Alken Fund - Prospectus

Société d'investissement à capital variable

(A Luxembourg domiciled open-ended investment company)

18 December 2023

IMPORTANT INFORMATION

This Prospectus should be read in its entirety before making any application for Shares. If you are in any doubt about the contents of this Prospectus you should consult your financial or other professional adviser.

Shares are offered on the basis of the information contained in this Prospectus and the documents referred to therein.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of Shares other than those contained in this Prospectus and, if issued, given, or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company or the Registrar and Transfer Agent. Neither the delivery of this Prospectus nor the offer, placement, subscription, or issue of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.

The distribution of this Prospectus and supplementary documentation and the offering of Shares may be restricted in certain countries. Investors wishing to apply for Shares should inform themselves as to the requirements within their own country for transactions in Shares, any applicable exchange control regulations, and the tax consequences of any transaction in Shares.

This Prospectus does not constitute an offer or solicitation by anyone in any country in which such offer or solicitation is not lawful or authorised, or to any person to whom it is unlawful to make such offer or solicitation.

The Shares have not been, nor will they be, registered under the U.S. Securities Act of 1933, as amended (the "1933 Act"), or qualified under any applicable state statutes and may not be offered, sold, or transferred in the United States (including its territories and possessions) or to or for the benefit of, directly or indirectly, any U.S. Person (as that term is defined herein), except pursuant to registration or an exemption. The Company has not been, nor or will it be, registered under the U.S. Investment Company Act of 1940, as amended (the "1940 Act"), and investors will not be entitled to the benefits of such registration. Pursuant to an exemption from registration under the 1940 Act, the Company may make a private placement of Shares to a limited category of U.S. Persons. The Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold in the United States except as permitted under the 1933 Act and applicable state securities laws, pursuant to registration or exemption therefrom. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time. Each US Person subscribing for Shares must agree that the Directors may reject, accept, or condition any proposed transfer, assignment, or exchange of those Shares. All investors in the Company have limited withdrawal/redemption rights and such rights may be suspended under the circumstances described in this Prospectus.

The following statements are required to be made under applicable regulations of the US Commodity Futures Trading Commission ("CFTC"). As each Sub-Fund is a collective investment vehicle that may make transactions in commodity interests, each is considered to be a "commodity pool". The Management Company and the Investment Manager are each the commodity pool operator ("CPO") with respect to each Sub-Fund.

Pursuant to CFTC Rule 4.13(a) (3), the Management Company and the Investment Manager are each exempt from registration with the CFTC as a commodity pool operator. Therefore, unlike a registered CPO, the Management Company and the Investment Manager are not required to deliver a disclosure document and a certified annual report to a Shareholder in the Company. The Management Company and the Investment Manager each qualify for such exemption with respect to a Sub-Fund based on the following criteria: (i) the interests in the Sub-Fund are exempt from registration under the 1933 Act and are offered and sold without marketing to the public in the United States; (ii) the Sub-Fund meets the trading limitations of either CFTC Rule 4.13(a)(3)(ii)(A) or (B); (iii) each of the CPOs reasonably believes, at the time each US Person investor makes their investment in the Sub-Fund (or at the time the CPO began to rely on Rule 4.13(a)(3)), that each US Person investor in the Sub-Fund is (a) an “accredited investor,” as defined in Rule 501(a) of Regulation D under the 1933 Act, (b) a trust that is not an accredited investor but that was formed by an accredited investor for the benefit of a family member, (c) a “knowledgeable employee,” as defined in Rule 3c-5 under the 1940 Act, or (d) a “qualified eligible person,” as defined in CFTC Rule 4.7(a)(2)(viii)(A); and (iv) shares in the Sub-Fund are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets.

Investors should note that not all the protections provided under their relevant regulatory regime may apply and there may be no right to compensation under such regulatory regime if such scheme exists.

The distribution of this Prospectus in certain countries may require that this Prospectus be translated into the languages specified by the regulatory authorities of those countries. Should any inconsistency arise between the translated and the English version of this Prospectus, the English version shall always prevail.

NOTE: The price of Shares in the Company and the income from them may go down as well as up and an Investor may not get back the amount invested.

Personal data protection notice

Investors are informed that their personal data and any information that is furnished in connection with an investment in the Company will be collected, stored in digital form and otherwise processed by the Investment Manager, Management Company, Depositary Bank, the Registrar and Transfer Agent, Paying Agent and Administrative Agent (each as defined here below), and Management Company's distributors or their delegates (the "Entities") as data processor, as appropriate in compliance with the provisions of the Luxembourg law of 2 August 2002 on data protection (as amended from time to time) (the "2002 Law").

Information may be processed for the purposes of processing subscription and redemption orders, maintaining registers of Shareholders, and carrying out the services of the Entities to the investors and to comply with applicable legislations or regulations including but not limited to, anti-money laundering legislation, tax compliance or similar laws and regulations at OECD or EU level.

Information shall be disclosed to third parties where necessary for legitimate business interests only. This may include disclosure to third parties such as governmental or regulatory bodies including tax authorities, auditors, accountants, distributors, subscription, and redemption agents as well as permanent representatives in place of registration or any other agents of the Entities who may process the personal data for carrying out their services and complying with legal obligations as described above.

Investors especially acknowledge that the Registrar and Transfer Agent of the Company may have to transmit information regarding an investor to the Luxembourg tax authorities if so required by such tax authorities in accordance with the provisions of the Luxembourg law of 31 March 2010 on the approbation of tax treaties and for the provision of the applicable procedure regarding on demand information exchange. Moreover, the Registrar and Transfer Agent may use telephone recording procedures to record any conversation. Investors are deemed to consent to the tape-recording of conversations with the Registrar and Transfer Agent and to the use of such tape recordings by the Registrar and Transfer Agent and/or the Company in legal proceedings or otherwise at their discretion.

By subscribing or purchasing Shares of the Company, investors consent to the processing of their information and the disclosure of their information to the parties referred to above including companies situated in countries outside of the European Economic Area which may not offer a similar level of protection as the one deriving from Luxembourg data protection laws and to answer to some mandatory questions in compliance with FATCA and CRS. The transfer of data to the aforementioned parties may occur via and/or be processed in countries (such as, but not limited to, the United States and Japan) which may not have data protection requirements deemed equivalent to those prevailing in the European Union.

Investors acknowledge and accept that failure to provide relevant personal data requested by the Company and/or the Registrar and Transfer Agent may prevent them from maintaining their holdings in the Company and may be reported by the Company and/or the Registrar and Transfer Agent to the relevant Luxembourg authorities.

Investors acknowledge and accept that the Company or the Registrar and Transfer Agent will report any relevant information in relation to their investments in the Company to the Luxembourg tax authorities which will exchange this information on an automatic basis with the competent authorities in the United States or other permitted jurisdictions as agreed in the FATCA Law, CRS at OECD and EU levels or equivalent Luxembourg legislation.

Investors may request access to, rectification of or deletion of any data provided to any of the parties above or stored by any of the parties above in accordance with applicable data protection legislation. Reasonable measures have been taken to ensure confidentiality of the personal data transmitted between the parties. However, due to the fact that the information is transferred electronically and made available outside of Luxembourg, the same level of confidentiality and the same level of protection in relation to data protection regulation as currently in force in Luxembourg may not be guaranteed while the information is kept abroad.

The Company will accept no liability with respect to any unauthorised third-party receiving knowledge and/or having access to the investors' personal data, except in the event of wilful negligence or gross misconduct of the Company.

Investors have a right of access and of rectification of the personal data in cases where such data is incorrect or incomplete.

Personal data shall not be held for longer than necessary with regard to the purpose of the data processing.

CONTENTS

D I R E C T O R Y

Registered Office of the Company	15, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
Board of Directors of the Company	Mr. Claude-Joseph Pech Director 15A, avenue J. F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
	Ms. Michèle Berger Independent Director 12 rue Guillaume Schneider L-2522 Luxembourg Grand Duchy of Luxembourg
	Mr. Bruno Vanderschelden Independent Director 23, rue des Bruyères L-1274 Hesperange Grand Duchy of Luxembourg

MANAGEMENT AND ADMINISTRATION

Management Company	AFFM S.A. 3, Boulevard Royal L-2449 Luxembourg Grand Duchy of Luxembourg
Board of Directors of the Management Company	Mr. Philipp Gregor Managing Director 3, Boulevard Royal L-2449 Luxembourg Grand Duchy of Luxembourg
	Mr. Randall Dux Director Bannatyne Plantation House 17030 Christ Church Barbados
	Mrs. Amélie Guittet-Garreau Independent Certified Director 3, Rue Belle-Vue L-1227 Luxembourg Grand Duchy of Luxembourg

	Mr. Jean-Christoph Arntz Independent Certified Director 5, Rue Gabriel Lippmann L- 5365 Munsbach Grand Duchy of Luxembourg
Persons in charge to conduct the Management Company	Mr. Philipp Gregor Managing Director 3, Boulevard Royal L-2449 Luxembourg Grand Duchy of Luxembourg
	Mr. Romain Nyga Conducting Officer 3, Boulevard Royal L-2449 Luxembourg Grand Duchy of Luxembourg
	Mr. Vincenzo Pitrone Conducting Officer 3, Boulevard Royal L-2449 Luxembourg Grand Duchy of Luxembourg
Investment Manager	Alken Asset Management Ltd. 25 Savile Row W1S 2ER London United Kingdom
Depositary Bank	Pictet & Cie (Europe) S.A. 15A, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
Central Administration Agent	FundPartner Solutions (Europe) S.A. 15, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
Auditors	Deloitte Audit S.à r.l. 20, Boulevard de Kockelscheuer L-1821 Luxembourg Grand Duchy of Luxembourg
Promoter	AFFM S.A. 3, Boulevard Royal L-2449 Luxembourg Grand Duchy of Luxembourg

Swiss Representative	FundPartner Solutions (Suisse) S.A. 60, route des Acacias CH-1211 Genève 73 Switzerland
Swiss Paying Agent	Banque Pictet & Cie S.A. 60, route des Acacias CH-1211 Genève 73 Switzerland
Facility Service Agent	Alken Asset Management Ltd. 25 Savile Row W1S 2ER London United Kingdom

D E F I N I T I O N S

“1933 Act”	The US Securities Act of 1933, as amended
“1940 Act”	The US Investment Company Act of 1940, as amended
"Accumulation Share"	A Share which accumulates the income arising in respect of a Share so that it is reflected in the price of that Share
"Applicable NAV"	Net asset value applicable for the valuation of positions on a given date or for the execution of Subscriptions and Redemptions with the relevant provisions as set out in the Prospectus
"Articles"	The Articles of Association of the Company as amended from time to time
"Auditor"	The Auditors of the Company, namely Deloitte Audit S.àr.l.
"Benchmark Index"	In respect of the European Opportunities Sub-Fund, a rate set at the value equal to the performance of the MSCI Europe Index (EUR) in respect of each performance period; in respect of the Small Cap Europe Sub-Fund, a rate set at the value equal to the performance of the MSCI Europe Small Cap Index (EUR) in respect of each performance period; in respect of the Sustainable Europe Sub-Fund, a rate set at the value equal to the performance of the MSCI Europe ex UK Net Return (EUR) Index in respect of each performance period; in respect of the Global Sustainable Convertible Sub-Fund no Benchmark Index is applied; and in respect of the Sustainable Income Opportunities, depending on the currency of the Class, a rate set at the value equal to the performance of the Secured Overnight Financing Rate (SOFR), the Sterling Over Night Index Average (SONIA), the Tokyo Overnight Average Rate (TONAR) or the Euro short-term rate (ESTR) in respect of each performance period. It is hereby confirmed that the administrators of the MSCI Europe ex UK Net Return EUR Index, the MSCI Europe Index (EUR) and the MSCI Europe Small Cap Index (EUR) have been authorised or registered pursuant to article 34 of the Regulation (EU) 2016/1011 of 8 June 2016, while the SOFR, the SONIA, the TONAR, and the ESTR are exempted under the same Regulation. The Management Company has established and maintain robust written plans setting out the actions to take in the event that a benchmark materially changes or ceases to be provided which are available free of charge upon request from the registered office of the Management Company

“Benefit Plan Investor”	As defined in the relevant section of this Prospectus
"Business Day"	Each day on which banks are normally open for business in Luxembourg, or such other day as the Directors may decide from time to time
"Central Administration Agent"	FundPartner Solutions (Europe) S.A.
"CFTC"	The US Commodity Futures Trading Commission
"Class"	A class of Shares with a specific fee structure, currency of denomination or other specific feature
"Code"	The US Internal Revenue Code of 1986, as amended
"Company"	Alken Fund
“Contingent Convertible Bond”	Type of instrument issued by companies, which convert into shares in the company when certain capital conditions are met and are subject to certain risks (see “Risk Considerations” section for details)
"CSSF"	The Commission de Surveillance du Secteur Financier, the Luxembourg financial authority who is supervising inter alia the Company and the Management Company
"Depositary Bank"	Pictet & Cie (Europe) S.A.
"Dealing Day"	A Business Day which does not fall within a period of suspension of calculation of the Net Asset Value per Share of the relevant Class or of the Net Asset Value of the relevant Sub-Fund (unless stated otherwise in this Prospectus) and such other day as the Directors may decide from time to time
"Directors" or "Board of Directors"	The Board of Directors of the Company
"Distribution Share"	A Share which distributes its income
“Emerging Markets”	Countries outside from developed markets or less developed markets. Exposure to Emerging Markets may be subject to possible higher risk related to the country, including but not limited to a political, economic, currency or regulatory risk.
“Environmental in ESG”	Issues relating to the quality and functioning of the natural environment and natural systems. These may include for example: biodiversity loss, greenhouse gas (GHG) emissions, climate change, renewable energy, energy efficiency, air, water

	or resource depletion or pollution, waste management, stratospheric ozone depletion, changes in land use, ocean acidification and changes to the nitrogen and phosphorus cycles. Source: Principles for Responsible Investment website http://www.unpri.org
"ERISA"	The US Employee Retirement Income Security Act of 1974, as amended
"EU"	The European Union
"Euro" or "EUR"	The currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Economic Community, as amended by the Treaty on European Union
"ESG"	Environmental, Social and Governance as defined separately in the Definitions based on the Principles for Responsible Investment's (PRI) definition. For more information on the Principles for Responsible Investment, visit http://www.unpri.org
"ESG Integration"	The structural integration of information on Environmental, Social and Governance factors into the investment decision making process
"Exclusions"	The Investment Manager's exclusion policy applies to the Sub-Funds. The Company believes that some products and business practices are detrimental to society and incompatible with sustainable investment strategies. The criteria that apply to a Sub-Fund depend on the sustainability profile of the Sub-Fund. The most recent version of the Exclusion Policy can be found on https://www.alken-am.com/ESG, including the criteria and to which Sub-Funds they apply
"Facility Service Agent"	Alken Asset Management Ltd.
"Governance in ESG"	Issues relating to the governance of companies and other investee entities. These may include for example: board structure, size, diversity, skills and independence, executive pay, shareholder rights, stakeholder interaction, disclosure of information, business ethics, bribery and corruption, internal controls, and risk management, and, in general, issues dealing with the relationship between a company's management, its board, its shareholders and its other stakeholders. This category may also include matters of business strategy, encompassing both the implications of business strategy for environmental and social issues, and how the strategy is to be implemented. Source:

	Principles for Responsible Investment website http://www.unpri.org
"Group of Companies"	Companies belonging to the same body of undertakings, and which must draw up consolidated accounts in accordance with Council Directive 83/349/EEC of 13th June 1983 on consolidated accounts and according to recognised international accounting rules
"High Water Mark"	The higher of the NAV per Share at launch of the Share Class and the NAV per Share at which the last Performance Fee has been paid
"Hurdle Rate"	A hurdle rate is a rate of return above which a performance fee may be charged
"Institutional Investor"	An institutional investor whose business purpose requires professional financial knowledge and the management of substantial assets
"Investment Grade"	A rating of at least BBB- or equivalent by a rating agency or, if unrated, as determined by the Investment Manager to be of comparable quality.
"Investment Manager"	Alken Asset Management Ltd.
"Investor" or "Shareholder"	A subscriber for Shares
"Luxembourg Official Gazette"	Means the Mémorial C, Recueil des Sociétés et Associations or the Recueil Electronique des Sociétés et Associations ("RESA")
"Management Company"	AFFM S.A.
"Member State"	A State member of the European Union
"Money Market Instruments"	Instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time
"Negative Screening"	The process of finding companies that score poorly on environmental, social and governance factors relative to their peers. These companies can then be avoided when constructing a portfolio, based on quantitative measures (e.g., lowest 20% performing companies on ESG) or qualitative measures (e.g., by sector)
"Net Asset Value"	The net asset value of the Company or of any Class of Shares determined in accordance with the relevant provisions described

	under the heading "Calculation of Net Asset Value" as set out in the Prospectus
"OTC"	Over the Counter
"Other Regulated Market"	A market which is regulated, operates regularly and is recognised and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed in current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognised by a state or a public authority which has been delegated by that state or by another entity which is recognised by that state or by that public authority such as a professional association and (iv) on which the securities dealt in are accessible to the public
"Other State"	Any State of Europe which is not a Member State and any State of America, Africa, Asia, Australia, and Oceania and, as appropriate, of the OECD ("Organisation for Economic Cooperation and Development")
“Principal adverse impact” or “PAI”	The most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters
"Prospectus"	The present prospectus, as may be amended from time to time
"Registrar and Transfer Agent"	FundPartner Solutions (Europe) S.A. under its general appointment as Central Administration Agent of the Company
"Regulated Market"	A regulated market as defined in European Parliament and Council Directive 2014/65/EU dated 15 May 2014 on investment services in the securities field (“Directive 2016/65/EU”), namely a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of the Directive 2016/65/EU

"Regulatory Authority"	The Commission de surveillance du secteur financier or its successor
"Share"	A Share(s) of no-par value in any one Class in the capital of the Company
"Social in ESG"	Issues relating to the rights, well-being and interests of people and communities. These may include for example: human rights, labour standards in the supply chain, child, slave and bonded labour, workplace health and safety, freedom of association and freedom of expression, human capital management and employee relations; diversity; relations with local communities, activities in conflict zones, health and access to medicine, HIV/AIDS, consumer protection; and controversial weapons. Source: Principles for Responsible Investment website http://www.unpri.org
"Sustainable Investment"	Means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices
"Sustainability Risk"	As further described in the Section "Risk Considerations", means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment
"KIID"	The Key Investors Information Document
"Sub-Fund"	A specific portfolio of assets and liabilities within the Company having its own Net Asset Value and represented by a separate Class or Classes of Shares
"SFDR"	means Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector
"EU Taxonomy"	means Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment and amending SFDR.
"The 2010 Law"	The law of 17th December 2010 relating to undertakings for collective investment, as the same may be amended from time to time
"Transferable Securities"	(i) shares and other securities equivalent to shares ("shares"); (ii) bonds and other debt instruments ("debt securities") and (iii) any

	other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, to the extent they do not qualify as techniques and instruments
"UCI"	An "other undertaking for collective Investment" within the meaning of the first and second indent of Article 1(2) of Council Directive 85/611/EEC of 20th December 1985, as amended
"UCITS"	An undertaking for collective investment in transferable securities authorised in accordance with the UCITS IV Directive
"UCITS Directive"	Directive 2009/65/EC of the European Parliament and of the Council of 13th July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investments in transferable securities (UCITS), as amended
"UN SDGs"	The Sustainable Development Goals adopted by the UN General Assembly on 25 September 2015 as part of the global sustainable development framework known as the 2030 Agenda for Sustainable Development
"United States" or "US"	The United States of America, its territories and possessions, any state of the United States and the District of Columbia
"US Person"	As defined in the relevant section of this Prospectus
"US Taxpayer"	As defined in the relevant section of this Prospectus

All references herein to time are to Luxembourg time unless otherwise indicated.

