

Share class FS-Acc-EUR (LU1805016570) Tikehau Fund - Tikehau SubFin Fund

Objective

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

Product name:	Tikehau Fund - Tikehau SubFin Fund - Share FS-Acc-EUR (the “ Sub-Fund ”)
PRIIP initiator:	Tikehau Investment Management SAS (the “ Management Company ”), a French management company authorised by the Autorité des marchés financiers under number GP-07000006, belonging to the Tikehau Capital group.
Contact:	For more detailed information about Sub-Fund, call +33 (0)1 53 59 05 00 or consult our website www.tikehaucapital.com .
ISIN Code:	LU1805016570
Competent authority:	The Commission de Surveillance du Secteur Financier (CSSF)
Date of production of the KID:	11 July 2024

What is this product?

Type

This product is a sub-fund of a Luxembourg Undertaking for Collective Investment in Transferable Securities (UCITS), incorporated as an open-ended investment company (SICAV). The prospectus and periodic reports are prepared for the entire SICAV. The assets and liabilities of the various sub-funds are segregated. In addition, any shareholder has the right to exchange their shares in the Sub-fund for shares of other sub-funds of the SICAV subject to the conditions outlined in the SICAV’s prospectus.

Term and termination (by the initiator)

The SICAV was created for an indefinite term. The Sub-fund may be dissolved early at the initiative of the Fund’s board of directors. The terms for dissolving the Sub-fund are described in more detail in the SICAV’s articles of association.

Objectives

Tikehau SubFin Fund (the “Sub-fund”) is a sub-fund of Tikehau Fund (the “Fund”). The Sub-fund aims to achieve annual outperformance of the composite benchmark, the 50% ICE BofA Contingent Capital Index (hedged to EUR) + 50% ICE BofA Euro Financial Subordinated & Lower Tier-2 Index, net of management fees, over an investment horizon of three years. Investors should note that the Sub-fund is actively managed and uses a benchmark index solely as an ex-post performance indicator and, where relevant, to calculate the performance fee.

The investment strategy is to manage, on an active and discretionary basis, a diversified portfolio mainly composed of private and public debt instruments (mostly subordinated debt instruments: Tier 1, Upper or Lower Tier 2 or others). The portfolio will have a minimum average rating of B+ (S&P’s rating), or B1 (Moody’s rating), while the minimum rating will be CCC+ or equivalent. The Sub-Fund may invest up to 130% of its net assets in debt instruments issued by entities in the private or public sectors and located primarily in the Eurozone (including convertible bonds and contingent convertible bonds (“CoCo”), up to 100% of the net assets of the Sub-Fund).

Debt securities that belong to the subordinated financing category pose a greater default risk, in exchange for a higher reward. A debt is known as subordinated when its repayment depends on other creditors (senior creditors and unsecured creditors) being repaid first. Thus, subordinated creditors will be repaid after unsecured creditors, but before shareholders.

The Sub-Fund may also invest up to 10% of its net assets in each of the following categories: (i) ABS/MBS instruments, (ii) defaulted/distressed securities as a result of the potential downgrading of the issuers (i.e. securities which are highly vulnerable to non-payment and the rating of which is below “CCC” according to S&P’s rating or the equivalent by any other agency), (iii) UCITS and/or other UCIs (including those managed by Tikehau Investment Management), (iv) equity markets, either directly by means of shares in companies of all market capitalisations and all geographic regions, through UCITS, UCIs or financial derivative instruments. For hedging or exposure purposes, the Sub-Fund may invest up to 100% of its net assets in financial derivative instruments, such as futures, options, swaps, swaptions, forwards, single or index credit derivatives swaps and Contracts for Difference. It may also invest in efficient portfolio management techniques. The Sub-Fund may invest its excess cash in term deposit accounts. These deposits may amount to up to 100% of the Sub-Fund’s assets.

The range of sensitivity to interest rates will lie between 0 and 6.

Shareholders may redeem Sub-Fund units or shares daily on request, in accordance with the provisions of the prospectus.

