen political and economic conditions.
  - No operating history upon which the potential investors could evaluate the Fund and its performance. Thus, the Fund is subject to all the risks and uncertainties associated with a new business, including the risk of not achieving the investment objective.
- This product does not include protection against future market performance so you could lose some or all of your investment.
  - In the event Aude FM Ltd is unable to pay you what is owed, you could lose your entire investment.
  - Sustainability Risks: The Fund is considered as an “Article 6” financial product in accordance with the SFDR and is not expected to qualify as sustainable. AUDE FM Ltd is committed to integrating sustainability risks into its investment decision-making process to the minimum extent, as required by Regulation (EU) 2019/2088 (“SFDR”) and Commission Delegated Regulation (EU) 2022/1288. However, AUDE FM Ltd does not consider the principal adverse impacts of its investment decisions on sustainability factors. AUDE FM Ltd may reassess its consideration in the future in regard to adverse impacts and sustainability objectives. Please note that the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## Performance Scenarios

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on returns of proxies considered. Actual returns could be lower.

Scenarios		Year 1	Year 3	Year 5
<b>Unfavourable scenario</b>	What you might get back after costs	10,000	7,404	4,235
	Average return each year	0.00%	-16.79%	-20.94%
<b>Moderate scenario</b>	What you might get back after costs	10,000	11,425	13,221
	Average return each year	0.00%	7.06%	7.40%
<b>Favourable scenario</b>	What you might get back after costs	10,000	10,924	14,907
	Average return each year	0.00%	8.86%	12.31%

- The above table shows the money you could get back over the next 1, 3, 5 years under different scenarios, assuming that you invest €10,000.
- 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 and are not an exact indicator since the market developments in the future cannot be accurately predicted. What you get will vary depending on how the market performs and how long you keep the investment.
- The figures shown include all the costs of the product itself but do not include all the costs that you may pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

## What happens if AUDE FM is unable to pay out?

In the event of default of Aude FM Ltd the risk faced is for the Fund to temporarily carry on with its operations without a Fund Manager until finding a suitable replacement. However, you may face a financial loss if the Fund’s Depository defaults and you will face a financial loss if the Fund defaults. Losses are not covered by an investor compensation or guarantee scheme.

## What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the performance you might get. The total costs take into account the 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 an investment of EUR 10,000. The figures are estimates and may change in the future.

### Cost over time

The person selling to 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 amount €10,000			
Moderate scenario	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total costs	0	1,665	2,775
Impact on return (RIY) per year	0.00%	-4.86%	-4.20%

### Composition of costs

The table below shows:

- the impact each year of the different types of costs on the performance you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

One-off costs	Description	Cost
Entry costs	The impact of the costs you pay when entering your investment. This is the most you will pay and you could pay.	0%
Exit costs / Redemption fee	The impact of costs you pay when exiting your investment.	0%
Exit costs / Early Redemption fee	The impact of costs you pay when exiting your investment early.	0%
Ongoing costs		
Administration costs	The impact of the costs we incur each year for administering your investments.	Up to 0.05% on NAV with a minimum fee of EURO 15,000 per annum
Management costs	The impact of the costs that we take each year for managing your investments.	Up to 0.5% of the NAV with minimum fee of EURO 35,000 per annum
Directorship costs	The impact of the costs that you pay for the directorship fee.	15,000 per annum
Depository fee	The impact of the costs that you pay for the depository fee.	<ul style="list-style-type: none"> <li>AUM up to EUR 15M - Fixed Fee 8,000 EUR (per Compartment)</li> <li>AUM EUR 15M to 40M - 0.04% (per Compartment)</li> <li>AUM over 40M - 0.03% (per Compartment)</li> </ul>
Incidental costs		
Performance fees	The impact of the performance fee. We take this out of your investment if the product outperforms its benchmark	up to 20% of profits, utilizing a High-Water Mark mechanism

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

### Recommending Holding Period: 5 years

Given the nature of the investment strategy of the Fund we recommend a minimum holding period of 5 years. The Directors may at their discretion allow for an early redemption, subject to an early redemption fee (up to 1%). Redemptions are possible at the first business day of each calendar year, or such other day or days as may be determined by the Directors (subject to the lock-up period) provided that where a Redemption Day is not a Business Day, the Redemption Day shall be the next Business Day.

## How can I complain?

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As an investor in the Fund, you have the right to submit a complain to the Fund Manager at the Fund's registered office or the Fund Manager's registered office at 132 Kyrenia Avenue, 2nd Floor, CY-2113 Nicosia, Cyprus or via email at [info@audefm.com](mailto:info@audefm.com). The complaint form can be accessed at <http://audefm.com/Content/Files/Complaint%20Form.pdf>

A copy of the relevant procedures is available upon written request to [info@audefm.com](mailto:info@audefm.com).

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### **Other relevant information**

Further information of the Fund (i.e. Fund's Offering Memorandum, Prospectus) can be found on the Fund Manager's website [www.audefm.com](http://www.audefm.com) and/or is available on request via telephone at + 357 22 455 117 or email at [info@audefm.com](mailto:info@audefm.com).

The Fund's investors should note that the tax legislation that applies to the Fund may have an impact on their personal tax in regards of their position in the Fund.