Words importing the singular shall, where the context permits, include the plural and vice versa.

LEGAL STATUS

ALKEN FUND, formerly VAUBAN FUND (the "Company") is an open-ended investment company organised as a "société anonyme" under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the 2010 Law, whose object is to invest in Transferable Securities under the principle of risk spreading in accordance with, and as more fully described in, its Articles and the Prospectus.

The Company was incorporated for an indefinite period on 16th November 2005, with an initial capital of EUR 31,000. Its Articles were published in Luxembourg Official Gazette on 14th December 2005.

The Company is registered at the Trade and Companies Register of Luxembourg under the number B111842.

The Company's capital shall at all times be equal to the value of its total net assets. The minimum capital required by law is EUR 1.25 million, which must be achieved within six months of launch.

OBJECTIVES AND STRUCTURE

The exclusive objective of the Company is to place the funds available to it in Transferable Securities and other permitted assets of any kind with the purpose of spreading investment risks and affording its Shareholders the results of the management of its portfolios, by offering them access to a world-wide selection of markets and a variety of investment techniques via a range of Sub-Funds catering for many different investment objectives.

The specific investment objective and policy of each Sub-Fund is described in Appendix I.

The investments of each Sub-Fund shall at any time comply with the restrictions set out herein, and Investors should, prior to any investment being made, take due account of the risks of investments set out herein. Save aforesaid restrictions, the selection of securities and other authorised assets that make up the portfolio of the various Sub-Funds will not be limited as regards geographical area or economic consideration, nor as regards the type of investment of assets.

A list of those Sub-Funds in existence at the time of this Prospectus, together with a description of their investment objective and policy and main features, is attached as Appendix I to this Prospectus. This list forms an integral part of this Prospectus. The Directors may decide to create one or several additional Sub-Funds at any time. Upon creation of such a Sub-Fund, the list contained in the present Prospectus will be updated accordingly.

The Company is one single legal entity. However, a separate portfolio of assets is maintained for each Sub-Fund. In addition, the rights of the Shareholders and creditors relating to a Sub-Fund or arising from the setting-up, operation and liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. The assets of a Sub-Fund are exclusively dedicated to the satisfaction of the rights of the Shareholders relating to that Sub-Fund and the rights of those creditors whose claims have arisen in connection with the setting-up, operation and liquidation of that Sub-Fund.

Within a Sub-Fund, the Board of Directors may decide to issue one or more Classes the assets of which will be commonly invested but subject to different fee structures, distribution, marketing targets, currency, or other specific features. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class. The Board of Directors may, at any time, create additional Classes whose features may differ from the existing Classes and additional Sub-Funds whose investment objectives may differ from those of the Sub-Funds then existing. Upon creation of new Sub-Funds or Classes, the Prospectus will be updated, if necessary, or supplemented by a new Appendix. Classes of certain Sub-Funds, indicated in the Appendices, may, on the decision of the Board of Directors, be subdivided into several sub-Classes with a different reference currency.

The attention of Investors is drawn to the fact that, depending on whether foreign exchange hedging instruments are used in respect of each Class, an Investor may be exposed to the risk that the Net Asset Value of one Class denominated in a given reference currency may fluctuate in a way that compares unfavourably to that of another Class denominated in another reference currency. It should nevertheless be noted that all expenses associated with the financial instruments, if any, used for the purpose of hedging foreign exchange risks related to the Class concerned will be allocated to that Class.

To the extent permitted by the Prospectus, and in relation to Classes that are denominated in a currency other than the reference currency of a Sub-Fund or Class, the Company may (but is under no obligation to) employ techniques and instruments intended to provide protection, so far as possible, against movements of the currency in which the relevant Class is denominated.

ORGANISATION OF MANAGEMENT AND ADMINISTRATION

Directors of the Company

The Directors of the Company are responsible for the overall administration, control, and management of the Company, including the determination of the investment objective and policies of each Sub-Fund. In particular, the Directors of the Company are responsible for the monitoring and the overall supervision and control of the Management Company. To this effect, the Board of Directors may give board recommendations to the Management Company in relation to, without limitation, the structure, promotion, administration, investment management and distribution of the Company and the contents of any documentation relating to the Company (including but not limited to, the Prospectus and any marketing material).

Management Company

The Company has appointed AFFM S.A. to serve as its designated management company in accordance with the 2010 Law pursuant to a management company services agreement dated as of 15th January 2018, as amended (the "Management Company Services Agreement"). Under this agreement, the Management Company provides investment management, administrative and marketing services to the Company, subject to the overall supervision and control of the Directors.

AFFM S.A. was organised on 10th January 2018 as a Société Anonyme for an unlimited period of time under the laws of the Grand Duchy of Luxembourg. It is registered under the number R.C.S. Luxembourg B221009 at the Luxembourg Trade and Companies Register. Its share capital amounts to EUR 2.25 million.

The Management Company is in charge of the day-to-day operations of the Company. In fulfilling its responsibilities set forth by the 2010 Law and the Management Company Services Agreement, it is permitted to delegate all or a part of its functions and duties to third parties, provided that it retains responsibility and oversight over such delegates. The appointment of third parties is subject to the approval of the Company and the Regulatory Authority. The Management Company's liability shall not be affected by the fact that it has delegated its functions and duties to third parties.

The Management Company has delegated the following functions to third parties: investment management and central administration as detailed below.

Where the Management Company has delegated any of its functions to a third party, the Management Company shall be able to give at any time any further instructions to the delegates to which the functions are delegated and to terminate the relevant agreements such delegates without prior notice and with immediate effect when this is in the interests of the Shareholders as provided for by article 110 (1) (g) of the Law of 2010.

The Management Company has adopted a remuneration policy which is consistent with and promotes sound and effective risk management. It includes a description as to how remuneration and benefits are calculated, a description of the remuneration committee, should one be formed, and identifies those individuals responsible for awarding remuneration and benefits. It does not encourage risk-taking which is inconsistent with the risk profiles, rules or management regulation of the Company and does not impair compliance with the Management Company's duty to act in the best interest of the Investors. The remuneration policy includes fixed and variable components of salaries and discretionary pension benefits. The remuneration policy applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profile of the Company. A disclosure on the UCITS Directive compliant remuneration policy is available on the individual pages at http://www.affm.lu (see literature section for AFFM S.A.) or a paper copy of the policy itself is available free of charge upon request from the registered office of the Management Company.

Investment Manager

Subject to the overall responsibility of the Directors, the Management Company will provide or procure for each Sub-Fund investment advisory and discretionary investment management services, pursuant to the provisions of the Management Company Services Agreement.

In order to implement the investment policies of each Sub-Fund, the Management Company has delegated, under its permanent supervision and responsibility, the management of the assets of each Sub-Fund to Alken Asset Management Ltd., pursuant to the delegation of management functions agreement dated 15th January 2018, as amended (the "Investment Management Agreement"). The Investment Management Agreement was concluded for an unlimited duration and may be terminated as provided therein.

Alken Asset Management Ltd. was established as a limited liability partnership under the name of Vauban Asset Management LLP (OC314034) on 5th July 2005 under the laws of England. It has been authorised and regulated by the FCA (previously FSA) since 11th January 2006. Alken Asset Management Ltd.'s activity is to manage segregated mandates and it acts as investment adviser for other investment funds. Pursuant to the Investment Management Agreement, the Investment Manager has discretion, on a day-to-day basis and subject to the control and responsibility of the Management Company, to purchase and sell securities and otherwise to manage each Sub-Fund's portfolio.

The Investment Manager, in the execution of its duties and the exercise of its powers, shall comply with each Sub-Fund's investment policies and restrictions.

Subject to its overall responsibility, control and supervision, the Investment Manager may, at its charge, sub-delegate certain or all of its duties in relation to certain Sub-Funds to a sub-investment manager as specified in Appendices below subject to the CSSF prior approval.

Any change in the investment management delegation by the Management Company or by the Investment Managers will be reflected in the next updated version of the Prospectus or its Appendices.

Depositary Bank

Pictet & Cie (Europe) S.A. has been appointed by the Company as the Depositary Bank for (i) the safekeeping of the assets of the Company (ii) the cash monitoring, (iii) the oversight functions and (iv) such other services as are agreed from time to time and reflected in the relevant agreement (the "Depositary Agreement").

The Depositary Bank is a credit institution established in Luxembourg, whose registered office is situated at 15A, avenue J.F. Kennedy, L-1855 Luxembourg, and which is registered with the Registre de Commerce et des Sociétés of Luxembourg under number B 32060. It is licensed to carry out banking activities under the terms of the Luxembourg law of 5 April 1993 on the financial services sector, as amended.

Duties of the Depositary Bank

The Depositary Bank is entrusted with the safekeeping of the Company's assets. For the financial instruments which can be held in custody, they may be held either directly by the Depositary Bank or they can also be held by any third-party delegate for which the Depositary Bank must ensure that they provide, in principle, the same guarantees as the Depositary Bank itself, i.e. for Luxembourg institutions to be a credit institution within the meaning of the law of 5 April 1993 on the financial sector or for foreign institutions, to be a financial institution subject to the rules of prudential supervision considered as equivalent to those provided by EU legislation. The Depositary Bank also ensures that the Company's cash flows are properly monitored, and in particular that the subscription monies have been received and all cash of the Company has been booked in the cash account in the name of (i) the Company, (ii) the Management Company on behalf of the Company or (iii) the Depositary Bank on behalf of the Company.

In addition, the Depositary Bank shall also ensure:

- that the sale, issue, repurchase, redemption and cancellation of the Shares of the Company are carried out in accordance with Luxembourg law and the Articles;

- that the value of the Shares of the Company is calculated in accordance with Luxembourg law and the Articles;

- to carry out the instructions of the Management Company, unless they conflict with Luxembourg law or the Articles;

- that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits;

- that the Company's incomes are applied in accordance with Luxembourg law and the Articles.

The Depositary Bank regularly provides the Company and its Management Company with a complete inventory of all assets of the Company.

Delegation of functions

Pursuant to the provisions of the UCITS Directive and of the Depositary Agreement, the Depositary Bank, subject to certain conditions and in order to effectively conduct its duties, delegates part or all of its safekeeping duties over the Company's assets set out in the UCITS Directive, to one or more third-party delegates appointed by the Depositary Bank from time to time and which include, for the avoidance of any doubt, any of the Depositary Bank’s affiliates to which some safekeeping duties have been delegated.

The Depositary Bank shall exercise care and diligence in choosing and appointing the third-party delegates so as to ensure that each third-party delegate has and maintains the required expertise and competence. The Depositary Bank shall also periodically assess whether the third-party delegates fulfil applicable legal and regulatory requirements and will exercise ongoing supervision over each third-party delegate to ensure that the obligations of the third-party delegates continue to be competently discharged.

The liability of the Depositary Bank shall not be affected by the fact that it has entrusted all or some of the Company's assets in its safekeeping to such third-party delegates.

In case of a loss of a financial instrument held in custody, the Depositary Bank shall return a financial instrument of an identical type or the corresponding amount to the Company without undue delay, except if such loss results from an external event beyond the Depositary Bank's reasonable control and the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

An up-to-date list of the appointed third-party delegates is available upon request at the registered office of the Depositary Bank and is available on

http://www.pictet.com/corporate/fr/home/asset_services/custody_services/sub-custodians.html

Pursuant to the UCITS Directive, the Depositary Bank and the Company will ensure that, where (i) the law of a third country requires that certain financial instruments of the Company be held in custody by a local entity and there is no local entities in that third country subject to effective prudential regulation (including minimum capital requirements) and supervision and (ii) the Company instructs the Depositary Bank to delegate the safekeeping of these financial instruments to such a local entity, the Investors of the Company shall be duly informed, prior to their investment, of the fact that such delegation is required due to the legal constraints of the law of the third country, of the circumstances justifying the delegation and of the risks involved in such a delegation.

Conflicts of interests

In carrying out its functions, the Depositary Bank shall act honestly, fairly, professionally, independently, and solely in the interest of the Company and the Investors of the Company.

Potential conflicts of interest may nevertheless arise from time to time from the provision by the Depositary Bank and/or its delegates of other services to the Company, the Management Company and/or other parties. As indicated above, the Depositary Bank’s affiliates are also appointed as third-party delegates of the Depositary Bank. Potential conflicts of interest which have been identified between the Depositary Bank and its delegates are mainly fraud (unreported irregularities to the competent authorities to avoid bad reputation), legal recourse risk (reluctance or avoidance to take legal steps against the Depositary Bank), selection bias (the choice of the Depositary Bank not based on quality and price), insolvency risk (lower standards in asset segregation or attention to the Depositary Bank's solvency) or single group exposure risk (intragroup investments).

The Depositary Bank (or any of its delegates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company and/or other funds for which the Depositary Bank (or any of its delegates) acts.

The Depositary Bank has pre-defined all kind of situations which could potentially lead to a conflict of interest and has accordingly carried out a screening exercise on all activities provided to the Company either by the Depositary Bank itself or by its delegates. Such exercise resulted in the identification of potential conflicts of interest that are however adequately managed. The details of the potential conflicts of interest listed above are available free of charge from the registered office of the Depositary Bank and on the following website:

https://www.group.pictet/corporate/fr/home/asset_services/custody_services/sub-custodians.html

On a regular basis, the Depositary Bank re-assesses those services and delegations to and from delegates with which conflicts of interest may arise and will update such list accordingly.

Where a conflict or potential conflict of interest arises, the Depositary Bank will have regard to its obligations to the Company and will treat the Company and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which shall be based on objective pre-defined criteria and meet the sole interest of the Company and the Investors of the Company. Such potential conflicts of interest are identified, managed, and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Depositary Bank's depositary functions from its other potentially conflicting tasks and by the Depositary Bank adhering to its own conflicts of interest policy.

Miscellaneous

The Depositary Bank or the Company may terminate the Depositary Agreement at any time upon ninety (90) calendar days' written notice (or earlier in case of certain breaches of the Depositary Agreement, including the insolvency of any of them) provided that the Depositary Agreement shall not terminate until a replacement Depositary Bank is appointed.

Up-to-date information regarding the description of the Depositary Bank's duties and of conflicts of interest that may arise as well as of any safekeeping functions delegated by the Depositary Bank, the list of third-party delegates and any conflicts of interest that may arise from such a delegation will be made available to investors on request at the Depositary Bank's registered office.

Central Administration Agent

The Management Company has undertaken to provide the Company with certain administration services, including general administration as well as bookkeeping and maintenance of all accounts of the Company, the periodic determination of the Net Asset Value per Share, the preparation and filing of the Company's financial reports and the liaison with the Auditors.

In addition, the Management Company will under the terms of the Management Company Services Agreement act as corporate and domiciliary agent for the Company.

The Management Company has further undertaken to provide the Company with registrar and transfer agent services. As such the Management Company will be responsible for handling processing of subscriptions of Shares, dealing with requests for redemption and conversion and accepting transfers of funds, for the safekeeping of the register of Shareholders of the Company and the safekeeping of all non-issued Share certificates of the Company.

The Management Company has delegated the above-mentioned registrar and transfer agent services, domiciliary and administrative functions to FundPartner Solutions (Europe) S.A. pursuant to the Central Administration Agreement in relation to Registrar, Transfer, Domiciliary, Corporate, Paying and Administrative Agent Functions dated 15th January 2018, as amended. The agreement was concluded for an unlimited duration and may be terminated as provided therein.

FundPartner Solutions (Europe) S.A. was incorporated as a société anonyme (limited company) under Luxembourg law for an indefinite period on 17th July 2008, under the former denomination Funds Management Company S.A. Its fully paid-up capital is CHF 6,250,000 at the date of this Prospectus.

Distributor

The Management Company may from time to time appoint any suitable company as distributor (the "Distributor"). The role of the Distributor is to market and promote the Company's Shares in each Sub-Fund.

The Distributor may conclude contractual arrangements with dealers as its agents for the distribution of Shares.

The Distributor or any of their agents may be involved in the collection of subscription, conversion, and redemption orders on behalf of the Company and any of the Sub-Funds and may, in that case, provide a nominee service for investors purchasing Shares through it. Investors may elect to make use of such nominee service pursuant to which the nominee will hold the Shares in its name for and on behalf of the Investors who shall be entitled at any time to claim direct title to the Shares and who, in order to empower the nominee to vote at any general meeting of Shareholders, shall provide the nominee with specific or general voting instructions to that effect.

Auditors

The auditing has been entrusted to Deloitte Audit S.à r.l., 20, Boulevard de Kockelscheuer, L-1821 Luxembourg, Grand Duchy of Luxembourg.

Facility Service Agent

The Company is a recognised scheme under Section 264 of the UK Financial Services and Markets Act 2000. The Facility Service Agent is authorised and regulated by the Financial Conduct Authority ("FCA") (FCA Firm Reference No. 629630). Information concerning the price of the Shares in the Company and access to and copies of the Prospectus, Key Investor Information Document, constitutional documents, and most recent annual and half-yearly reports of the Company may be obtained from the Facility Service Agent. The Facility Service Agent acts as the representative of the Company in the United Kingdom for the purpose of providing facilities for submitting redemption requests and complaints.

Many of the protections provided by the United Kingdom regulatory structure may not apply to investments in the Company, including access to the Financial Services Compensation Scheme and the Financial Ombudsman Service.