Minimum initial subscription amount: 1,000 EUR

Allocation of distributable income: Accumulation of income

Intended retail investors: Sophisticated investors investing through (i) an intermediary providing a management mandate service daily (discretionary portfolio management) or an independent advice service, as defined by the European regulation set forth in MiFID; and/or (ii) non-independent or restricted advisors who have agreed not to receive retrocessions or are not authorised to receive retrocessions in accordance with the requirements imposed by the local regulators; and/or (iii) the Management Company; and being of sufficient experience and having sufficient knowledge to appraise the risks inherent to invest in complex financial instruments such as CoCos, ABS/MBS instruments, and distressed/defaulted securities, seeking returns over an investment horizon of at least 3 years and able to bear a total loss of the capital invested.

Insurance: Not applicable

Name of custodian: CACEIS Bank, Succursale luxembourgeoise - 5, allée Scheffer L-2520, Luxembourg, Grand-Duché de Luxembourg

Calculation frequency of the net asset value and redemption requests: The net asset value is calculated every day (D) and is available on the Management Company’s website in D+1. Subscription and redemption requests may be sent at any time and are pooled on every valuation day (D) until 12:00 (CEST) with the Custodian. They are executed based on the net asset value for the current day and their settlement-delivery takes place on D+2.

The Management Company may implement a gate mechanism to cap redemptions. Please refer to the “Subscription and redemption procedures” section of the Prospectus for more information about this mechanism.

In accordance with the applicable regulations, the product prospectus, the latest annual and interim reports as well as the remuneration policy shall be sent free of charge to investors, on request addressed to Tikehau Investment Management - 32 rue de Monceau - 75008 Paris / Tel.: +33 (0)1 53 59 05 00 / E-mail: Client-Service@tikehaucapital.com

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

Summary risk indicator:



The risk indicator assumes you keep the product for 3 years depending on the recommended holding period. The actual risk may be very different if you choose to exit before the maturity date and you may get back less in return.

Recommended holding period: **3 years**

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 3 out of 7, which is a category of risk of between low and medium. This rates the potential losses from future performance at between low and medium, and if poor market conditions unlikely 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. For more information on these risks, please refer to the prospectus.

The following risks borne by the Sub-Fund and not taken into account in the indicator may have a negative impact on the Sub-Fund's net asset value: Risk of loss of capital; Sustainability risk; Liquidity risk; Credit risk; Counterparty risk .

For a description of all the risks, please refer to the Sub-Fund prospectus. The materialisation of one of these risks could lead to a drop in the net asset value of Sub-Fund.

Performance scenarios:

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 also affect how much you get back. 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 unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of the product and a benchmark over the last 10 years.

Recommended holding period: 3 years

Example of an investment: 10,000 €

Scenarios		If you exit after 1 year	If you exit after 3 years
Minimum	<i>There is no minimum guaranteed return. You could lose all or part of your investment.</i>		
Stress	<i>What you might get back after costs</i>	5,329 €	6,505 €
	Average return each year	-46.71%	-13.35%
Unfavourable	<i>What you might get back after costs</i>	8,005 €	8,863 €
	Average return each year	-19.95%	-3.94%
Moderate	<i>What you might get back after costs</i>	10,290 €	11,087 €
	Average return each year	2.90%	3.50%
Favourable	<i>What you might get back after costs</i>	12,665 €	12,118 €
	Average return each year	26.65%	6.61%

This table shows the money you could get back over 3 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 stress scenarios for other products. The stress scenario shows what you might get back in extreme market circumstances.

The unfavourable scenario occurred during the period: 16/10/2019 - 14/10/2022.

The moderate scenario occurred during the period: 22/07/2015 - 20/07/2018.

The favourable scenario occurred during the period: 04/01/2019 - 04/01/2022.

What happens if Tikehau Investment Management is unable to make the payments?

The Sub-Fund jointly owns financial instruments and deposits separately from the Management Company. If the latter failed, the product's assets held by the custodian would not be affected. If the Custodian failed, the risk of a financial loss on the product would be mitigated by the legal segregation of the custodian's assets from the product's assets. Any losses are not covered by an investor compensation or guarantee system.

What are the costs ?

The person who sells you this product or who provides advice on it may charge you additional fees. If so, said person shall inform you of such fees and of the impact they have on your investment.

