



# Key Information Document

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.

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

Name: HPS CLO Offshore Feeder Fund 2018, L.P. ("the fund")  
Series: A  
LEI: TBC  
Legal Name of PRIIP Manufacturer: Citi Private Advisory, LLC

Website: [www.privatebank.citibank.com](http://www.privatebank.citibank.com)  
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Regulator: Securities & Exchange Commission ("SEC")  
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## What is this product?

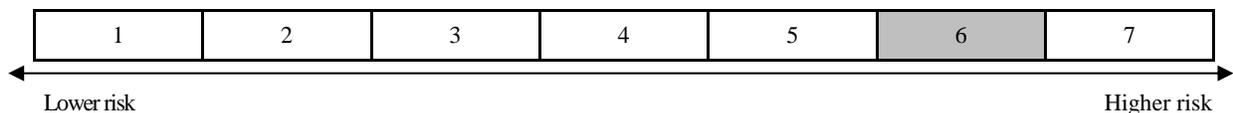
**Type:** The fund is organized as a Cayman Islands exempted limited partnership established pursuant to the Exempted Limited Partnership Law, 2018 of the Cayman Islands, as amended from time to time.

**Objectives:** The fund is being established solely to provide investors with the opportunity to invest directly or indirectly substantially all of its assets in limited partnership interests in Opportunistic CLO Fund II, LP., a Cayman Islands exempted limited partnership. All invested capital of the Opportunistic CLO Fund II, L.P. will be invested in Opportunistic CLO Master Fund II, L.P., a Cayman Islands exempted limited partnership ("the master fund"). The principal investment objective of the master fund is to generate high current income and attractive risk-adjusted returns by investing primarily in (i) unsecured subordinated notes and preference shares (including indirectly through entities established to comply with risk retention regulations) and (ii) Warehouse Financings (as defined below) relating to collateralized loan obligation issuers ("CLOs") (each such instrument in (i) and (ii), "CLO Equity") and mezzanine notes issued by CLOs (debt and equity securities issued by a CLO, "CLO Securities"). The master fund intends to focus on acquiring CLO Securities issued in the primary market, but will also seek to capitalize on secondary market opportunities. The master fund expects to invest an amount equal to 60% to 80% of the aggregate commitments in majority control positions in CLO Securities issued in the primary market although no assurance can be given in this regard. The master fund may seek to acquire dislocated CLO Securities on an opportunistic basis and will invest primarily in CLO Securities issued by CLOs holding loans made primarily to corporate borrowers in the United States. The master fund may also make long-term investments structured to take advantage of opportunities created by risk retention requirements established by regulators for CLOs or other securitized structures, such as investing in debt or equity issued by CLO risk retention vehicles. The master fund may make other opportunistic investments, including, without limitation, investments in residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS") and other asset-backed securities ("ABS") as well as credit-linked notes, and other similar securities. Such non-CLO Securities investments will be limited to 10% of commitments. The return of the fund depends on the performance of the investments mentioned above. The risk and reward profile of the fund is directly related to the recommended holding period and assumes you will hold the fund for such period, as set out below. For full details on the objectives of the fund, please refer to the confidential offering memorandum.

**Intended Retail Investor:** An investment in the fund is suitable only for certain sophisticated investors who have no need for immediate liquidity in their investment. The Fund is intended for investors who are willing to subject principal to increased risk in order to potentially generate a greater rate of return. The minimum investment amount is \$250,000 although the general partner of the fund reserves the right to accept smaller commitments from limited partners. It is intended that the fund will be marketed and sold to retail investors within the UK who fall within one of the exemptions under section 4.12.4 of the UK Financial Conduct Authority's Conduct of Business rules and is only suitable for investors who are able to bear potential investment loss and are prepared to hold the investment for the full recommended holding period of 8 years. The investor must also have experience and a good understanding of private equity investments and their inherent risks. The limited partner must at all times be able to meet their capital commitment requirements per the terms of the fund's constitutional documents. For further details, please refer to the confidential offering memorandum.

**Term:** Subject to the dissolution and termination rights of the general partner of the fund set forth in the confidential offering memorandum, the term of the fund is expected to be 8 years; provided, however, that the term of the fund will expire upon the expiration or termination of the term of the master fund and in certain other circumstances set out in the limited partnership agreement of the fund. The manufacturer, Citi Private Advisory, LLC, is not entitled to terminate this product unilaterally. However, while this product cannot be automatically terminated, the general partner may compulsorily withdraw all or any interests in the name of any partner subject to the provisions of the fund's limited partnership agreement or confidential offering memorandum.