Investors who seek to make complaints or redemption requests through the Company's UK based Facility Service Agent should submit them by fax to Fax: +44 (0) 20 7440 1901 with the original copy of the complaint or duly completed redemption request form to be sent to the postal address indicated below:

Alken Asset Management Ltd.
25 Savile Row
W1S 2ER
United Kingdom

RIGHTS OF THE SHAREHOLDERS

Shares

The Shares in each Sub-Fund are only issued in registered form, with no par value and fully paid-up. Shares may be issued in fractions up to five decimal places. All owners of Shares will have their names entered into the Shareholders' register which will be held at the Company's registered office. No certificates will be issued, and Shareholders will only receive a confirmation that their names have been recorded in the Shareholders' register. Shares may also be held and transferred through accounts maintained with clearing systems.

All Shares are freely transferable and have an equal entitlement to any profits, proceeds of liquidation and dividends relating to the Sub-Fund and Share Class to which they pertain. The Shares carry no preferential and pre-emptive rights.

Each Share gives right to one vote. Fractions of Shares do not, however, possess voting rights. In the case of a joint holding, only the first named Shareholder may vote.

The Directors may impose or relax restrictions on any Shares and, if necessary, require redemption of Shares to ensure that Shares are neither acquired nor held by or on behalf of any person in breach of the law or requirements of any country or government or regulatory authority or which might have adverse taxation or other pecuniary consequences for the Company, including a requirement to register under the laws and regulations of any country or authority. The Directors may in this connection require a Shareholder to provide such information as they may consider necessary to establish whether a Shareholder is the beneficial owner of the Shares which they hold.

If it shall come to the Directors attention at any time that Shares are beneficially owned by a United States Person, the Company will have the right to compulsorily redeem such Shares.

The transfer of registered Shares may be affected by delivery to the Registrar and Transfer Agent of a duly signed stock transfer form in appropriate form together with, if issued, the relevant shareholding confirmation to be cancelled.

Sub-Funds and Classes of Shares

Appendix I to the Prospectus lists the Sub-Fund(s) already in existence at the time of issue of this Prospectus, the Shares of which are offered to subscription and the relevant Classes of Shares available therein (if any).

The Directors may at any time resolve to set up new Sub-Funds and/or create within each Sub-Fund one or more classes of Shares and this Prospectus will be updated accordingly. The Directors may also at any time resolve to close a Sub-Fund, or one or more classes of Shares within a Sub-Fund to further subscriptions.

The Directors may decide to create within each Sub-Fund different Classes of Shares whose assets will be commonly invested pursuant to the specific investment policy of the relevant Sub-Fund, but where a specific fee structure, currency of denomination or other specific feature may apply to each Class. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Class.

Shares may be issued as Accumulation or Distribution Shares at the Directors discretion. Investors may enquire at the Registrar and Transfer Agent or their Distributor which type of Shares is available within each Class and Sub-Fund.

The Board of Directors may decide to list the shares of each Sub-Fund or Classes of Shares, as and when issued, on the Luxembourg Stock Exchange.

Principle of Solidarity and Severability

The subscription price for Shares in each Class is invested in the assets of the relevant Sub-Fund. In principle, all assets and liabilities related to a specific Sub-Fund are allocated to that Sub-Fund. In the case that costs and expenses are not attributable to a specific Sub-Fund, they shall be shared out proportionally among the various Sub-Funds according to their Net Asset Values or, if circumstances warrant it, allocated on an equal basis to each Sub-Fund.

The Company constitutes a single legal entity, but the assets of each Sub-Fund shall be invested for the exclusive benefit of the Shareholders of the corresponding Sub-Fund and the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments, and obligations of that Sub-Fund.

General Meetings of Shareholders

The annual general meeting of Shareholders shall be held each year at the Company's registered office or at any other location in Luxembourg which will be specified in the convening notice to the meeting.

The annual general meeting of Shareholders shall be held on the last Friday of April at 11.00 a.m. or, if this happens to be a bank holiday in Luxembourg, on the next following Business Day, and for the first time in 2007. The Board may also convene the annual general meeting on such other date, time and place in Luxembourg as may be specified in the notice of the meeting.

Convening notices shall be sent to all registered Shareholders at least 8 days prior to the annual general meeting. These notices shall include details of the time and place of the meeting, the agenda, conditions for admission and requirements concerning the quorum and majority voting rules as stated by Luxembourg law. Notices shall be published in the Luxembourg Official Gazette and in a Luxembourg newspaper (if legally required) and in such other newspapers as the Directors may decide.

The legal requirements as to notice, quorum and voting at all general and Sub-Fund or Class meetings are included in the Articles. Meetings of Shareholders of any given Sub-Fund or Class shall decide upon matters relating to that Sub-Fund or Class only.

The Company draws the Investors’ attention to the fact that any Investor will only be able to fully exercise their Investor rights directly against the Company if the Investor is registered themselves and in their own name in the Shareholders’ register of the Company. In cases where an Investor invests in the Company through an intermediary investing into the Company in their own name but on behalf of the Investor, it may not always be possible for the Investor to exercise certain Shareholder rights directly against the Company. Investors are advised to take advice on their rights.

S U B S C R I P T I O N

Subscriptions for Shares in each Sub-Fund already in operation shall be accepted at the issue price, as defined bellow under "Issue Price", at the office of the Registrar and Transfer Agent as well as at any other establishments authorised to do so by the Company.

How to subscribe

Investors subscribing for Shares for the first time should complete a subscription form and send it by post directly to the Registrar and Transfer Agent. Subscription forms may also be accepted by facsimile transmission or other means approved by the Registrar and Transfer Agent, provided that the original is immediately forwarded by post. Subscription forms from non-FATF residents will only be accepted once the original signed subscription form and other applicable identification documents have been received and approved by the Registrar and Transfer Agent.

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, for any subscription received by the Registrar and Transfer Agent prior to 16.00 hours at the latest of a given Business Day, the Net Asset Value dated the same Business Day will be applicable. For any subscription arriving at the Registrar and Transfer Agent after the deadline set at 16.00 hours on a given Business Day, the Net Asset Value applicable will be the Net Asset Value dated the following Business Day.

Subsequent subscription for Shares does not require completion of a second application form. However, Investors shall provide written instructions as agreed with the Registrar and Transfer Agent to ensure smooth processing of subsequent subscription. Instructions may also be made by letter, facsimile transmission, in each case duly signed, or such other means approved by the Registrar and Transfer Agent.

The Company reserves the right to accept, reject or condition applications from US Persons if the Company does not receive evidence satisfactory to it that the sale of Shares to such an Investor is exempt from registration under the securities laws of the United States, including, but not limited to, the 1933 Act, that such sale will not require the Company to register under the 1940 Act and, in all events, that there will be no adverse tax or other regulatory consequences to the Company or its Shareholders as a result of such sale. US Persons should request a Supplemental Disclosure Statement for US Persons and US Taxpayers from the Administrator and will be required to complete the subscription documents for US Persons appended thereto in addition to the Application Form contained in this Prospectus. Some subscribers may be taxable in the United States but will not come within the definition of US Person for the purposes of determining which subscription documents should be used (see relevant section of this Prospectus for the definition of “US Taxpayer” and “US Person”). Such persons need not complete the special subscription documents for US Persons and will not automatically receive the supplemental disclosure document. However, such Investors are encouraged to obtain the supplemental disclosure document from the Administrator which provides additional tax disclosures with respect to US Taxpayers.

The Directors reserve and intend to exercise the right at their sole discretion compulsorily to redeem or require the transfer of any Shares, *inter alia*, if the continued ownership of any Shares by any person could result in a risk of legal, regulatory, pecuniary, taxation or material administrative disadvantage to the Company or its Shareholders.

Each Investor will be given a personal account number which, along with any relevant transaction number should be quoted on any payment by bank transfer. Any relevant transaction number and the personal account number should be used in all correspondence with the Registrar and Transfer Agent or any Distributor.

Different subscription procedures may apply if applications for Shares are made through Distributors.

All applications to subscribe for Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.

How to pay

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, the amount for the issue price shall be paid or transferred, in the reference currency of the relevant Sub-Fund, on the third Business Day following the relevant Applicable NAV into the account of Pictet & Cie (Europe) S.A. or of the Distributor, to the order of the Company with reference to the Sub-Fund(s) concerned.

Payment should be made by electronic bank transfer net of all bank charges (i.e. at the Investor's expense).

If, on the settlement date, banks are not open for business in the country of the currency of settlement, then settlement will be on the next Business Day on which those banks are open. If timely settlement is not made, an application may lapse and be cancelled at the cost of the Investor or their financial intermediary. Failure to make good settlement by the settlement date may result in the Company bringing an action against the defaulting Investor or their financial intermediary or deducting any costs or losses incurred by the Company or Registrar and Transfer Agent against any existing holding of the Investor in the Company. In all cases, any confirmation of transaction and any money returnable to the Investor will be held by the Registrar and Transfer Agent without payment of interest pending receipt of the remittance.

Payments in cash will not be accepted. Third party payments will only be accepted at the Registrar and Transfer Agent's discretion.

Payment should normally be made in the currency of the relevant Class of Shares. However, a currency exchange service for subscriptions is provided by the Registrar and Transfer Agent on behalf of, and at the cost and risk of, the Investor. Further information is available from the Registrar and Transfer Agent or any of the Distributors on request.

Different settlement procedures may apply if applications for Shares are made through Distributors.

General

Instructions to subscribe, once given, are irrevocable, except in the case of a suspension or deferral of dealing. The Registrar and Transfer Agent and/or the Company in their absolute discretion reserve the right to reject any application in whole or in part. If an application is rejected, any subscription money received will be refunded at the cost and risk of the Investor without interest. Prospective Investors should inform themselves as to the relevant legal, tax and exchange control regulations in force in the countries of their respective citizenship, residence, or domicile.

The Registrar and Transfer Agent and/or the Company will normally accept applications with instructions for the subscription to be effected at a date later than the date on which such application is made. To be valid, any such application must specify the date on which it is to be effected and a subsequent confirmation of this application must be received by the Registrar and Transfer Agent on the relevant date prior to 16:00 hours.

Contribution in Kind

The Directors may from time to time accept subscriptions for Shares against contribution in kind of securities or other assets which could be acquired by the relevant Sub-Fund pursuant to its investment policy and restrictions. Any such contribution in kind will be made at the Net Asset Value of the assets contributed calculated in accordance with the rules set out in under "Calculation of Net Asset Value" below and will be the subject of the Company auditor's report drawn up in accordance with the requirements of Luxembourg laws. This report will be available for inspection at the registered office of the Company and any related costs incurred will be borne by the Investor. Should the Company not receive good title on the assets contributed this may result in the Company bringing an action against the defaulting Investor or their financial intermediary or deducting any costs or losses incurred by the Company or Registrar and Transfer Agent against any existing holding of the Investor in the Company.

Anti-money laundering procedures

Pursuant to the Luxembourg law of 19th February 1973, as amended, to combat drug addiction, the law of 5th April 1993, as amended, relating to the financial sector, the law of 12th November 2004 relating to money laundering and the CSSF Regulation no. 12-02 on the fight against money laundering and terrorist financing, obligations have been imposed on professionals of the financial sector to prevent the use of UCITS funds such as the Company for money-laundering purposes. Within this context a procedure for the identification of Investors has been imposed. That is, the subscription form of an Investor must be accompanied, in the case of individuals, by, inter alia, a copy of the passport or identification card and/or in the case of legal entities, a copy of the statutes and an extract from the commercial register with an indication of the beneficial owners and authorised signatories (any such copy must be certified to be a true copy by one of the following authorities: ambassador, consulate, notary, local police). Such information shall be collected for verification purposes only and shall be covered by the banking and professional secrecy imposed on the Depositary Bank and Central Administration Agent.

Such identification procedure may be waived by the Registrar and Transfer Agent in the following circumstances:

a) in the case of subscription through an intermediary resident in a country which imposes an identification obligation equivalent to that required under Luxembourg law for the prevention of money laundering;

b) in the case of subscription through an intermediary whose parent is subject to an identification obligation equivalent to that required by Luxembourg law and where the law applicable to the parent imposes an equivalent obligation on its subsidiaries or branches.

It is generally accepted that professionals of the financial sector resident in a country which has ratified the conclusions of the Financial Action Task Force (FATF) report on money laundering are deemed to have an identification obligation equivalent to that required by Luxembourg law.

The absence of documents required for identification purposes may lead to the suspension of a request for subscription and/or redemption. Neither the Company nor the Central Administration of the Company has any liability for delays or failure to process deals as a result of the Investor providing no or only incomplete documentation.

ISSUE PRICE

The issue price for Shares in each Class is equal to the Net Asset Value of each Share in that Class, dated on the Business Day of the applicable day of subscription.

Under certain circumstances, the Board of Directors has the power to charge a "dilution levy" on the issue price as described hereafter under the Chapter "Dilution Levy". In any case, the effective dilution levy charged on any Applicable NAV shall be identical for all issues affected on such day.

A sales commission of up to 3% of the Net Asset Value of the Shares may be charged by the professional intermediaries to their clients subscribing for Shares except if such a sales commission charge is restricted in Appendix I.

When specified in the Appendix, the Management Company may charge an additional commission which it can pass further.

This issue price will also be increased to cover any duties, taxes and stamp duties which may have to be paid.

REDEMPTION OF SHARES

Procedure

Shareholders are entitled at any time to redeem all or part of their Shares at the redemption price as determined under "Redemption Price" below, by addressing an irrevocable application for redemption to the Registrar and Transfer Agent, or other authorised establishments. Instructions to redeem Shares may be communicated directly to the Registrar and Transfer Agent either by letter, facsimile transmission or other means approved by the Registrar and Transfer Agent.

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, for any request for redemption received by the Registrar and Transfer Agent prior to 16.00 hours at the latest of a given Business Day, the Net Asset Value dated the same Business Day will be applicable. For any request for redemption received by the Registrar and Transfer Agent after the deadline set at 16.00 hours on a given Business Day, the Net Asset Value applicable will be the Net Asset Value dated the following Business Day.

However, if the redemption day is, for any reason, not a Business Day, instructions to redeem Shares as per above will be moved to the immediately following Business Day, in which case the calculation of the Net Asset Value to be applied to the transaction will be moved accordingly as per above.

Redemption instructions can only be executed when any previously related transaction has been completed.

Instructions may be given to the Registrar and Transfer Agent by completing the form requesting redemption of Shares or by letter, facsimile transmission or other means approved by the Registrar and Transfer Agent where the account reference and full details of the redemption must be provided. All instructions must be signed by the registered Shareholders, except where sole signatory authority has been chosen in the case of a joint account holding or where a representative has been appointed following receipt of a completed power of attorney. The power of attorney's form acceptable to the Registrar and Transfer Agent is available on request.

Unless waived by the Registrar and Transfer Agent, if, as a result of any redemption request, the amount invested by any Shareholder in a Class of Shares in any one Sub-Fund falls below an amount determined by the

Directors as minimum for that Class of Shares, it will be treated as an instruction to redeem the Shareholder's total holding in the relevant Class.

Different redemption procedures may apply if instructions to redeem Shares are communicated via Distributors.

All instructions to redeem Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.

Redemption Proceeds

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, redemption proceeds are normally paid by bank transfer on the third Business Day from the relevant Applicable NAV, provided the Registrar and Transfer Agent is in receipt of, and approves all documents required. The Company or Registrar and Transfer Agent is not responsible for any delays or charges incurred at any receiving bank or settlement system. Redemption proceeds will normally be paid in the currency of the relevant Class of Shares. On request, redemption proceeds paid by bank transfer may be paid in most other currencies on behalf of, at the cost and risk of, the Shareholder.

If, in exceptional circumstances and for whatever reason, redemption proceeds cannot be paid within five Business Days from the relevant Applicable NAV, for example when the liquidity of the relevant Sub-Fund does not permit, then payment will be made as soon as reasonably practicable thereafter (not exceeding, however, thirty Business Days) at the relevant Applicable NAV.

If, on the settlement date, banks are not open for business in the country of the settlement currency of the relevant Class of Share, then settlement will be on the next Business Day on which those banks are open.

Redemption requests will be considered binding and irrevocable by the Registrar and Transfer Agent and will, at the discretion of the Registrar and Transfer Agent, only be executed where the relevant Shares have been duly issued.

In addition, the Registrar and Transfer Agent and/or the Company will normally accept requests for redemption of Shares to be effected at a date later than the date on which such request is made. To be valid, any such application must specify the date on which it is to be effected and a subsequent confirmation of this application must be received by the Registrar and Transfer Agent on the relevant date prior to 16:00 hours, save as may be otherwise set out in Appendix I regarding a certain Sub-Fund.

Different settlement procedures may apply if instructions to redeem Shares are communicated via Distributors.

General

Third party payments will only be accepted at the Registrar and Transfer Agent's discretion.

REDEMPTION PRICE

The redemption price for Shares in each Class is equal to the Net Asset Value of each Share in that Class dated the Business Day on which application for redemption has been accepted.

A redemption commission of up to 3% of the Net Asset Value of the Shares may be charged by the professional intermediaries to their clients redeeming their Shares.

Under certain circumstances, the Board of Directors has the power to charge a "dilution levy" on the redemption price as described hereafter under the Chapter "Dilution Levy". In any case, the effective dilution levy charged on any Applicable NAV shall be identical for all redemptions affected on such day.

The redemption price will also be reduced to cover any duties, taxes and stamp duties which may have to be paid.

The redemption price could be higher or lower than the subscription price paid, depending on changes in the Net Asset Value.

CONVERSION OF SHARES

Procedure

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, Shareholders are entitled at any time to convert all or part of their Shares at the conversion price as determined under "Conversion Price" below, by addressing an irrevocable application for conversion to the Registrar and Transfer Agent, or other authorised establishments. Instructions to convert Shares may be communicated directly to the Registrar and Transfer Agent either by letter, facsimile transmission or other means approved by the Registrar and Transfer Agent. For any request for conversion received by the Registrar and Transfer Agent prior to 16.00 hours at the latest of a given Business Day, the Net Asset Value dated the same Business Day will be applicable.

Save as may be otherwise set out in Appendix I regarding a certain Sub-Fund, for any request for conversion received by the Registrar and Transfer Agent after the deadline set at 16.00 hours on a given Business Day, the Net Asset Value applicable will be the Net Asset Value dated the following Business Day.

However, if the conversion day is, for any reason, not a Business Day, instructions to convert Shares as per above will be moved to the immediately following Business Day, in which case the calculation of the Net Asset Value to be applied to the transaction will be moved accordingly as per above.

In cases where dealing is suspended in a Sub-Fund from or to which a conversion has been requested, the processing of the conversion will be held over until the next common Dealing Day where dealings are no longer suspended. Conversion instructions can only be executed when any previously related transaction has been completed.

Instructions may be given to the Registrar and Transfer Agent by completing the conversion form or by letter, facsimile transmission or other means approved by the Registrar and Transfer Agent where the account reference and the number of Shares to be converted between named Classes of Shares must be provided. All instructions must be signed by the registered Shareholders, except where sole signatory authority has been chosen in the case of a joint account holding or where a representative has been appointed following receipt of a completed power of attorney. The power of attorney's form acceptable to the Registrar and Transfer Agent is available on request.