Costs over time:

The tables show the amounts taken from your investment in order to cover the various types of costs. These amounts depend on the amount that you invest, the time during which you hold the product, and the product's returns. The amounts indicated here are illustrations based on an example of invested amount and various possible investment periods.

We have assumed that:

- during the first year you would get back the amount that you invested (0% annual return);
- for the other holding periods the product performs as shown in the moderate scenario;
- 10,000 EUR are invested.

	If you exit after 1 year	If you exit after 3 years
Total costs	139 €	468 €
Impact of annual costs (*)	1.39%	1.44% each year

(*) This illustrates how costs reduce your return each year over the holding period. For example, it shows that if you exit at the end of the recommended holding period your average return per year is projected to be 4.9% before costs and 3.5% after costs. We may share the costs with the person selling the product to you to cover the services they provide to you. This person will inform you of the amount, where applicable.

Composition of costs:

One-off entry or exit costs		If you exit after 1 year
Entry costs	We do not charge an entry fee for this product, but the person selling you the product may do so.	until 0 €
Exit costs	We do not charge any exit costs for this product.	0 €
Ongoing costs taken each year		
Management fees and other administrative or operating fees	0.82% of the value of your investment per year. This estimate is based on actual costs charged last year.	82 €
Transaction costs	0.41% of the value of your investment per year. 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.	41 €
Incidental costs taken under specific conditions		
Performance fees (and incentive fee)	15.00% of the annual performance net of management fees greater than that of the benchmark index 50% ICE BofA Contingent Capital Index (hedged to EUR) + 50% ICE BofA Euro Financial Subordinated & Lower Tier-2 Index over a five-year reference period, provided that this performance fee is greater than 0 during the reference period in question. The effective amount will vary depending on how well your investment performs.	15 €

How long should I hold it and can I take money out early ?**Recommended holding period: 3 years**

The recommended holding period is equal to the minimum period recommended to maximise the probability of achieving the strategy's objectives. You may request the redemption of your units on any day. Redemptions are carried out daily. You may dispose of your investment before the maturity date, but redeeming your units before the end of the recommended holding period may be detrimental to your return, increase the risks associated with your investment, and lead you to incur a capital loss.

The Management Company may implement a gate mechanism to cap redemptions. Please refer to the "Subscription and redemption procedures" section of the Prospectus for more information about this mechanism.

How can I complain?

You can make a complaint about the product or the conduct (i) of the Management Company, (ii) of a person advising about the product, or (iii) of a person selling the product, by sending an email or a letter to the following people, depending on the case:

- If your complaint regards the product itself or the conduct of the Management Company: please contact the Management Company, by post, addressed to Tikehau Investment Management - 32 rue de Monceau - 75008 Paris or by email to the following email address: Client-Service@tikehaucapital.com. A complaint management procedure is available on the website of the Management Company, www.tikehaucapital.com.

- If your complaint regards a person advising about or offering the product, please contact this person directly. In accordance with the provisions of Article L.621-19 of the Monetary and Financial Code, as a last resort for amicable resolution you can refer the matter to the Autorité des Marchés Financiers' (AMF) Mediator through the website www.amf-france.org (mediation request form), or by post: Le Médiateur - Autorité des marchés financiers - 17, place de la Bourse - 75082 PARIS CEDEX 02.

Other relevant information

The Sub-Fund is a financial product that promotes environmental and social characteristics within the meaning of Article 8 (1) of Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR").

If this product is used as a unit of account for a life insurance or endowment contract, additional information about this contract, such as the contract's costs, which are not included in the costs indicated in this document, who to contact to lodge complaints, and what happens if the insurance company fails, will be presented in the key information document for this contract mandatorily provided by your insurer or broker, or any other insurance intermediary, in accordance with their legal obligations.

More detailed information about past performance over the last 10 years (subject to the unit's inception date), and about previous performance scenarios for the unit class, are available at the address: www.tikehaucapital.com. This includes the performance scenario calculations, which are updated monthly.

The Sub-Fund may be made up of other types of share classes. You will be able to find more information on these share classes in the SICAV's prospectus or on the company's website.