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



The Recommended Holding Period of the fund is 8 years. The risk indicator assumes you keep the product for 8 years. You cannot cash in early.

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 the fund 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 the capacity of the fund to pay you. An investment into the fund constitutes a speculative, high risk investment (some or even all of the capital invested could be lost and is only suitable for persons who can withstand such losses).

**Be aware of currency risk. As the base currency of the fund is USD, you will receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.**

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.

Investment \$10,000		8 Years (Recommended Holding Period)
Performance Scenario		
Unfavorable Scenario	<b>What you might get back after costs</b>	\$10,495
	Average return each year	0.61%
Moderate Scenario	<b>What you might get back after costs</b>	\$14,462
	Average return each year	4.72%
Favorable Scenario	<b>What you might get back after costs</b>	\$20,267
	Average return each year	9.23%

This table shows the money you could get back over the next 8 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 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 investment/product.

This product cannot be cashed in. This means it is difficult to estimate how much you would get back if you cash in before the end of the recommended holding period. You will either be unable to cash in early or you will have to pay high costs or make a large loss if you do so.

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

The fund may make distribution payments, in cash and/or in-kind, to investors from time to time, but only out of distributable assets. Please refer to the confidential offering memorandum and limited partnership agreement for full details on the distribution and withdrawal processes.

## What happens if Citi Private Advisory, LLC is unable to pay out?

You may face a financial loss due to the default of the fund. These 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 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 the indicated holding period. They include potential early exit penalties. The figures assume you invest \$10,000. 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 Scenarios \$10,000	If you cash in after 8 years (recommended)
<b>Total Costs</b>	<b>\$3,857</b>
<b>Impact on return (RIY) per year</b>	<b>3.76%</b>

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 (8 years) and the meaning of the different cost categories.

One-off Costs	Entry Costs	0.43%	The impact of the costs you pay when entering your investment. This includes the costs of distribution of your product.
	Exit Costs	0.00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.00%	The impact of the costs of us buying and selling the underlying investment for the product.
	Other ongoing costs	3.33%	The impact of the costs that we take each year for managing your investments plus other recurring costs. These costs include the following costs charged by the master fund: 0.00% transaction costs and 1.26% performance fees.
Incidental costs	Performance fee	n.a.	The impact of the performance fee.
	Carried Interest	n.a.	The impact of carried interests.

The costs figures above are an estimate of the costs that may be incurred by the investor. Carried interest of 15% is charged at the master fund level subject to a performance hurdle of 8% per annum to investors. Please refer to the master fund's confidential private placement memorandum for more details.

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

The recommended holding period of the fund is expected to be 8 years. This term covers the expected investment and divestment periods for the fund's investments. Given that private equity investments should be considered over a medium to long term holding period, investors should be prepared to hold their interest at least until the end of the recommended holding period. There is no guarantee or promise for any interim liquidity over this term.

A limited partner may not sell, redeem, transfer or assign its interest without the prior written consent of the general partner and (subject to certain limited exceptions set out in the limited partnership agreement) may not withdraw from the fund. Interests in the fund are not freely transferable, are not readily tradable on any exchange or market, and there are no redemption or withdrawal rights. As a result, interests must be held on a long-term basis. The investment period is 2 years following the final closing date with one potential 1 year extension period only with consent of the master fund's advisory committee. The fund term is 4 years following the expiration of the investment period with two one-year extensions (the first extension in the discretion of the master fund's general partner, and the second extension only with consent of the master fund's advisory committee).

Any limited partner that fails to make, when due, any portion of the capital contribution to the fund required to be contributed by such limited partner pursuant to the limited partner agreement, may in the discretion of the general partner, be subject to the processes and remedies regarding default by a limited partner as described in the confidential offering memorandum and limited partnership agreements of the fund and the master fund.

## How can I complain?

Should you have a complaint about the fund, Citi Private Advisory LLC and/or any person advising on or selling the fund, please contact your Private Banker directly. Alternatively, you can submit your claim in writing to CPB UK Complaints, Citi Private Bank, Citibank N.A., London Branch/Citibank Europe Plc (UK branch), Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB or by email to [cpbukcomplaints@citi.com](mailto:cpbukcomplaints@citi.com). Additional information on the complaints procedure can be found at: <https://www.privatebank.citibank.com/managedinvestments/KIDs/>

## Other Relevant information

This document may not contain all the information you need to make a decision about whether to invest in the fund and you should read the fund's confidential offering memorandum (the "PPM") as well as consult <https://www.privatebank.citibank.com/managedinvestments/kids/> before making a decision to invest. Please contact your Private Banker for the PPM and any additional information available regarding the fund.