Shares of any Class in a Sub-Fund may be converted on any Applicable NAV into Shares of the same Class of another Sub-Fund, notwithstanding their distribution policy, except where there is a suspension of the calculation of the Net Asset Value per Share of those Sub-Funds or Classes, as described below. In addition, the Registrar and Transfer Agent may, at its discretion, accept instructions to convert from Shares of one Class of a Sub-Fund into Shares of another Class of the same Sub-Fund.

The number of Shares issued upon conversion will be based upon the Applicable NAV per Share of the Shares of the two relevant Sub-Funds on which the conversion request is affected. Due to the settlement period necessary for redemptions, conversion transactions will not normally be completed until the proceeds from the redemption are available.

Unless waived by the Registrar and Transfer Agent, if, as a result of any conversion request, the amount invested by any Shareholder in a Class of Shares in any one Sub-Fund falls below an amount determined by the Directors as minimum for that Class of Shares, it will be treated as an instruction to convert the Shareholder’s total holding in the relevant Class.

Conversion requests will be considered binding and irrevocable by the Registrar and Transfer Agent and will, at the discretion of the Registrar and Transfer Agent, only be executed where the relevant Shares have been duly issued.

In addition, the Registrar and Transfer Agent and/or the Company will normally accept requests for conversion of Shares to be effected at a date later than the date on which such request is made. To be valid, any such application must specify the date on which it is to be effected and a subsequent confirmation of this application must be received by the Registrar and Transfer Agent on the relevant date prior to 16:00 hours, save as may be otherwise set out in Appendix I regarding a certain Sub-Fund.

Different conversion procedures may apply if instructions to convert Shares are communicated via Distributors.

All instructions to convert Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.

CONVERSION PRICE

The conversion price is based on the respective Applicable NAVs of the relevant Classes.

Furthermore, a conversion commission of up to 1% of the Net Asset Value of the Shares of the Class into which conversion is requested may be charged by the professional intermediaries to their clients converting their Shares.

No Share fractions shall be attributed upon conversion to the converting Shareholders who shall be deemed to have requested the redemption thereof. In such case, the relevant Shareholder shall be reimbursed the corresponding amount resulting from the differences between the Net Asset Values of the converted Shares.

DILUTION LEVY

Under certain circumstances (for example, large volumes of deals) investment and/or disinvestments costs may have an adverse effect on the Shareholders' interest in the Company. In order to prevent this effect, called "dilution", the Board of Directors of the Company has the power to charge a "dilution levy" on the issue, redemption and/or conversion of Shares. If charged, the dilution levy will be paid into the relevant Sub-Fund and will become part of the relevant Sub-Fund. The dilution levy for each Sub-Fund will be calculated by reference to the costs of dealing in the underlying investments of that Sub-Fund, including any dealing spreads commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of issues, redemptions, or conversions. The Board of Directors may charge a discretionary dilution levy on the issue, redemption and/or conversion of Shares, if in its opinion, the existing Shareholders (for issues) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances:

I. where a Sub-Fund is in constant decline (large volume of redemption requests);

II. on a Sub-Fund experiencing substantial issues in relation to its size;

III. in the case of "large volumes" of redemptions, subscriptions and/or conversions where "large volumes" refers to net redemptions or subscriptions exceeding 5% of the Sub-Fund's entire assets;

IV. in all other cases where the Board of Directors considers the interests of Shareholders require the imposition of a dilution levy.

In any case, the dilution levy shall not exceed 2% of the Net Asset Value per Share.

CALCULATION OF NET ASSET VALUE

The Net Asset Value as well as the issue, redemption and conversion prices of Shares are calculated by the Central Administration Agent for each Sub-Fund in the reference currency applicable for the Sub-Fund on the basis of the last known prices for the relevant Net Asset Value dates, at intervals which may vary for each Sub-Fund and are specified in the Appendices (each an "Applicable NAV").

The Net Asset Value of a Class of Share of each Sub-Fund will be calculated by dividing the Net Asset Value attributable to that Share Class in that Sub-Fund, being the proportionate value of its assets less its liabilities, by the total number of Shares in the relevant Class outstanding in that Sub-Fund.

The Net Asset Value of a Class of Share of each Sub-Fund will be published with two decimal places.

The Company's total net assets will be expressed in Euros and correspond to the difference between the total assets and the total liabilities of the Company. In order to calculate this value, the net assets of each Sub-Fund will, unless they are already expressed in Euros, be converted into Euros, and added together.

The assets of the Company shall be valued as follows:

a) securities and other assets listed or dealt in on a stock exchange or another regulated market will be valued at the last available price for the relevant Net Asset Value date, where such securities or other assets are listed or dealt in one or by more than one stock exchange or any other regulated market, the Directors shall make regulations for the order of priority in which stock exchanges or other regulated markets will be used for the provisions of prices of securities or assets;

b) assets not listed or dealt in on a stock exchange or another organised market, or assets so listed or dealt in for which the last available price is not representative of a fair market value, will be valued, prudently and in good faith, on the basis of their estimated sale prices;

c) cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received will be valued at their face value with interest accrued;

d) the units/shares of open-ended undertakings for collective investment will be valued on the basis of the last known relevant Net Asset Value or, if the price so determined is not representative of their fair market value, will be valued as the Directors may deem fair and reasonable. Units/shares of closed-ended undertakings for collective investment will be valued on the basis of their last available relevant market value;

e) liquid assets and money market instruments which are not listed or dealt in on a stock exchange or another regulated market with remaining maturity of less than twelve months will be valued at their nominal value increased by any interest accrued thereon, if any, such global value being amortised pursuant to the amortised costs method;

f) futures, forward and options contracts not dealt in on a stock exchange or another regulated market will be valued at their liquidating value determined pursuant to the policies established in good faith by the Directors, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts dealt in on a stock exchange or another organised market will be based on the last available settlement prices for the relevant Net Asset Value date published by such stock exchange or other regulated market where these particular futures, forward or options contracts are traded. If a futures, forward or options contract could not be liquidated on the valuation day of the relevant assets, the basis for determining the liquidating value of such contract shall be such value as the Directors may deem fair and reasonable;

g) cash flows which result from swap transactions are calculated at the date of valuation of the zero-coupon swap rate corresponding to the maturity date of these cash flows. The value of the swaps is therefore derived from the difference between these two calculations;

h) for each Sub-Fund, securities whose value is expressed in a currency other than the reference currency of that Sub-Fund will be converted into that reference currency at the average rate between the last available buy/sell rate for the relevant Net Asset Value date in Luxembourg or, failing that, in a financial centre which is most representative for those securities;

g) any other security, instrument or asset will be valued, prudently and in good faith, on the basis of their estimated sale prices by the Directors.

If any of the aforesaid valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Company's assets, the Directors may implement different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures.

In cases when applications for subscription or redemption are sizeable, the Directors may calculate the value of the Shares on the basis of rates during the trading session on the stock exchanges or markets during which the necessary securities for the Company could be bought or sold. In such cases, a single method of calculation will be applied to all applications for subscription or redemption received at the same time.

SUSPENSION/DEFERRAL OF CALCULATION OF NET ASSET VALUE, SUBSCRIPTIONS AND REDEMPTIONS

The Company reserves the right not to accept instructions to redeem or convert on any one Dealing Day more than 10% of the total value of Shares in issue of any Sub-Fund. In these circumstances, the Directors may declare that any such redemption or conversion requests will be deferred until the next Dealing Day and will be valued at the Net Asset Value per Share prevailing on that Dealing Day. On such Dealing Day, deferred requests will be dealt with in priority to later requests and in the order that requests were initially received by the Registrar and Transfer Agent.

The Company reserves the right to extend the period of payment of redemption proceeds to such period, not exceeding thirty Business Days, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of the Company are invested or in exceptional circumstances where the liquidity of the Company is not sufficient to meet the redemption requests.

The Board of Directors may temporarily suspend or defer the calculation of the Net Asset Value of any Class of Shares of any Sub-Fund and the issue and redemption of any Class of Shares in such Sub-Fund, as well as the right to convert Shares of any Class in any Sub-Fund into Shares of the same Class of the same Sub-Fund or any other Sub-Fund in the following circumstances:

- when one or more stock exchanges or regulated markets, which provide the basis for valuing a substantial portion of the Company's assets, or when one or more foreign exchange markets in the currency in which the Net Asset Value of Shares is expressed or in which a substantial portion of the Company's assets is held, are closed other than for ordinary holidays or if dealings therein are suspended, restricted or subject to major short-term fluctuations;
- when, as a result of political, economic, military, monetary or social events, strikes or other circumstances outside the responsibility and control of the Company, the disposal of the Company's assets is not reasonably or normally practicable without being seriously detrimental to the Shareholders' interests;
- in the case of a breakdown in the normal means of communication used to determine the value of an asset in the Company or when, for whatever reason, the value of an asset in the Company cannot be calculated as rapidly and as accurately as required;
- if, as a result of exchange controls or other restrictions on the movement of capital, transactions for the Company are rendered impracticable or if purchases or sales of the Company's assets cannot be made at normal rates of exchange;
- upon large requests for redemption, the Company reserves the right to redeem the Shares at a redemption price determined as soon as the necessary sales of assets have been made, taking into account the interests of Shareholders as a whole, and has been in a position to affect the proceeds therefrom. One single price will be calculated for all the subscription, redemption and conversion requests tendered at the same time;
- in the case of the suspension of the calculation of the Net Asset Value of one or several of the undertakings for collective investment in which the Company has invested a substantial portion of its assets;
- following the occurrence of an event giving rise to the winding-up of a Sub-Fund or of the Company as a whole;
- if the Directors have determined that there has been a material change in the valuations of a substantial proportion of the investments of the Company attributable to a particular Class of Shares in the preparation or use of a valuation or the carrying out of a later or subsequent valuation;
- during any other circumstance or circumstances where a failure to do so might result in the Company or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment which the Company or its Shareholders might so otherwise have suffered.

The suspension of the calculation of the Net Asset Value of any Sub-Fund or Class shall not affect the valuation of other Sub-Funds or Classes unless these Sub-Funds or Classes are also affected.

In such cases of suspension or deferral, Shareholders who have submitted applications to subscribe, redeem or convert Shares in Sub-Funds affected by the suspensions shall be notified in the event that the suspension period is extended. Furthermore, a Shareholder may withdraw the request in respect of any Shares not redeemed or converted, by notice in writing received by the Registrar and Transfer Agent before the end of such period.

The Company may, at any time and at its discretion, temporarily discontinue, cease permanently, or limit the issue of Shares in one or more Sub-Funds to individuals or corporate bodies resident or domiciled in some countries or territories. The Company may also prohibit them from acquiring Shares if such a measure is necessary to protect the Shareholders as a whole and the Company.

In addition, the Company is entitled to:

a) reject, at its discretion, any application to subscribe to Shares;

b) redeem, at any time, Shares which have been acquired in violation of a measure of exclusion taken by the Company.

MARKET TIMING

The Company does not knowingly allow investments which are associated with market timing practices or any other excessive transactional practice which may adversely affect the performance of the Company or harm Investors. The Company reserves the right to reject any subscription or conversion request by, or may decide to redeem the whole holding of, an Investor suspected of such practices. It will also take all necessary steps to protect Investors in the Company.

DIVIDENDS

The Directors reserve the right to introduce a distribution policy which may vary per Sub-Fund and Share Class, as described in Appendix I.

The Directors may also decide that dividends be automatically reinvested by the purchase of further Shares.

No dividend distribution which may result in the Company's net assets being below EUR 1.25 million can be made.

Dividends not claimed within 5 years following their payment are liable to be forfeited in accordance with the provisions of Luxembourg laws and will accrue for the benefit of the relevant Sub-Fund.

COMPANY EXPENSES

Management Fees

The Management Company is entitled to receive out of the net assets of each Sub-Fund an annual management fee specified in the relevant Appendices as a maximum rate.

The annual management fees are calculated as a percentage of the Net Asset Value of each Share Class of each Sub-Fund.

These fees are calculated and accrued daily and are payable quarterly in arrears.

The Management Company is responsible for the payment of the fees and expenses of the Investment Manager and where relevant the Distributor at the exclusion of the administration and maintenance fees linked to platforms such as Fundsettle and others which are accessible to all Investors, which will be charged directly to the Company. The Management Company is also entitled to any rounding adjustments.

Performance Fees

The Management Company will receive from the Company a performance fee per Sub-Fund per Share Class concerned as described in Appendix I.

Investors should refer to Appendix I for further details as to the exact management fee as well as, where applicable, the performance fee, paid by each Sub-Fund.

Operating and Administrative Expenses

The Company bears all its ordinary operating and administrative expenses at the rate set out below (“Operating and Administrative Expenses”) to meet all fixed and variable costs, charges, fees, and other expenses incurred in the operation and administration of the Company from time to time. The Operating and Administrative Expenses are calculated as a percentage of the average daily net assets of each Share Class. They are accrued daily and payable quarterly at a maximum rate of 0.35% for all Sub-Fund or Share Class unless specified differently in Appendix I.

The Operating and Administrative Expenses cover:

a. Expenses directly contracted by the Company, including but not limited to the Depositary Bank fees and expenses, Central Administration fees and expenses, auditing fees and expenses, the Luxembourg Taxe d’Abonnement, ‘Directors’ fees and reasonable out-of-pocket expenses incurred by the Directors.
b. A “fund servicing fee” paid to the Management Company which will be the remaining amount of the Operating and Administrative Expenses after deduction of the expenses detailed under section a) above.

The Management Company then bears all fees and expenses incurred in the day to day operation and administration of the Company, including but not limited to formation expenses such as organisation and registration costs, accounting expenses covering fund accounting and administration services; transfer agency expenses covering registrar and transfer agency services; the Administrative Agent and Domiciliary Agent services; the fees and reasonable out of pocket expenses of the paying agents and representatives; legal fees and expenses; ongoing registration, listing and quotation fees, including translation expenses; the cost of publication of the Share prices and postage, telephone, facsimile transmission and other electronic means of communication; and the costs and expenses of preparing, printing, and distributing the Company’s Prospectus, Key Investor Information Documents or any offering document, financial reports and other documents made available to Shareholders. The expenses incurred by the Company in relation to the launch of additional Sub-Funds may, at the discretion of the Board of Directors, be capitalised and amortised over a period not exceeding five years, as permitted by Luxembourg law.

The Management Company will instruct the Company to pay for the expenses directly contracted by the Company (as listed above) as well as for the Fund Administrator Fees and Expenses directly out of the assets of the Company. In such case the fee due to the Management Company is reduced accordingly.

Operating and Administrative Expenses do not include Taxes, Transaction Fees and Extraordinary Expenses (as defined below).

Taxes: The full amount of any tax, levy, duty, or similar charge imposed on the Company or its assets and/or on the income and/or the Company to the exception of the Luxembourg Taxe d’Abonnement described above.

Transaction Fees: Each Sub-Fund bears the costs and expenses of buying and selling portfolio securities and financial instruments, brokerage fees and commissions, interest, or taxes payable, and other transaction related expenses (“Transaction Fees”).

Transaction Fees are accounted for on a cash basis and are paid when incurred or invoiced from the net assets of the Sub-Fund to which they are attributable. Transaction Fees are allocated across each Sub-Fund's Share Classes.

Extraordinary Expenses: The Company bears any extraordinary expenses including, without limitation, litigation expenses and interest. Extraordinary expenses shall also include, without limitation, administration and maintenance fees linked to platforms such as Fundsettle and others which are accessible to all Investors, redemption charges, the cost of exceptional and/or ad-hoc measures, including particularly expert tax, consulting, appraisals, filing or legal proceedings undertaken to protect Shareholders' interests, any expense linked to non-routine arrangements made by any third party in the interests of the Investors and all similar charges and expenses that would not be considered as ordinary expenses by the Board of Directors ("Extraordinary Expenses").

Extraordinary Expenses are accounted for on a cash basis and are paid when incurred or invoiced from the net assets of the Sub-funds to which they are attributable.

For all expenses not included in the Operating and Administrative Expenses, costs and expenses which cannot be allotted to one specific Sub-Fund or Class will be charged to the different Sub-Funds or Classes proportionately to their respective net assets or allocated in such way as the Directors will determine prudently and in good faith.

All recurring expenditure shall be charged first to the Sub-Fund's income, then to realised capital gains, then to the Sub-Fund's assets. Other expenses may be amortised over a period not exceeding five years.

The Board of Directors reserves the right to amend the level of the Operating and Administrative Expenses applicable to each Share Class. In the event of an increase of such expenses, the concerned Shareholders will be given at least one-month prior notice of such increase. During this notice period, such Shareholders may request the redemption of their Shares, free of charge.

DEFINITION OF "US PERSON", "US TAXPAYER", AND "BENEFIT PLAN INVESTOR"

"US Person"

A "US Person" for purposes of this Prospectus is a person who is in either of the following two categories: (a) a person included in the definition of "US person" under Rule 902 of Regulation S under the 1933 Act, or (b) a person excluded from the definition of a "Non-United States person" as used in CFTC Rule 4.7. For the avoidance of doubt, a person is excluded from this definition of US Person only if he or it does not satisfy any of the definitions of "US person" in Rule 902 and qualifies as a "Non-United States person" under CFTC Rule 4.7.

"US person" under Rule 902 of Regulation S under the 1933 Act includes the following:

Any natural person resident in the United States;

(a) any partnership or corporation organised or incorporated under the laws of the United States;

(b) any estate of which any executor or administrator is a US person;

(c) any trust of which any trustee is a US person;

(d) any agency or branch of a non-US entity located in the United States;

(e) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US person;

(f) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States; and

(g) any partnership or corporation if:

(i) organised or incorporated under the laws of any non-US jurisdiction; and

(ii) formed by a US person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates, or trusts.

Notwithstanding the preceding paragraph, "US person" under Rule 902 does not include: (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States; (ii) any estate of which any professional fiduciary acting as executor or administrator is a US person, if (A) an executor or administrator of the estate who is not a US person has sole or shared investment discretion with respect to the assets of the estate, and (B) the estate is governed by non-US law; (iii) any trust of which any professional fiduciary acting as trustee is a US person, if a trustee who is not a US person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US person; (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; (v) any agency or branch of a US person located outside the United States if (A) the agency or branch operates for valid business reasons, and (B) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (vi) certain international organisations as specified in Rule 902(k)(2)(vi) of Regulation S under the 1933 Act, including their agencies, affiliates and pension plans.

