

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 to help you compare it with other products.

Product			
Name of the product	Heartwood Alternatives Fund Limited (Class D Shares)	Website	http://www.heartwoodgroup.co.uk
ISIN	GG00BD3C5R58	Contact	+44 (0)207 045 2600

This Key Information Document (KID) is issued by the manufacturer of the product, Heartwood Wealth Management Limited, a firm authorised and regulated by the Financial Conduct Authority (FCA) in the United Kingdom.

Production Date: 19 February 2018 (based on data up to and including 31 December 2017)

What is this product?

Type

The Heartwood Alternatives Fund (“the Company”) is a closed-ended investment company with limited liability incorporated in Guernsey and is regulated by the Guernsey Financial Services Commission (“GFSC”).

The Company’s Board of Directors (“the Board”) has delegated responsibility for the management of the Company’s portfolio to the Investment Manager (otherwise referred to as “the manufacturer” within this KID), Heartwood Wealth Management Limited. The Board has delegated responsibility for the administration of the Company to the Administrator, Apex Fund Services (Guernsey) Limited.

Investment objective

To provide long-term growth through a diversified, global, multi-strategy portfolio which, amongst other things, provides access to specialist and/or alternative funds and vehicles which are considered to have an attractive medium to long term return potential. These specialist and/or alternative investments may target specific sectors, themes or geographies and the Company may invest directly or indirectly in private equity, hedge funds, property, alternative credit and infrastructure linked investments.

The Company may also selectively use derivative instruments, including options, for return generation and/or hedging purposes. The Company may also hold cash, money market funds, other cash-like instruments and/or appropriate fixed income securities as part of its portfolio. The Company may also from time to time invest a substantial portion of its assets in exchange-traded funds and other index funds.

Market risks are inherent in all investments that the Company may hold to varying degrees. Should the Company hold a large position in a particular investment that declines in value or is otherwise adversely affected, the return of the Company may be impacted.

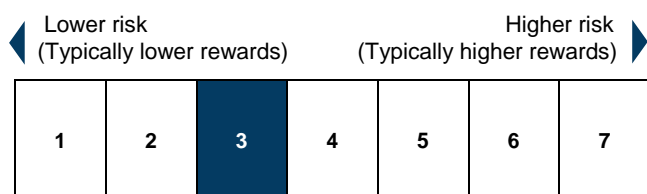
Intended retail investor

The product is classified as a non-mainstream pooled investment (“NMPI”) by the Financial Conduct Authority. Heartwood Wealth Management Limited has deemed that the product is only suitable for certified High Net Worth investors with net assets to the value of £1,000,000 or more and with sophisticated investor status. An investment in shares should be seen as long term in nature and complementary to investments in a range of other financial assets.

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

Risk indicator

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 medium-low risk class. This rates the potential losses from future performance at medium-low. Poor market conditions are likely to impact the capacity of the Company to pay you.

The risk indicator assumes you keep the product for 5 years.

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

This product has a long disinvestment notice period. For more information please see the section titled ‘How long should I hold it and should I take my money out early?’.

Performance scenarios

Investment £10,000

Scenarios		(Recommended holding period)		
		1 Year	3 Years	5 Years
Stress scenario	What you might get back after costs	£9,065.87	£8,792.33	£8,361.74
	Average return each year	-9.34%	-4.20%	-3.52%
Unfavourable scenario	What you might get back after costs	£10,332.68	£11,509.16	£12,917.17
	Average return each year	3.33%	4.80%	5.25%
Moderate scenario	What you might get back after costs	£10,686.38	£12,196.14	£13,919.19
	Average return each year	6.86%	6.84%	6.84%
Favourable scenario	What you might get back after costs	£11,040.81	£12,910.82	£14,983.51
	Average return each year	10.41%	8.89%	8.42%

This table shows the money you could get back over the next 5 years, under different scenarios stipulated by the regulations and based on the product's historic share price performance, 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 based on evidence from the past on how the value of this investment varies and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product.

The stress scenario shows what you might get back in extreme market circumstances and does not take into account the situation where we are not able to pay you. The figures shown include all the costs of the product itself but may not include all the costs that you pay to your distributor.

The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if Heartwood Wealth Management Limited is unable to pay out?

If Heartwood Wealth Management Limited ("the manufacturer") were to default, investors in the Heartwood Alternatives Fund ("the Company") would not face a financial loss as a result.

The Heartwood Alternatives Fund is not regulated by the FCA and investors may not have the benefit of the Financial Services Compensation Scheme and other protections afforded by the Financial Services and Markets Authority (FSMA) in the event that the Heartwood Alternatives Fund is unable to pay any dividends due to you or if it were unable to pay any amounts due to you on the winding up of the Company.

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, on-going 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 £10,000. The figures are estimates and may change in the future.

Costs over time

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 £10,000

Scenarios	If you cash in after 1 year	If you cash in after 3 years	If you cash in at the end of the recommended holding period
Total costs	£450.60	£1,609.10	£3,193.58
Impact on return (RIY) per year	4.51%	4.51%	4.51%

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.
- The meaning of the different cost categories.

This table shows the impact on return per year

One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.23%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	2.64%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance Fees	1.64%	The impact of a performance fee, where applicable.
	Carried Interest	0.00%	The impact of carried interests, where applicable.

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

The majority of the Company's investments are considered to have an attractive medium to long-term return potential. It is therefore recommended that the product is held for the long-term, which is widely accepted as five years or more.

It will take between 9 to 12 months to fully redeem and settle shares following an investor's redemption request. Redemption days are fixed quarterly dates, being the last business day of each of March, June, September and December. Investors should submit redemption requests to the manufacturer, the manufacturer is then required to give at least 90 calendar days' prior written notice to the Administrator in respect of a redemption day.

The Board retains the absolute discretion to cease offering the above discretionary redemption facility at any time or to modify it in such manner as they determine in good faith to be appropriate.

In normal market circumstances, and subject to available liquidity in the Company's portfolio, 50% of the redemption proceeds will be paid no earlier than 3 months after the relevant redemption day. The remaining 50% of the redemption proceeds will be paid no earlier than 6 months after the relevant redemption day.

How can I complain?

If you have any complaints about the product, the conduct of the manufacturer or the person advising on or selling the product, please contact our Head of Compliance via the following contact details:

- Address: Heartwood Wealth Management Limited, No. 1 Kingsway, London, WC2B 6AN.
- Email: compliance@heartwoodgroup.co.uk
- Tel: +44 (0)20 7045 1325

More information regarding complaints can be found on our website: <http://www.heartwoodgroup.co.uk/complaints/>

Other relevant information

Further information on the Company's investment policies, the types of assets in which the Company may invest, the markets in which it invests, borrowing limits as well as details of its management and administration arrangements can be found in the Company's Annual Report, Prospectus and Supplements. Paper copies of these documents are available on request, free of charge, via the following contact details:

- Address: Product Management, Heartwood Wealth Management, No.1 Kingsway, London, WC2B 6AN.
- Tel: +44 (0)207 045 1360
- Email: productmanagement@heartwoodgroup.co.uk