CFTC Rule 4.7 currently provides in relevant part that the following persons are considered "Non-United States persons":

(a) a natural person who is not a resident of the United States or an enclave of the US government, its agencies, or instrumentalities;

(b) a partnership, corporation, or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction;

(c) an estate or trust, the income of which is not subject to US income tax regardless of source;

(d) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7(a) (2) or (3)) represent in the aggregate less than ten per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-United States persons; and

(e) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

"US Taxpayer"

"US Taxpayer" includes (i) a US citizen or resident alien of the United States (as defined for US federal income tax purposes); (ii) any entity treated as a partnership or corporation for US federal tax purposes that is created or organised in, or under the laws of, the United States or any state thereof (including the District of Columbia); (iii) any other partnership that is treated as a US Taxpayer under US Treasury Department regulations; (iv) any estate, the income of which is subject to US income taxation regardless of source; and (v) any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more US fiduciaries. Persons who have lost their US citizenship and who live outside the United States may nonetheless, in some circumstances, be treated as US Taxpayers.

An Investor who is not a US Person may nevertheless be considered a "US Taxpayer" under US federal income tax laws. For example, an individual who is a US citizen residing outside of the United States is not a US Person but is a "US Taxpayer". Such a person need not complete the Supplemental Disclosure Statement for US Persons and US Taxpayers (which is available from the Administrator), but should review the disclosure relating to US taxation therein as the tax consequences described therein will apply to that person.

"Benefit Plan Investor"

"Benefit Plan Investor" is used as defined in US Department of Labor ("DOL") Regulation 29 C.F.R. §2510.3-101 and Section 3(42) of ERISA (collectively, the "Plan Asset Rule") and includes (i) any employee benefit plan subject to Part 4 of Title I of ERISA; (ii) any plan to which Section 4975 of the Code applies (which includes a trust described in Code Section 401(a) that is exempt from tax under Code Section 501(a), a plan described in Code Section 403(a), an individual retirement account or annuity described in Code Section 408 or 408A, a medical savings account described in Code Section 220(d), a health savings account described in Code Section 223(d) and an education savings account described in Code Section 530); and (iii) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (generally because 25 per cent. or more of a class of equity interests in the entity is owned by plans). An entity described in (iii) immediately above will be considered to hold plan assets only to the extent of the percentage of the equity interests in the entity held by Benefit Plan Investors. Benefit Plan Investors also include that portion of any insurance company's general account assets that are considered "plan assets" and (except if the entity is an investment company registered under the 1940 Act) also include assets of any insurance company separate account or bank common or collective trust in which plans invest.

TAX ASPECTS

The Company is subject to Luxembourg tax legislation.

The Company

In accordance with Luxembourg legislation currently in force (which, is therefore, subject to any future changes), the Company is not subject to any tax on income, capital gains tax or wealth tax.

The Company's net assets are subject to a subscription tax of 0.05% per annum payable at the end of each calendar quarter and calculated on the basis of the Company's total net assets at the end of the relevant quarter; such tax is reduced to 0.01% per annum in respect of Classes comprising of Institutional Investors only (as per article 174 of the 2010 Law), as well as in respect of liquidity funds. This tax is not applicable for the portion of the assets of a Sub-Fund invested in other Luxembourg undertakings for collective investment already subject to taxe d'abonnement.

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the countries of origin. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin.

No stamp duty or other tax is payable in Luxembourg on the issue of Shares in the Company.

Shareholders

Shareholders are not normally subject to any capital gains, income, withholding, gift, estate, inheritance, or other taxes in Luxembourg except for Shareholders domiciled, resident or having a permanent establishment in Luxembourg, and except for certain former residents of Luxembourg and non-residents if owning more than 10% of the share capital of the Company, disposing of it in whole or part within six months of acquisition.

However, it is incumbent upon any purchasers of Shares in the Company to inform themselves about the relevant legislation and tax regulations applicable to the acquisition, holding and sale of Shares with regard to their residence qualifications and nationality.

EUROPEAN UNION TAX CONSIDERATIONS

The Company may be required to report certain information about its Shareholders and, as the case may be, about individuals controlling Shareholders that are entities, on an automatic and annual basis to the Luxembourg direct tax administration (Administration des contributions directes) in accordance with, and subject to, the Luxembourg law of 21 June 2005 implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and/or the Luxembourg legislation implementing Council Directive 2014/107/EU and the standard for automatic exchange of financial account information in tax matters developed by the OECD with the G20 countries (commonly referred to as the "Common Reporting Standard"), each as amended from time to time (each an "AEOI Law" and collectively the "AEOI Laws"). Such information, which may include personal data (including, without limitation, the name, address, country(ies) of tax residence, date and place of birth and tax identification number(s) of any reportable individual) and certain financial data about the relevant Shares (including, without limitation, their balance or value and gross payments made thereunder), will be transferred by the Luxembourg direct tax administration to the competent authorities of the relevant foreign jurisdictions in accordance with, and subject to, the relevant Luxembourg legislation and international agreements.

Each Shareholder and prospective Investor agrees to provide, upon request by the Company (or its delegates), any such information, documents and certificates as may be required for the purposes of the Company's identification and reporting obligations under any AEOI Law. The Company reserves the right to reject any application for Shares or to redeem Shares (i) if the prospective Investor or Shareholder does not provide the required information, documents or certificates or (ii) if the Company (or its delegates) has reason to believe that the information, documents or certificates provided to the Company (or its delegates) are incomplete or incorrect and the Shareholder does not provide, to the satisfaction of the Company (or its delegates), sufficient information to cure the situation. Prospective Investors and Shareholders should note that incomplete or inaccurate information may lead to multiple and/or incorrect reporting under the AEOI Laws. Neither the Company nor any other person accepts any liability for any consequences that may result from incomplete or inaccurate information provided to the Company (or its delegates). Any Shareholder failing to comply with the Company's information requests may be charged with any taxes and penalties imposed on the Company attributable to such Shareholder's failure to provide complete and accurate information.

Each Shareholder and prospective Investor acknowledges and agrees that the Company will be responsible to collect, store, process and transfer the relevant information, including the personal data, in accordance with the AEOI Laws. Each individual whose personal data has been processed for the purposes of any AEOI Law has a right of access to his/her personal data and may ask for a rectification thereof in case where such data is inaccurate or incomplete.

ALKEN FUND UNDER THE US FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

The US Foreign Account Tax Compliance Act ("FATCA") aims at preventing US tax evasion by requiring foreign (non-US) financial institutions to report to the US Internal Revenue Service information on financial accounts held outside the United States by US investors. US securities held by a non-US financial institution that does not comply with the FATCA reporting regime will be subject to a US tax withholding of 30% on gross sales proceeds and income, commencing on 1st July 2014.

Luxembourg has entered into a Model I Intergovernmental Agreement (the "IGA") with the US on 28th March 2014. Under the terms of the IGA, the Company will be obliged to comply with the provisions of FATCA under the terms of the IGA and under the terms of Luxembourg legislation implementing the IGA (the "Luxembourg IGA Legislation"). Under the IGA, Luxembourg-resident financial institutions that comply with the requirements of the Luxembourg IGA Legislation will be treated as compliant with FATCA and, as a result, will not be subject to withholding tax under FATCA ("FATCA Withholding"). In order to elect for and keep such FATCA status, the Company only allows (i) participating foreign financial institutions, (ii) deemed-compliant foreign financial institutions, (iii) non-reporting IGA foreign financial institutions, (iv) exempt beneficial owners (v), Active Non-Financial Foreign Entities ("Active NFFE") or (vi) non-specified US persons, all as defined under FATCA as Shareholders; accordingly, Investors may only subscribe for and hold Shares through a financial institution that complies or is deemed to comply with FATCA. The Company may impose measures and/or restrictions to that effect, which may include the rejection of subscription orders or the compulsory redemption of Shares, as further detailed in this Prospectus and in the Articles, and/or the withholding of the 30% tax from payments to the account of any Shareholder found to qualify as a "recalcitrant account" or "non-participating foreign financial institution" under FATCA. Prospective Investors should (i) consult their own tax advisors regarding the impact of FATCA further to an investment in the Company and (ii) be advised that although the Company will attempt to comply with all FATCA obligations, no assurance can be given that it will be able to satisfy such obligations and therefore to avoid FATCA Withholding. The attention of US taxpayers is drawn to the fact that the Company qualifies as a passive foreign investment company ("PFIC") under US tax laws and does not intend to provide information that would allow such Investors to elect to treat the Company as a qualified electing fund (so-called "QEF election").

FINANCIAL YEAR

The financial year of the Company ends on the 31st of December of each year.

PERIODICAL REPORTS AND PUBLICATIONS

The Company publishes an audited annual report within four months after the end of the financial year and an unaudited semi-annual report within two months after the end of the period to which it refers.

The annual report includes accounts of the Company and of each Sub-Fund.

All these reports will be made (free of charge) available to the Shareholders upon request at the registered office of the Company, the Depositary Bank and other establishments appointed by the Depositary Bank.

The Net Asset Value per Share of each Class in each Sub-Fund as well as the issue and redemption prices will be made public at the offices of the Depositary Bank.

Any amendments to the Articles will be published in the Luxembourg Official Gazette.

RIGHTS ON A WINDING-UP: DURATION - MERGER - DISSOLUTION OF THE COMPANY AND THE SUB-FUNDS

The Company has been established for an unlimited period. However, the Company may be liquidated at any time by a resolution adopted by an extraordinary meeting of Shareholders, at which meeting one or several liquidators will be named, and their powers defined.

If the Company's share capital falls below two-thirds of the minimum capital required by law, the Board of Directors must refer the matter of dissolution to the General Meeting, deliberating without any quorum and deciding by a simple majority of the Shares represented at the meeting.

If the Company's share capital is less than a quarter of the minimum capital required, the Directors must refer the matter of dissolution of the Company to the General Meeting, deliberating without any quorum; dissolution may be decided by Shareholders holding a quarter of the Shares represented at the meeting.

The Board of Directors may decide to merge a Sub-Fund of the Company with another Sub-Fund of the Company or with another UCITS (Luxembourg or foreign) in accordance with the Law of 2010. The Board of Directors may in addition decide to submit the decision to merge to the General Meeting of the Shareholders of the Sub-Fund concerned. Any decision of the Shareholders as described above will not be subject to a quorum requirement and will be adopted by simple majority of the votes cast. If, following a merger of one or more Sub-Funds, the Company should cease to exist; the merger will be decided by the General Meeting of Shareholders deliberating in compliance with the majority and quorum conditions required for amending the Company's Articles of Association.

The Board of Directors may also propose to dissolve a Sub-Fund and cancel its Shares at the General Meeting of Shareholders of the Sub-Fund. This meeting will deliberate without any quorum requirement and the decision to dissolve the Sub-Fund will be taken by a majority of the Shares from the Sub-Fund in question represented at the meeting.

If a Sub-Fund's total net assets fall below or fail to achieve the amount set by the Board of Directors as the minimum value that allows this Sub-Fund or Share category to be managed efficiently, or if justified by a change in the economic situation or political circumstances affecting a Sub-Fund or for economic rationalisation or if it is in the interests of the Shareholders, the Board of Directors may, at any time, decide to close the Sub-Fund in question and cancel the Shares of that Sub-Fund.

In the event of the dissolution of a Sub-Fund or the Company, the liquidation will be carried out pursuant to the applicable Luxembourg laws and regulations that define the procedures to enable Shareholders to benefit from liquidation dividends and in this context provides for the depositing of any amount that could not be distributed to Shareholders when the liquidation is complete with the Caisse de Consignation in Luxembourg. Any amounts deposited that are not claimed will be subject to time-barring in accordance with Luxembourg law. The net proceeds from the liquidation of each Sub-Fund will be distributed to holders of Shares in the Class in question in proportion to the number of Shares they hold in that Class.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are deposited and kept available for inspection at the offices of the Depositary Bank and the Company's registered office:

- the Prospectus;
- the Key Investor Information Document;
- the Articles;
- the Management Company Services Agreement concluded between the Management Company and the Company;
- the Depositary Agreement concluded between Pictet & Cie (Europe) S.A. and the Company;
- the Central Administration Agreement in relation to Registrar, Transfer, Domiciliary, Corporate, Paying and Administrative Agent Functions concluded between FundPartner Solutions (Europe) S.A. and the Management Company;
- the Investment Management Agreement concluded between Alken Asset Management Ltd. and the Management Company;
- the annual and semi-annual reports of the Company.

INVESTMENT RESTRICTIONS

The Board of Directors has adopted the following restrictions relating to the investment of the Company's assets and its activities. These restrictions and policies may be amended from time to time by the Board of Directors if and as it shall deem it to be in the best interests of the Company, in which case this Prospectus will be updated.

The investment restrictions imposed by Luxembourg law must be complied with by each Sub-Fund, unless otherwise provided for a Sub-Fund in Appendix I. Those restrictions contained in paragraph (E) below are applicable to the Company as a whole.

1. INVESTMENTS IN ELIGIBLE ASSETS

A (1) Investments in the Company shall comprise exclusively of:

a) Transferable Securities and Money Market Instruments listed or dealt in on a Regulated Market; and/or

b) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State; and/or

c) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an Other State or dealt in on an Other Regulated Market in an Other State; and/or

d) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market, an official stock exchanges in an Other State or on an Other Regulated Market referred to above under (a) to (c) and that such a listing will be obtained within one year of the date of issue.

e) units of UCITS and/or other UCIs, whether situated in a Member State or not, provided that:

- such other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured (at the time of the present Prospectus, the laws of Canada, Hong Kong, Japan, Norway, Switzerland, or the United States),
- the level of protection for unit holders in such other UCIs is equivalent to that provided for unit holders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive,
- the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income, and operations over the reporting period,
- no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs.

A Sub-Fund of the Company (the “Investing Sub-Fund”) may invest in another Sub-Fund of the Company (hereafter the “Target Sub-Fund”) provided that:

- the Target Sub-Fund does not, in turn, invest in the Investing Sub-Fund; and
- no more than 10% of the net assets of the Target Sub-Fund whose acquisition is contemplated may, pursuant to its constitutional documents, be invested in aggregate in Shares of other Sub-Funds; and
- voting rights, if any, attaching to the relevant securities are suspended for as long as they are held by the Sub-Fund and without prejudice to the appropriate processing in the accounts and the periodic reports; and
- in any event, for as long as these securities are held by the Investing Sub-Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the 2010 Law; and
- there is no duplication of management/subscription or redemption fees between those at the level of the Investing Sub-Fund having invested in the Target Sub-Fund and this Target Sub-Fund.

f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in an Other State provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in Community law; and/or

g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market, stock exchange in an Other State or on an Other Regulated Market referred to in subparagraphs (a) to (c) above, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives") provided that:

- the underlying consists of instruments covered by this section (A)(1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objective;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority;
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated, or closed by an offsetting transaction at any time at their fair value at the Company's initiative.

h) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional, or local authority or by a central bank of an EU Member State, the European Central Bank, the European Union or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
- issued by an undertaking any securities of which are dealt in on Regulated Markets or Other Regulated Market referred to in (a) to (c) above, or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by Community law, or
- issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10 million and which presents and publishes its annual accounts in accordance with directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(2) In addition, the Company may invest a maximum of 10% of the Net Asset Value of any Sub-Fund in Transferable Securities and Money Market Instruments other than those referred to under (A)(1) above.

B Each Sub-Fund may hold ancillary liquid assets.

C (1) Each Sub-Fund may invest no more than 10% of its Net Asset Value in Transferable Securities or Money Market Instruments issued by the same body.

Each Sub-Fund may not invest more than 20% of its net assets in deposits made with the same body.

(2) (i) Furthermore, where any Sub-Fund holds investments in Transferable Securities and Money Market Instruments of any issuing body which individually exceed 5% of the Net Asset Value of such Sub-Fund, the total value of all such investments must not account for more than 40% of the Net Asset Value of such Sub-Fund;

(ii) This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

(3) (i) the risk exposure to a counterparty of a Sub-Fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in (A) (1) (f) above or 5% of its net assets in other cases.

(ii) Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in (C)(1), (C)(2)(i), (C)(3)(i) and (v), (C)(4), (C)(5) and (C)(6)(i) and (iii). When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in (C)(1), (C)(2)(i), (C)(3)(i) and (v), (C)(4), (C)(5) and (C)(6)(i) and (iii).

(iii) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of (A)(1)(g), 2d indent, and (C)(3)(iv) as well as with the risk exposure and information requirements laid down in this Prospectus.

(iv) The Company shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

(v) Notwithstanding the individual limits laid down in paragraph (C)(1), C(2)(i) and C(3)(i), a Sub-Fund may not combine:

- investments in transferable securities or Money Market Instruments issued by,
- deposits made with, and/or
- exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of its net assets.

(4) The limit of 10% laid down in paragraph (C)(1) above shall be 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by a Member State, its local authorities or by any Other State or by public international bodies of which one or more Member States are members.

(5) (i) The limit of 10% set forth below under (C)(1) above is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect

the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund.

(ii) The securities and Money Market Instruments specified under (i) and (C)(4) above shall not be included in the calculation of the limit of 40% under (C)(2)(i).

(6) (i) The limits set out in paragraphs (C)(1), C(2)(i), (C)(3)(i) and (v), (C)(4) and (5)(i) above may not be aggregated and, accordingly, the value of investments in Transferable Securities and Money Market Instruments issued by the same body, in deposits or derivative instruments made with this body, effected in accordance with paragraphs (C)(1), C(2)(i), (C)(3)(i) and (v), (C) (4) and (5)(i) may not, in any event, exceed a total of 35% of each Sub-Fund's Net Asset Value.

(ii) Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph (C).

(iii) A Sub-Fund may cumulatively invest up to 20% of its net assets in Transferable Securities and Money Market Instruments within the same group.

(7) Where any Sub-Fund has invested in accordance with the principle of risk spreading in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities or by any OECD member state, or by public international bodies of which one or more Member States are members, the Company may invest 100% of the Net Asset Value of any Sub-Fund in such securities and Money Market Instruments provided that such Sub-Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the Net Asset Value of the Sub-Fund.

Subject to having due regard to the principle of risk spreading, a Sub-Fund needs not comply with the limits set out in Articles 43 to 46 of the 2010 Law for a period of 6 months following the date of its authorisation and launch.

(8) Without prejudice to the limits set forth hereafter under (E), the limits set forth in (C) (1) are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or bond index in accordance with the article 9 of the Grand-Ducal reglementation dated 8th February 2008, on the following basis:

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

The limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

D The Company may not borrow for the account of any Sub-Fund, other than amounts which do not in aggregate exceed 10% of the Net Asset Value of the Sub-Fund, and then only as a temporary measure. For the purpose of this restriction back-to-back loans for the purpose of acquiring foreign currency are not considered to be borrowings.

E (i) The Company may not acquire shares carrying voting rights which would enable the Company to exercise significant influence over the management of the issuing body.

(ii) The Company may acquire no more than (a) 10% of the non-voting shares of the same issuer, (b) 10% of the debt securities of the same issuer, and/or (c) 10% of the Money Market Instruments of any single issuer. However, the limits laid down in (b) and (c) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments or the net amount of instruments in issue cannot be calculated.

The limits set out in paragraph (E) (i) and (ii) above shall not apply to:

(i) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;

(ii) Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;

(iii) Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members; or

(iv) shares held in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such Sub-Fund's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the 2010 Law.

F (i) Each Sub-Fund may acquire units of the UCITS and/or other UCIs referred to in paragraph (A)(e), provided that no more than 10% of a Sub-Fund's net assets be invested in aggregate in the units of UCITS or other UCIs.

(ii) When a Sub-Fund invests in the units or shares of other UCITS and/or other UCIs which are:

a) managed directly or indirectly by the Investment Manager of said Sub-Fund, or

b) managed by a company to which said Sub-Fund is associated (i) by way of common management, (ii) by way of common control or (iii) by way of a direct or indirect holding of more than 10% of the capital or votes, said Sub-Fund can only charge a reduced management fee of up to 0.25% on the portion of the assets invested in such UCITS and/or UCI; on the contrary, no issue or redemption fees may be further charged by said Sub-Fund on aforementioned portion of asset

(iii) The Company may acquire no more than 25% of the units of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units issued by the UCITS/UCI concerned, all sub-funds combined.

(vi) The underlying investments held by the UCITS or other UCIs in which the Sub-Funds invest do not have to be considered for the purpose of the investment restrictions set forth under 1. (C) above.

G Under the conditions and within the limits laid down by the 2010 Law, the Company may, to the widest extent permitted by the Luxembourg laws and regulations (i) create any Sub-Fund qualifying either as a feeder UCITS (a "Feeder UCITS") or as a master UCITS (a "Master UCITS"), (ii) convert any existing Sub-Fund into a Feeder UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.

(a) A Feeder UCITS shall invest at least 85% of its assets in the units/shares of another Master UCITS.

(b) A Feeder UCITS may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets (excluding direct investment in commodities and precious metals);
- financial derivative instruments, which may be used only for hedging purposes;

(c) For the purposes of compliance with Article 42 (3) of the 2010 Law, the Feeder UCITS shall calculate its global exposure related to financial derivative instruments by combining its own direct exposure under the second indent under b) with either:

- the Master UCITS actual exposure to financial derivative instruments in proportion to the Feeder UCITS investment into the Master UCITS or;
- the Master UCITS potential maximum global exposure to financial derivative instruments provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder UCITS investment into the Master UCITS.

Similarly, if a new Sub-Fund is created, while ensuring observance of the principle of risk-spreading, the limits set forth do not have to be complied with by the newly authorised Sub-Fund for a period of six months after the date of its launch in accordance with article 49(1) of the 2010 Law.

If these limits are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account the interests of its Shareholders.

The investment limits laid down above may be exceeded whenever subscription rights attaching to securities which form part of the Company's assets are being exercised.

If such limits are exceeded as a result of exercising subscription rights or for reasons beyond the Company's control, the Company shall endeavour as a priority aim to redress the balance, while taking due account of the interests of the Company's Shareholders.

The Company reserves the right to introduce other investment restrictions at any time, provided that they are compatible with Part I of the 2010 Law and essential to compliance with laws and regulations in force in certain non-Member States where the Shares of the Company may be offered or sold.

2. PROHIBITED INVESTMENTS

A The Company will not make investments in precious metals or certificates representing these.

B The Company may not enter into transactions involving commodities or commodity contracts, except that the Company may employ techniques and instruments relating to Transferable Securities within the limits set out in paragraph 3 below.

C The Company will not purchase or sell real estate or any option, right or interest therein, provided the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

D The Company may not carry out uncovered sales of Transferable Securities, other financial instruments or Money Market Instruments referred to in 1.(A) (1) (e), (g) and (h).

E The Company may not borrow for the account of any Sub-Fund, other than amounts which do not in aggregate exceed 10% of the Net Asset Value of the Sub-Fund, and then only as a temporary measure. For the purpose of this restriction back-to-back loans for the purposes of acquiring foreign currency are not considered to be borrowings.

F The Company will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Sub-Fund, except as may be necessary in connection with the borrowings mentioned in (E) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the Net Asset Value of each Sub-Fund. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge, or hypothecation for this purpose.

G The Company will not underwrite or sub-underwrite securities of other issuers.

H The Company is not authorised to allocate credits for the account of a Sub-Fund.

3. *FINANCIAL DERIVATIVE INSTRUMENTS AND STRUCTURED PRODUCTS*

Except otherwise specified in the Appendix I relating to a Sub-Fund, any Sub-Fund may, for hedging and for efficient management purposes, use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialised in this type of transactions and subject to regulatory supervision. In particular, a Sub-Fund may take exposure through any financial derivative instruments such as but not limited to warrants, futures, options, swaps (including but not limited to total return swaps, contracts for difference, credit default swaps) and forwards on any underlying in line with the 2010 Law as well as the investment policy of the Sub-Fund, including but not limited to, currencies (including non-delivery forwards), interest rates, transferable securities, basket of transferable securities, indices (including but not limited to commodities, precious metals or volatility indices), undertakings for collective investment.

Except otherwise specified in the Appendix I relating to a Sub-Fund, any Sub-Fund may invest in structured products, such as but not limited to notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, an index selected in accordance with the article 9 of the grand-ducal regulation dated 8th February 2008 (including indices on volatility, commodities, precious metals, etc.), currencies, exchange rates, transferable securities or a basket of transferable securities or an undertaking for collective investment, at all times in compliance with the grand-ducal regulation.

In compliance with the grand-ducal regulation, the concerned Sub-Fund may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement.

All revenues arising from efficient portfolio management techniques[1] ("EPM"), net of direct and indirect operational costs and fees, will be returned to the Company. Nevertheless, agents and other intermediaries of the Company providing services in connection with such techniques may be remunerated through fees that are expressed as a percentage of gross revenues earned by the Company through the use of such EPM. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid – as well as any relationship they may have with the Depositary Bank or Investment Manager – will be available in the annual report of the Company.

4. *SECURITIES FINANCING TRANSACTIONS AND REUSE*

Investments into securities financing transactions as defined under EU Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (the "SFTR") are not foreseen. Should the Company in the future consider to enter into any relevant transactions falling under the SFTR, the Prospectus will be updated beforehand with all relevant information in accordance with article 14.2 of the SFTR.

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[1] The term *efficient portfolio management techniques* includes securities lending, repurchase agreements and reverse repurchase agreements (ESMA guidelines 12/832)

5. *SPECIAL TECHNIQUES AND INSTRUMENTS*

A General

Unless further restricted by the investment policies of a specific Sub-Fund as described in the Appendices below, the Company may employ techniques and instruments relating to Transferable Securities and Money Market Instruments for hedging purposes.

When these operations concern the use of derivative instruments, these conditions and limits shall conform to the provisions laid down above under "1. Investments in Eligible Assets".

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives.

B Securities lending

Unless further restricted by the investment policies of a specific Sub-Fund as described in the Appendices below, the Company may enter into securities lending and borrowing transactions provided that they comply with the following rules:

1) The Company may only lend securities which it holds in portfolio through a standard securities lending scheme, organised by an authorised securities clearing house or a first-rate financial institution specialised in such operations.

   The Company may only enter into securities lending transactions provided that it is entitled at any time under the terms of the agreement to request the return of the securities lent or to terminate the agreement.

   Securities lending operations may not involve more than 50% of the estimated total value of the securities held in portfolio, it being understood that this ceiling is not applicable if the Company is entitled to demand, at all times, that the contract be terminated, and the securities returned. Securities lending operations may not last for longer than 30 days.

   Under the terms of securities lending operations, the Company shall in principle receive in return a guarantee whose value at the time of the conclusion of the contract shall be at least equal to the total estimated value of the securities lent and shall remain so for the duration of the securities lending transaction. This guarantee shall be in the form of:

   - liquid assets, and/or
   - securities issued or guaranteed by OECD member states, by their local authorities or by supranational institutions and undertakings of a community regional or worldwide nature and/or by first class financial institutions, and blocked in the Company's name until the contract to lend securities expires, and/or
   - shares listed on an EU stock exchange issued by a highly rated financial institution and entered in an escrow account in the name of the Company until the expiry date of the loan contract.

   Such a guarantee shall not be required if the securities lending is made through recognised clearing institutions or through any other organisation assuring to the lender a reimbursement of the value of the securities lent, by way of a guarantee or otherwise.

2) The Company may borrow securities under the following circumstances in connection with the settlement of a sale transaction: (a) during a period the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; (c) to avoid a failed settlement when the Depositary Bank fails to make delivery.

The securities borrowed by the Company may not be disposed of during the time they are held by the Company, unless they are covered by sufficient financial instruments which enable the Company to restitute the borrowed securities at the close of the transaction.

Borrowing transactions may not exceed 50% of the global valuation of the securities portfolio of each Sub-Fund, nor may they last for longer than 30 days.

C Repurchase Agreements

The Company may, from time to time and on an ancillary basis, enter into repurchase agreements, which consist in the purchase and sale of securities whereby the terms of the agreement entitle the seller to repurchase from the purchaser the securities at a price and at a time agreed amongst the two parties at the conclusion of the agreement. The Company may act either as purchaser or seller in repurchase transactions. The Company may purchase or sell securities in the context of a repurchase agreement only if its counterpart is a highly rated financial institution specialised in this type of transactions. During the lifetime of a repurchase agreement, the Company may not sell the securities which are the object of the agreement either before the repurchase of the securities by the counterparty has been carried out or the repurchase period has expired. The Company must ensure to maintain the importance of purchased securities subject to a repurchase obligation at a level such that it is able, at all times, to meet its obligations to redeem its own Shares at the request of its Shareholders.

The Company's involvement in such transactions is, however, subject to the additional following rules:

1) The counterparty to these transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by EU law;

2) The Company may only enter into reverse repurchase agreement and/or repurchase agreement transactions provided that it is able at any time (a) to recall the full amount of cash in a reverse repurchase agreement or any securities subject to a repurchase agreement or (b) to terminate the agreement in accordance with applicable regulations. However, fixed-term transactions that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

D Management of collateral and collateral policy

1) General

In the context of OTC financial derivatives transactions and efficient portfolio management techniques, the Company may receive collateral with a view to reduce its counterparty risk. This section sets out the collateral policy applied by the Company in such case. All assets received by the Company in the context of efficient portfolio management techniques (securities lending, repurchase or reverse repurchase agreements) shall be considered as collateral for the purposes of this section.

2) Eligible collateral

Collateral received by the Company may be used to reduce its counterparty risk exposure if it complies with the criteria set out in applicable laws, regulations and circulars issued by the CSSF from time to time notably in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

(a) Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
(b) It should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
(c) It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
(d) It should be sufficiently diversified in terms of country, markets, and issuers with a maximum exposure of 20% of the Company's Net Asset Value to any single issuer on an aggregate basis, taking into account all collateral received;
(e) It should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.

Subject to the abovementioned conditions, collateral received by the Company may consist of:

(a) Cash and cash equivalents, including short-term bank certificates and Money Market Instruments;

(b) Bonds issued or guaranteed by a Member State of the OECD or by their local public authorities or by supranational institutions and undertakings with EU, regional or worldwide scope;

(c) Shares or units issued by money market UCIs calculating a daily Net Asset Value and being assigned a rating of AAA or its equivalent;

(d) Shares or units issued by UCITS investing mainly in bonds/shares mentioned in (e) and (f) below;

(e) Bonds issued or guaranteed by first class issuers offering adequate liquidity;

(f) Shares admitted to or dealt in on a regulated market of a Member State of the EU or on a stock exchange of a Member State of the OECD, on the condition that these shares are included in a main index.

3) Level of collateral

The level of collateral required across all efficient portfolio management techniques or OTC derivatives will be at least 100% of the exposure to the relevant counterparty. This will be achieved by applying the haircut policy set out below.

Haircut policy

Collateral will be valued on a daily basis, using available market prices, and taking into account appropriate discounts which will be determined by the Company for each asset class based on its haircut policy. This policy takes into account a variety of factors, depending on the nature of the collateral received, such as the issuer's credit standing, the maturity, currency, price volatility of the assets and, where applicable, the outcome of liquidity stress tests carried out by the Company under normal and exceptional liquidity conditions. No haircut will generally be applied to cash collateral.

In case of non-cash collateral, a haircut will be applied. The Investment Manager will only accept non-cash collateral which does not exhibit high price volatility. The non-cash collateral received on behalf of the Company will typically be government debts and supranational debt securities.

For non-cash collateral, a haircut of 1% to 8% will be applied as follows:

	Remaining stated maturity of	**Haircut applied**
Government debts and supranational debt securities	Not exceeding 1 year	1%
	1 to 5 years	3%
	5 to 10 years	4%
	10 to 20 years	7%
	20 to 30 years	8%

Collateral received by the Company will only consist in cash, government debts and supranational debt securities, in case of any amendment of the Company collateral policy, the Prospectus will be amended accordingly.

Reinvestment of collateral

Non-cash collateral received by the Company may not be sold, re-invested, or pledged.

Cash collateral received by the Company can only be:

(a) placed on deposit with credit institutions which have their registered office in an EU Member State or, if their registered office is located in a third country, are subject to prudential rules considered by the CSSF as equivalent to those laid down in EU law;

(b) invested in high-quality government bonds;

(c) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on accrued basis; and/or

(d) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above.

The Sub-Fund may incur a loss in reinvesting the cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made with cash collateral received. A decline in the value of such investment of the cash collateral would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty at the conclusion of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

RISK MANAGEMENT PROCESS

The Management Company, on behalf of the Company, will employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund, in accordance with CSSF circular 11/512 or any other applicable circular of the Luxembourg supervisory authority. The Management Company, on behalf of the Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments.

RISK CONSIDERATIONS

General

The following statements are intended to inform Investors of the uncertainties and risks associated with investments and transactions in equities, fixed income securities, currency instruments, derivatives, and other similar instruments. Investors should remember that the price of Shares and any income from them may fall as well as rise and that Shareholders may not get back the full amount invested. Past performance is not necessarily a guide to future performance and Shares should be regarded as a medium to long-term investment. Where the currency of the relevant Sub-Fund varies from the Investor’s home currency, or where the currency of the relevant Sub-Fund varies from the currencies of the markets in which the Sub-Fund invests, there is the prospect of additional loss (or the prospect of additional gain) to the Investor greater than the usual risks of investment.

The Company bears the general risks laid down below. However, each Sub-Fund is subject to specific risks, which the Board of Directors will seek to lower, as listed in the Appendix I.

Equity Securities

Investing in equity securities may offer a higher rate of return than other investments. However, the risks associated with investments in equity securities may also be higher because the performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security value may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

Convertible Securities

Convertible securities combine risks of equity and debt securities as well as risks specific to convertible securities. The price of a convertible security will move and be influenced by the underlying equity valuation, the credit quality of the issuer, the interest rate and other specific or general market price changes. Convertible securities may suffer from liquidity changes.

Convertible Preference Shares

Part of the "convertible securities" family, this instrument will be converted into "preference shares" which benefit from a higher quality status than common shares.

Debt Securities

Debt securities, such as notes and bonds, are subject to credit risk and interest rate risk. Credit risk is the possibility that an issuer of an instrument will be unable to make interest payments or repay principal when due. Changes in the financial strength of an issuer or changes in the credit rating of a security may affect its value. Interest rate risk is the risk that interest rates may increase, which tends to reduce the resale value of certain debt securities. Debt securities with longer maturities are generally more sensitive to interest rate changes than those with shorter maturities. Changes in market interest rates do not affect the rate payable on an existing debt security, unless the instrument has adjustable or variable rate features, which can reduce its exposure to interest rate risk. Changes in market interest rates may also extend or shorten the duration of certain types of instruments, thereby affecting their value and the return on an investment in a Sub-Fund.

Credit Risk

A Sub-Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities, is unable or unwilling to make timely principal and/or interest payments, or to otherwise honour its obligations. All securities are subject to varying degrees of credit risk, which may not always be wholly reflected in credit ratings. In addition, a Sub-Fund may purchase unrated securities, thus relying on the Investment Manager’s credit analysis, possibly increasing, or incurring other risks.

In some cases, an individual issuer could go into default (see “Default risk”), even though ordinary conditions prevail in the general market.

Funds Investing in Lower Rated, Higher Yielding Debt Securities

A Sub-Fund may invest in lower rated, higher yielding debt securities, which are subject to interest rate, sector, security, and credit risks. Compared to Investment Grade bonds, high yield bonds are normally lower rated securities and will usually offer higher yields to compensate for the reduced creditworthiness or increased risk of default that these securities carry. Generally, lower rated securities pay higher yields than more highly rated securities to compensate Investors for the higher risk. The lower ratings of such securities reflect the greater possibility that adverse changes in the financial condition of the issuer, or rising interest rates, may impair the ability of the issuer to make payments to holders of the securities (see “Default risk”). Accordingly, an investment in such a Sub-Fund is accompanied by a higher degree of credit risk than is present with investments in higher rated, lower yielding securities.

Default risk

The issuers of certain bonds could become unable to make payments of their bonds.

Concentration risk

To the extent that a Sub-Fund invests a large portion of its assets in a limited number of industries, sectors, or issuers, or within a limited geographical area, it can be more risky than a Sub-Fund that invests more broadly. When a Sub-Fund invests a large portion of its assets in a particular issuer, industry, type of bond, country, or region, or in a series of closely affected by any business, economic, financial, market or political conditions affecting the area of concentration. This can mean both higher volatility and a greater risk of loss.

Issuer-Specific Risk

The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

Interest Rate Risks

The Net Asset Value of the Company will change in response to fluctuations in interest rates. Generally, interest rate risk involves the risk that when interest rates decline, the market value of bonds tends to increase, and vice versa. The extent to which the price of a bond changes as the interest rates move may differ by the type of the debt securities.

Investment in Collective Investment Schemes

Investment in collective investment schemes may embed a duplication of the fees and expenses charged to the Company, i.e. setting up, filing and domiciliation costs, subscription, redemption or conversion fees, management fees, Depositary Bank fees and other service providers' fees. The accumulation of these costs may entail higher costs and expenses than would have been charged to the Company if the latter had invested directly. The Company will however seek to avoid any irrational multiplication of costs and expenses to be borne by Investors.

Also, the Company must ensure that its portfolios of targeted collective investment schemes present appropriate liquidity features to enable them to meet their obligation to redeem or repurchase their Shares. However, there is no guarantee that the market liquidity for such investments will always be sufficient to meet redemption requests as and when they are submitted. Any absence of liquidity may impact the liquidity of the Company's Shares and the value of its investments.

Investment in Warrants

Investors should be aware of, and prepared to accept, the greater volatility in the prices of warrants which may result in greater volatility in the price of the Shares. Thus, due to their nature, warrants may involve Shareholders in a greater degree of risk than conventional securities would do.

Stock Market Volatility

The Net Asset Value of the Company will reflect the volatility of the stock market. Stock markets are volatile and can move significantly in response to the issuer, demand and supply, political, regulatory, market and economic developments.

Potential conflicts of interest

The Investment Managers and other companies each Investment Manager's group can carry out operations in which they directly or indirectly have an interest that could conflict with their obligations towards the Company. The Investment Managers will ensure that these operations are carried out under conditions that are as favourable for the Company as those that would have prevailed in the absence of the potential conflict of interest and that applicable policies and procedures are complied with. Such conflicts of interest or commitments may arise from the fact that the Investment Managers or other members of their group have directly or indirectly invested in the Company. More specifically, the Investment Managers, by virtue of the rules of conduct applicable to them, must endeavour to avoid all conflicts of interest and, if such a conflict cannot be avoided, ensure that its clients (including the Company) are treated equally.

Securities Lending, Repurchase or Reverse Repurchase Transactions

The principal risk when engaging in securities lending, repurchase or reverse repurchase transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the Company as required by the terms of the transaction. Counterparty risk is mitigated by the transfer or pledge of collateral in favour of the Company. However, securities lending, repurchase or reverse repurchase transactions may not be fully collateralised. Fees and returns due to the Company under securities lending, repurchase or reverse repurchase transactions may not be collateralised. In addition, the value of collateral may decline in between collateral rebalancing dates or may be incorrectly determined or monitored. In such a case, if counterparty defaults, the Company may need to sell non-cash collateral received at prevailing market prices, thereby resulting in a loss to the Company.

A Sub-Fund may also incur a loss in reinvesting cash collateral received. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

Securities lending, repurchase or reverse repurchase transactions also entail operational risks such as the non-settlement or delay in settlement of instructions and legal risks related to the documentation used in respect of such transactions.

A Sub-Fund may enter into securities lending, repurchase or reverse repurchase transactions with other companies in the same group of companies as the Investment Manager, affiliated counterparties, if any, will perform their obligations under any securities lending, repurchase or reverse repurchase transactions concluded with the Sub-Fund in a commercially reasonable manner. In addition, the Investment Manager will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the Sub-Fund and its Investors. However, Investors should be aware that the Investment Manager may face conflicts between its role and its own interests or that of affiliated counterparties.

Investment in Derivative Instruments

Under certain conditions, the Company may use options and futures on securities, indices, and interest rates, as described in the Prospectus under "Investment Restrictions", for the purpose of efficient portfolio management. Also, where appropriate, the Company may hedge market and currency risks using futures, options, or forward foreign exchange contracts. In order to facilitate efficient portfolio management and to better replicate the performance of the benchmark, the Company may finally, for a purpose other than hedging, invest in derivative instruments. The Company may only invest within the limits set out in the Prospectus under "Investment Restrictions".

Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the Investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Financial futures prices are highly volatile and influenced by a variety of diverse factors including, i.e. changing supply and demand relationships, government, fiscal, monetary and exchange control programs and policies, national and international political and economic events, and government intervention in certain markets, particularly in the currency and interest rate markets. Futures are also subject to lower liquidity situations when market activity decreases or when a daily price fluctuation limit has been reached.

Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

The attention of the Shareholders is drawn to the fact, that due to the use of derivative instruments to cover the inherent credit risk of some issuers or to achieve its investment objective, combined with the possibility to affect borrowings, there may be circumstances where the Company's exposure may not entirely be covered by the assets of the Company. The risk associated with the use of the said instruments may not exceed 100% of the Net Asset Value of the relevant Sub-Fund. Accordingly, the global risk associated with the investments of the Sub-Fund may amount to 200% of the Net Asset Value of the Sub-Fund. As borrowing is allowed up to a maximum of 10%, the global risk can reach 210% of the Net Asset Value of the relevant Sub-Fund.

Derivatives in general are highly volatile and do not carry any voting rights. The pricing and volatility of many derivatives (especially credit default swaps) may diverge from strictly reflecting the pricing or volatility of their underlying reference(s). In difficult market conditions, it may be impossible or unfeasible to place orders that would limit or offset the market exposure of losses created by certain derivatives.

Because OTC derivatives are in essence private agreements between the Sub-Fund and one or more counterparties, they are less highly regulated than market-traded securities. OTC derivatives carry greater counterparty risk and liquidity risk, and it may be more difficult to force a counterparty to honor its obligations to the Sub-Fund. The list of counterparties contracts will be available in the annual report. This counterparty default risk is limited by the regulatory OTC derivatives counterparty limits. Mitigation techniques aiming to limit this risk are used, such as collateral policy or resets in contracts for difference.

If a counterparty ceases to offer a derivative that the Sub-Fund had been planning on using, the Sub-Fund may not be able to find a comparable derivative elsewhere and may miss an opportunity for gain or find itself unexpectedly exposed to risks or losses, including losses from a derivative position for which it was unable to buy an offsetting derivative.

Because it is generally impractical for the Company to divide its OTC derivative transactions among a wide variety of counterparties, a decline in the financial health of any one counterparty could cause significant losses. Conversely, if any Sub-Fund experiences any financial weakness or fails to meet an obligation, counterparties could become unwilling to do business with the Company, which could leave the Company unable to operate efficiently and competitively.

While exchange-traded derivatives are generally considered lower-risk than OTC derivatives, there is still the risk that a suspension of trading in derivatives or in their underlying assets could make it impossible for the Sub-Fund to realise gains or avoid losses, which in turn could cause a delay in handing redemptions of Shares. There is also a risk that settlement of exchange-traded derivatives through a transfer system may not happen when or as expected.

Short selling risk

A Sub-Fund may take short positions on a security through the use of financial derivative instruments in the expectation that their value will fall in the open market. The possible loss from taking a short position on a security differs from the loss that could be incurred from a cash investment in the security; the former may be unlimited as there is no restriction on the price to which a security may rise, whereas the latter cannot exceed the total amount of the cash investment. The short selling of investment may also be subject to changes in regulations, which could impose restrictions that adversely impact returns to Investors.

Hedging Risk

Any attempt to hedge (reduce or maintain certain risks) may not work as intended, and to the extent that they do work, they will generally eliminate potentials for gain along with risks of loss. Any measures that the Sub-Fund takes that are designed to offset specific risks may work imperfectly, may not be feasible at times, or may fail completely. To the extent that no hedge exists, the Sub-Fund or Share Class will be exposed to all risks that the hedge would have protected against.

The Sub-Fund may use hedging within its portfolio. With respect to any designated Share Classes, the Sub-Fund may hedge the currency exposure of the Class (relative to the portfolio's reference currency). Share Classes that apply a currency hedge are specified in the Appendix I relating to a Sub-Fund. Such hedged Share Classes aim to hedge to a large extent the exchange risk in relation of a given Share Class.

Leverage risk

The Sub-Fund's net exposure above the Sub-Fund Net Asset Value makes its share price more volatile. To the extent that the Sub-Fund uses derivatives to increase its net exposure to any market, rate, basket of securities or other financial reference source, fluctuations in the price of the reference source will be amplified at the Sub-Fund level. Such investments my result in losses in excess of the amount invested.

Emerging Markets Risk

In certain circumstances a Sub-Fund may invest a proportion of its assets in emerging markets. Investment in such markets involves risk factors and special considerations, including the following, which may not be typically associated with investing in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries in which investments may be made, including expropriation, nationalisation or other confiscation could result in loss to the Sub-Fund. By comparison with more developed securities markets, most emerging countries' securities markets are comparatively small, less liquid, and more volatile. In addition, settlement, clearing and registration procedures may be underdeveloped, enhancing the risks of error, fraud, or default. Furthermore, the legal infrastructure and accounting, auditing, and reporting standards in emerging markets may not provide the same degree of investor information or protection as would generally apply to more developed markets.

MENA markets may remain closed for days at a time (due to religious celebrations, for instance) and the exact dates of market closure may not be known in advance.

Dodd-Frank Wall Street Reform and Consumer Protection Act

With the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") in the United States, there has been extensive rulemaking and regulatory changes that has affected and will continue to affect private fund managers, the funds that they manage and the financial industry as a whole. Under Dodd-Frank, the SEC has mandated new reporting requirements and is expected to mandate new recordkeeping requirements for investment advisers, which are expected to add costs to the legal, operations and compliance obligations of the Investment Manager and the Company and increase the amount of time that the Investment Manager spends on non-investment related activities. Until the SEC implements all of the new requirements of Dodd-Frank, it is unknown how burdensome such requirements will be. Dodd-Frank will affect a broad range of market participants with whom the Company interacts or may interact, including commercial banks, investment banks, other non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies and broker-dealers. Regulatory changes that will affect other market participants are likely to change the way in which the Investment Manager conducts business with its counterparties. It may take several years to understand the impact of Dodd-Frank on the financial industry as a whole, and therefore, such continued uncertainty may make markets more volatile, and it may be more difficult for the Investment Manager to execute the investment strategy of the Company.

Commodity Pool Operator – "De Minimis Exemption"

While a Sub-Fund may trade commodity interests (commodity futures contracts, commodity options contracts and/or swaps), including security futures products, the Management Company and the Investment Manager are each exempt from registration with the CFTC as a CPO pursuant to CFTC Rule 4.13(a)(3). Therefore, unlike a registered CPO, the Management Company and the Investment Manager are not required to deliver a CFTC disclosure document to prospective Investors, nor are they required to provide Investors with certified annual reports that satisfy the requirements of CFTC rules applicable to registered CPOs.

The potential consequence of this exemption, the so-called "de minimis exemption", includes a limitation on a Sub-Fund's exposure to the commodity markets. CFTC Rule 4.13(a) (3) requires that a pool for which such exemption is filed must meet one or the other of the following tests with respect to its commodity interest positions, including positions in security futures products, whether entered into for bona fide hedging purposes or otherwise: (a) the aggregate initial margin, premiums, and required minimum security deposit for retail forex transactions, will not exceed 5 per cent of the liquidation value of the pool's portfolio, after taking into account unrealised profits and unrealised losses on any such positions it has entered into; or (b) the aggregate net notional value of such positions does not exceed 100 percent of the liquidation value of the pool's portfolio, after taking into account unrealised profits and unrealised losses on any such positions it has entered into.

Foreign Account Tax Compliance Act

The Company will be required to comply (or be deemed compliant) with extensive new reporting and withholding requirements designed to inform the US Department of the Treasury of US-owned foreign investment accounts. Failure to comply with these requirements will subject such entities to US withholding taxes on certain US-sourced income and gains beginning in 2014. Shareholders may be requested to provide additional information to the Company to enable the Company to satisfy these obligations. Failure to provide such information when requested may subject a Shareholder to liability for any resulting US withholding taxes or US tax information reporting or compulsory redemption of Shares. Detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any final guidance on future operations of the Company.

Political and/or Regulatory Risks

The value of the Company's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing, and reporting standards in certain countries in which investment may be made may not provide the same degree of Investor protection or information to Investors as would generally apply in major securities markets.

The Company is domiciled in Luxembourg and Investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Investors should consult their financial or other professional adviser for further information in this area.

Market and Settlement Risks

- The securities markets in some countries lack the liquidity, efficiency, and regulatory and supervisory controls of more developed markets;
- Lack of liquidity may adversely affect the ease of disposal of assets. The absence of reliable pricing information in a particular security held by a Sub-Fund may make it difficult to assess reliably the market value of assets;
- The Share register may not be properly maintained, and the ownership or interest may not be (or remain) fully protected;
- Registration of securities may be subject to delay and during the period of delay it may be difficult to prove beneficial ownership of the securities;
- The provision for custody of assets may be less developed than in other more mature markets and thus provides an additional level of risk for the Sub-Funds;
- Settlement procedures may be less developed and still be in physical as well as in dematerialised form.

Lower liquidity/Suspension of Share Dealings

A Sub-Fund may face temporary lower liquidity situations due to parameters such as market activity, small volumes of investments or difficulties in the pricing of underlying investments.

Under certain exceptional circumstances, such as unusual market conditions, an unusual volume of repurchase requests or other, lower liquidity situations may lead the Company to suspend or defer the redemption or conversion of Shares.

Foreign Exchange/Currency Risk

Although Shares in the Company may be denominated in a particular currency, the Company may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of the Company as expressed in its base currency will fluctuate in accordance with the changes in the foreign exchange rate between that currency and the currencies in which the Company's investments are denominated. The Company may therefore be exposed to a number of risks as follows:

- Conversion into foreign currency or transfer from some markets of proceeds received from the sale of securities cannot be guaranteed;
- The value of the currency in some markets, in relation to other currencies, may decline such that the value of the investment is adversely affected;
- Exchange rate fluctuations may also occur between the trade date for a transaction and the date on which the currency is acquired to meet settlement obligations;
- It may not be possible or practicable to hedge against the consequent foreign exchange/currency risk exposure.

Execution and Counterparty Risk

The Company may be subject to the risk of the inability of the counterparty, or any other entities, in or with which an investment or transaction is made, to perform in respect of undertaken transactions, whether due to insolvency, bankruptcy or other causes.

In some markets there may be no secure method of delivery against payment which would minimise the exposure to counterparty risk. It may be necessary to make payment on a purchase or delivery on a sale before receipt of the securities or, as the case may be, sale proceeds.

Custody Risk

Local custody services in some of the market countries in which the Company may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

Taxation

Potential Investors' attention is drawn to the taxation risks associated with investing in the Company. Further details relating to the Luxembourg tax legislation are given under the heading "Tax Aspects" in the main part of the Prospectus. However, nothing in this Prospectus may be construed any tax advice and Investors should consult their own professional advisers regarding any tax issues in the context of any contemplated investment in the Company.

Sustainability risk

An environmental, social or governance event, or condition that, if it occurs, could cause a negative material impact on the value of the Company's assets. Sustainability risk may significantly increase the volatility of the investment return of a Sub-Fund. Examples of sustainability risks and how sustainability risks are integrated in the investment decision-making process can be found on http://www.alken-am.com/esg

RESPONSIBLE INVESTMENT POLICY

Board of Directors and ESG Committee Oversight, from the Management Company to the Investment Manager

The Board of Directors believes that responsible investing is an important aspect of long-term value creation. As such, all the Sub-Funds of the Company (except otherwise specified in the Appendix I relating to a Sub-Fund) follow the ESG investment policy of the delegated Investment Manager Alken Asset Management Ltd. (the "Investment Manager").

Additionally, all policies and their implementation are overseen by the ESG Committee of the Investment Manager who has signed the UN Principles for Responsible Investments and is committed to integrating ESG factors into its investment process, including analysis and engagements. The Investment Manager believes that the process of ESG integration complements its traditional stock picking approach, allowing to be more knowledgeable about potential risks and opportunities faced by issuers. The Management Company's risk management function, which is independent from the Investment Manager, perform risk oversight, monitoring and escalation based on established policies.

ESG process applicable to all Sub-Funds (except otherwise specified in the Appendix I relating to a Sub-Fund)

Exclusions and screening

As described in the Investment Manager's ESG policies, the Sub-Funds are subject to pre-investment exclusions and screenings, as well as to a post-investment ESG integration and ESG engagement process:

- Exclusion lists prevent from investing in a selection of activities or products (i.e.: involved with the production of controversial weapons) based on their exposure to severe sustainability risk.
- Screening aims at distinguishing the degrees of ESG maturity of issuers and their levels of ESG risks.
- Screening seeks to identify issuers with weaker ESG credentials by using a number of ESG indicators, including best-in-class (relative) and best-in-universe (absolute).
- Screening paves the way for a deeper ESG analysis and potential further ESG engagements.

Some Sub-Funds may include additional ESG features. Depending on the investment strategy as defined in the Annex I of the Prospectus, the Investment Manager can apply a more restrictive sector exclusion list or select a higher minimum concentration of securities with superior ESG ratings as determined. This is based on the Investment Manager's proprietary ESG analysis and on information gathered from external ESG providers.

Please refer to the Appendix V of the Prospectus which specifies a number of additional ESG information.

The exclusion and screening process is complemented by a number of ESG monitoring tools including inter alia alerts on controversies or on UNGC failures. Those alerts are used for further ESG engagements and discussions on potential areas of improvement.

ESG Integration and ESG engagement

Following the exclusion and screening, an ESG analysis is carried out on a number of issuers to understand and evaluate potential ESG risks factors. The assessment leads to an overall quality level assignment using an internal rating system. This process may also help to identify companies with which the Investment Manager wishes to engage directly through an open dialogue. The Investment Manager may use this engagement to improve the transparency of the issuer on specific ESG topics, or to mitigate the ESG risk(s) identified.

Any additional sustainability information can be found in the Appendix I and Appendix V of the Prospectus.

Classification according to the Sustainable Finance Disclosure Regulation (SFDR)

In line with the Sustainable Finance Disclosure Regulation, all the Sub-Funds of the Company seek to promote environmental or social characteristics as per Article 8 SFDR classification, except otherwise specified in the Appendix I and Appendix V of the Prospectus relating to a Sub-Fund.

The E/S characteristics promoted by a Sub-Fund of the Company are further defined and explained in the Appendix V of the Prospectus, as well as in the Investment Manager's ESG Integration Policy which can be found on its webpage: Alken Asset Management | Legal (alken-am.com).

Benchmark

A benchmark index has not been designated as a reference benchmark for sustainability purposes for any Sub-Fund of the Company as further explained in the Appendix V and except otherwise specified in the Appendix I relating to a Sub-Fund.

Principal Adverse Impacts

Principal Adverse Impacts are taken into consideration as part of the investment process. Please refer to the Appendix I and Appendix V of the Prospectus relating to a Sub-Fund for more information as well as to the Investment Manager's Annual Investor ESG Report which can be found on its webpage: Alken Asset Management | Legal (alken-am.com).

Sustainability Risk Integration

Sustainability risk is understood as environmental, social or governance situation that, if it occurs, can trigger an actual or potential material negative impact on the value of an investment. As such, sustainability risks can include the risks linked to legal or reputational events, the risks linked to our natural environment (i.e.: climate change), the risks linked to the different stakeholders of the business, or the risk linked to the company's management (i.e.: corruption or bribery).

The risks are different for each company, sector and geographical presence. Sustainability risks are included in the investment decision process together with traditional financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

The Investment Manager is concerned about the sustainability risks of an investment that could be materially negatively impacted as a result of an environmental and/or social risk. As such, the Investment Manager does consider the types of risks that could have such a material negative effect on the value of an investment.

More regarding the Investment Manager's integration and management of sustainability risks can be found in the Appendix I of the Sub-Funds as well as in the Investment Manager's Risk Policy: Alken Asset Management | Legal (alken-am.com)

ESG sources and their different use

During the pre-investment research, the Investment Manager uses the data points from its external specialised ESG research provider, which offers exclusions' lists and a large range of ESG data for most of the investable universe.

Post-investment research is made via the Investment Manager's internal ESG assessment, internal ESG scoring and ESG engagement process. This is done where the Investment Manager believes there is less certainty about the potential ESG risks, or an unavailability of data. The ESG assessment looks at what are considered to be the most material sustainability issues: the ones that can have an impact on a securities' performance and valuation.

Article 14(2) and 18(2) CRD Disclosures

It is confirmed that information about the environmental and/or social characteristics of a Sub-Fund of the Company is available in the Appendix V of the Prospectus. It is confirmed that information about sustainable investment is also available in the Appendix V of the Prospectus.

Statement on the environmental and/or social characteristics, sustainable investment objectives and the applied methodologies

A statement on the environmental and/or social characteristics, sustainable investment objectives and the applied methodologies ("SFDR Article 10" statements) can be found on the Funds / Management Company's ESG webpage: http://www.affm.lu/ESG

More information

More details reading the ESG integration policy can be found on http://www.alken-am.com/esg. The ESG investment policy and activities are overseen by the Management Company and by the Board of Directors of the Company.

A D D I T I O N A L   I N F O R M A T I O N

Dealing Arrangements:

The Investment Manager has entered into “dealing arrangements” with certain brokers under which a proportion of commissions paid to the executing brokers on transactions may be used to pay for execution and/or research services provided to the Investment Manager by brokers or a third party. This proportion of commissions paid should be in relation with the investment management of the Company and the Board of Directors of the Company should be advised of such commissions.

APPENDIX I - SUB-FUNDS IN OPERATION

1. ALKEN FUND – European Opportunities

Objectives and investment policy

Profile of the typical Investor

This Sub-Fund is a medium risk vehicle aiming to provide capital growth. It may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short-term losses. This Sub-Fund may be suitable for Investors adhering to sustainability principle (Article 8 of Regulation (EU) 2019/2088), as further explained in Appendix V of the Prospectus and who plan to invest for at least 5 years.

Investment Objective

To provide capital growth and to enable Investors to benefit from growth in the European equity market, primarily through dynamic investment in a growth/value style biased portfolio of equity securities of undervalued European companies with a high growth potential. This Sub-Fund is a relative return fund implying a medium tolerance to risk, with the objective to realise a relative net performance over the MSCI Europe Index (EUR).

Investment Policy

The Sub-Fund is an actively managed strategy and will invest at least 75% of its net assets in equities and equity related securities issued by companies that are headquartered in Europe, or conduct the preponderant part of their activity in Europe.

At least 90% of its net assets (excluding cash, derivatives or any such non-applicable instruments) will promote E/S characteristics according to the investment process and to the ESG policy of the Investment Manager Alken Asset Management Ltd.

The Sub-Fund's investment process is supported by a proprietary investment model which combines financial and non-financial analysis.

Covering the four key ESG themes: environment, social, governance and human rights, the responsible investing approach is based on global criteria with quantitative and qualitative rating, recommendations and ranking of the companies, irrespective of their sectors, capitalizations, or financial ratings. The responsible investing approach assessment is based both on the asset manager's proprietary ESG analysis and on information gathered from external ESG providers.

The portfolio will contain a limited selection of securities considered as offering the greatest potential. Selection will comprise a mixture of "growth" and "value" stocks believed to have the potential to provide enhanced returns relative to the market. Growth stocks are those whose earnings are expected to grow faster than the average for the market, whereas value stocks, on the other hand, are inexpensive compared with the earnings or assets of the companies that issue them, often because they are in a mature or depressed industry, or because the company has suffered a setback. The Sub-Fund will be managed on a bottom-up basis, whereby overweight and underweight positions in securities of a given country, sector and stock will be determined through the application of analytical techniques to such countries, sectors, and stocks; furthermore, the Sub-

Fund will endeavour to benefit from the regular movements of stock exchanges by investing according to geographical, sectorial, and thematic trends.

The Sub-Fund will hold a diversified portfolio composed of securities in listed companies. These securities may consist of ordinary or preferred shares, convertible bonds, and to a lesser extent, structured products, and financial derivative instruments (such as options, warrants, contracts for difference) having as underlying or offering an exposure to assets referred above-mentioned in the first paragraph.

The Sub-Fund may also invest up to 10% of its net assets in units/shares of UCITS and/or other UCIs.

For hedging and for efficient management purposes, within the limits set out in the chapter "Investment restrictions" of the Prospectus, the Sub-Fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.

The Sub-Fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

Investments in debt securities will be limited to 15% of the Sub-Fund's net assets; in exceptional circumstances only, when market conditions so command, such limit may be exceeded but, in any event, investments of this kind will then not exceed 25% of the Sub-Fund's net assets. It is therefore presently expected that capital gains realised by Shareholders on the disposal of Shares in the Sub-Fund will not be subject to the reporting or withholding requirements as applicable.

If the Investment Manager considers this to be in the best interest of the Shareholders, the Sub-Fund may also, hold, up to 100% of its net assets, liquidities as among other cash deposits, money market funds (within the above-mentioned 10% limit) and money market instruments.

Classification according to the Sustainable Finance Disclosure Regulation

In line with the Sustainable Finance Disclosure Regulation, the Sub-Fund seeks to promote environmental/social characteristics as per its Article 8 classification of the Sustainable Finance Disclosure Regulation.

Sustainability Risk Integration: assessing the likely impact of sustainability risks on the return of the Sub-Fund's investments

The manner in which the Investment Manager takes into consideration sustainability risks and assesses their likely impact on the portfolio's returns is done through its internal ESG integration approach. This approach consists of a three-stages process: first by excluding the issuers which are considered by the Investment Manager to be too exposed to sustainability risk; second by screening issuers in order to categorise them depending on their level of sustainability risk; and finally, by analysing and reviewing issuers using the Investment Manager's pre-defined list of material ESG factors. The objective of this three-stages process is to ensure a long-term financial outcome for the Sub-Fund's investors, in line with the Management Company fiduciary duty. This approach also ensures that both, financial and non-financial risks, are taken into consideration when evaluating the potential impact on returns. More information on this ESG integration approach can be found in the Investment Manager's ESG integration policy available on its webpage: Alken Asset Management | Legal (alken-am.com).

Benchmark

A benchmark index has not been designated as a reference benchmark for sustainability purposes, as further explained in Appendix V of the Prospectus.

Principal Adverse Impacts consideration

The Investment Manager has opted to consider the principal adverse impacts of investment decisions on sustainability factors and integrated them as part of the ESG due diligence process. All information can be found on the Investment Manager's regulatory webpage: Alken Asset Management | Legal (alken-am.com).

Risk Factors

The Sub-Fund is subject to the specific risks linked to investments in equity securities and collective investment schemes as well as to market volatility linked to the investment in financial derivative instruments

The Sub-Fund's global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on financial derivative instruments ("FDIs") which may not exceed the Sub-Fund's Net Asset Value.

Furthermore, a risk of lower liquidity of the Sub-Fund may not be excluded. For full details of the risks applicable to investing in this Sub-Fund, Shareholders are advised to refer to "Risk Considerations" in the Prospectus.

Dividend Policy

This Sub-Fund pursues a policy of achieving capital growth and reinvests income earned; as a result, it is not the Company's intention to pay out dividends on Share Classes classified as "Accumulation" for the "Dividend Policy" in the section "Shares Classes" below. Nevertheless, the general meeting of Shareholders may decide each year on proposals made by the Directors on this matter.

It is the Company's intention that Share Classes classified as "Distribution" for the "Dividend Policy" in the section "Shares Classes" below may receive at least one annual distribution, normally payable no later than 6 months after the end of the accounting year to which such dividends relate, comprising the income of the Sub-Fund attributable to these Classes net of revenue expenses or, if greater, such amount as to enable these Classes to attain the HM Revenue & Customs distributing fund certification for the relevant accounting year (which for the avoidance of doubt may mean that part of such distribution is made out of capital profits).

Shares Classes

Share Class Name	Share Class Currency	Share Class Hedged	Dividend Policy	Restrictions	Minimum Initial Investment in Reference Currency of Share Class*	Management Fee **	Performance Fee***
US3h	USD	Yes	Accumulation			2,25%	10%
IUSh	USD	Yes	Accumulation	2	5 Million	1,00%	10%
I	EUR	No	Accumulation	2	5 Million	1,00%	10%
IGB	GBP	No	Accumulation	2	5 Million	1,00%	10%
Id	EUR	No	Distribution	2	5 Million	1,00%	10%
EU1d	EUR	No	Distribution	1		1,00%	10%
US2h	USD	Yes	Accumulation			1,50%	10%
US1h	USD	Yes	Accumulation	1		1,00%	10%
CH1	CHF	No	Accumulation	1		1,00%	10%
US2	USD	No	Accumulation			1,50%	10%
CH2	CHF	No	Accumulation			1,50%	10%
US1	USD	No	Accumulation	1		1,00%	10%
GB1	GBP	No	Accumulation	1		1,00%	10%
EU1	EUR	No	Accumulation	1		1,00%	10%
A	EUR	No	Accumulation			1,95%	10%
Z	EUR	No	Accumulation		10 Million	1,50%	10%
U	EUR	No	Distribution	3		1,50%	10%
R	EUR	No	Accumulation			1,50%	10%
H	EUR	No	Accumulation	1****		0,90%	10%
EUX	EUR	No	Accumulation	2	5 Million	2,00%	0%
LUS3H	USD	Yes	Accumulation	4		2,25%	10%
LEU3	EUR	No	Accumulation	4		2,25%	10%
EUN	EUR	No	Accumulation	1		0,95%	10%

* May be waived or varied at the discretion of the Directors on a case-by-case basis provided that such waiver or variation shall be made only on the basis of objective criteria to be determined by the Directors and in an equitable manner to all such Investors on the same Applicable NAV.

** Applied on the total average net assets of each Class.

*** Applied on the positive excess of the net return of the Sub-Fund over the Benchmark Index (i.e. the outperformance) since the last performance fee payment.

**** Shares are currently closed to any further subscriptions, either from new or existing Shareholders, until further notice.

1 Shares are available to such financial intermediaries which, according to regulatory requirements or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.

2 Shares shall be reserved for investments made by Institutional Investors investing on their own account. With respect to Investors that are incorporated in the European Union Institutional Investor means per se professional investors. Operating and Administrative Expenses rate is set at 0.30%.

3 Offered to investors mainly resident in the United Kingdom, the Channels Islands, or the Isle of Man.

4 The sales commission of up to 3% of the Net Asset Value of the Shares cannot be charged by the professional intermediaries to their clients subscribing for the Shares. Instead, a commission of 1% of the Net Asset Value of the Shares is charged by the Management Company to remunerate intermediaries.

Frequency of calculation of NAV

Every Business Day.

Other fees

Performance fee:

The Management Company is also entitled to receive a performance fee. The performance fee may be levied only in case there is a difference in favour of the Investor between the relative evolution of the Net Asset Value and the MSCI Europe Index (EUR) (MSDEE15N Index) (i.e. an outperformance).

Even if the absolute performance of the Net Asset Value in a performance fee period is negative, a performance fee will be charged if an outperformance against the benchmark index is achieved.

The performance fee by Share outstanding will be equivalent to 10 per cent of the positive excess of the net return of the Sub-Fund over the Benchmark Index (i.e. the outperformance) since the last performance fee payment.

If the performance of the Net Asset Value per Share is lower than the return of the Benchmark Index no provision for the performance fee shall be made.

The performance fee is calculated and accrued at each Applicable NAV on the basis of Net Asset Value after deducting all expenses, the management fee (but not the performance fee) and adjusting for subscriptions and redemptions during the relevant performance period. Such performance fee will be payable annually in arrears. In the event of a downturn in performance of the Sub-Fund during any performance fee payment period, accruals for the performance fee will be reduced accordingly. However, if a performance fee is paid at the end of a year, and the NAV per share subsequently underperformed its benchmark, no claw back provision will be made, and past payment will therefore remain acquired to the Management Company.

In case of dividend distribution the reference Net Asset Value (as described below) is adjusted. To perform this adjustment, the dividend per Share is deducted from the reference Net Asset Value. The reference Net Asset Value is the Net Asset Value per Share at the end of the preceding performance period.

In the event that a Shareholder redeems Shares prior to the end of the performance period, any accrued but unpaid performance fee in respect of such Shares will be kept and paid to the Management Company at the end of the relevant performance period. The performance fee amount kept into the Sub-Fund is equal to the product of the performance fee accruals at the redemption date by the proportion of the redeemed Shares to the total number of Shares at this date.

In the event that a Shareholder subscribes Shares prior to the end of the performance period, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the outperformance of the NAV per share against the benchmark index until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the reference Net Asset Value, that is the Net Asset Value per Share after deduction of accrued performance fee at the last performance fee payment, adjusted by the benchmark performance at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

The first performance period of any Class shall start on the date of the first subscription and will end at the completion of the relevant year. The subsequent performance periods shall start from the beginning of each following calendar year until the end thereof. The first performance fee payment of any Class is only due after 12 months since the date of the first subscription in that Class.

Performance fees are payable within 20 business days following the closing of the yearly accounts.

The formula used to calculate the performance fees is:

$$G = 0 \text{ if } (B / E - 1) < (C / F - 1)$$

$$= [(B / E - 1) - (C / F - 1)] * E * H * A$$
$$\text{if } (B / E - 1) > (C / F - 1)$$

A	=	Number of Shares outstanding on a valuation day
B	=	Net Asset Value per Share before performance fee accrual on a valuation day
C	=	Benchmark Index Value on a valuation day
E	=	Reference Net Asset Value, Net Asset Value per Share after deduction of accrued Performance Fee at the last performance fee payment
F	=	Benchmark Index reference value, value of the Benchmark Index at the last performance fee payment
G	=	Performance fee
H	=	Performance fee rate (10%)

Example

	NAV per share before Performance Fee	Reference Net Asset Value per share	NAV per share performance	Yearly Benchmark performance	Cumulated Benchmark performance (1)	Performance Fee	NAV per share after Performance Fee
Year 1:	112.00	100.00	12.00%	2.00%	2.00%	1.00	111.00
Year 2:	120.00	111.00	8.11%	-1.00%	-1.00%	1.01	118.99
Year 3:	117.00	118.99	-1.67%	-3.00%	-3.00%	0.16	116.84
Year 4:	117.64	116.84	0.68%	1.00%	1.00%	0.0	117.64
Year 5:	118.00	116.84	0.99%	-2.00%	-1.00%	0.23	117.77

(1) Index performance since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated.

With a performance fee rate equal to 10%:

Year 1: The NAV per share performance (12%) is superior to the Index performance (2%). The excess of performance is 10% and generates a performance fee equal to 1.

Year 2: The NAV per share performance (8.11%) is superior to the Index performance (-1%). The excess of performance is 9.11% and generates a performance fee equal to 1.01.

Year 3: The NAV per share performance (-1.67%) is superior to the Index performance (-3%). The excess of performance is 1.33% and generates a performance fee equal to 0.16.

Year 4: The NAV per share performance (0.68%) is inferior to the Index performance since the last performance fees payment (1%). No performance fee is calculated.

Year 5: The NAV per share performance (0.99%) is superior to the Index performance since the last performance fees payment (-1%). The excess of performance is 1.99% and generates a performance fee equal to 0.23.

2. ALKEN FUND – Small Cap Europe

Objectives and investment policy

Profile of the typical Investor

This Sub-Fund is a medium risk vehicle aiming to provide capital growth. It may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short-term losses. This Sub-Fund may be suitable for Investors adhering to sustainability principle (Article 8 of Regulation (EU) 2019/2088), as further explained in Appendix V of the Prospectus and who plan to invest for at least 5 years.

Investment Objective

To provide capital growth and to enable Investors to benefit from growth in the European equity market, primarily through dynamic investment in a growth/value style biased portfolio of equity securities of undervalued European companies with a high growth potential focussing albeit not exclusively on small caps being companies with a capitalisation of less than EUR 3 billion, and mid-caps being companies with a market capitalisation of around more than EUR 3 billion but less than EUR 10 billion. This Sub-Fund is a relative return fund implying a medium tolerance to risk, with the objective to realise a relative net performance over the MSCI Europe Small Cap Index (EUR).

Investment Policy

The Sub-Fund is an actively managed strategy and will invest at least 75% of its net assets in equities and equity related securities issued by companies that are headquartered in Europe, or conduct the preponderant part of their activity in Europe, which are small and mid-caps as defined above.

At least 90% of its net assets (excluding cash, derivatives or any such non-applicable instruments) will promote E/S characteristics according to the investment process and to the ESG policy of the Investment Manager Alken Asset Management Ltd.

The Sub-Fund's investment process is supported by a proprietary investment model which combines financial and non-financial analysis.

Covering the four key ESG themes: environment, social, governance and human rights, the responsible investing approach is based on global criteria with quantitative and qualitative rating, recommendations and ranking of the companies, irrespective of their sectors, capitalizations, or financial ratings. The responsible investing approach assessment is based both on the asset manager's proprietary ESG analysis and on information gathered from external ESG providers.

The portfolio will contain a limited selection of securities considered as offering the greatest potential. Selection will comprise a mixture of "growth" and "value" stocks believed to have the potential to provide enhanced returns relative to the market. Growth stocks are those whose earnings are expected to grow faster than the average for the market, whereas value stocks, on the other hand, are inexpensive compared with the earnings or assets of the companies that issue them, often because they are in a mature or depressed industry, or because the company has suffered a setback. The Sub-Fund will be managed on a bottom-up basis, whereby overweight and underweight positions in securities of a given country, sector and stock will be determined through the application of analytical techniques to such countries, sectors, and stocks; furthermore, the Sub-

Fund will endeavour to benefit from the regular movements of stock exchanges by investing according to geographical, sectorial, and thematic trends.

The Sub-Fund will hold a diversified portfolio composed of securities in listed companies. These securities may consist of ordinary or preferred shares, convertible bonds, and to a lesser extent, structured products, and financial derivative instruments (such as options, warrants, contracts for difference) having as underlying or offering an exposure to assets referred above-mentioned in the first paragraph.

The Sub-Fund may also invest up to 10% of its net assets in units/shares of UCITS and/or other UCIs.

For hedging and for efficient management purposes, within the limits set out in the chapter ”Investment restrictions” of the prospectus, the Sub-Fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialised in this type of transactions and subject to regulatory supervision.

The Sub-Fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

Investments in debt securities will be limited to 15% of the Sub-Fund’s net assets; in exceptional circumstances only, when market conditions so command, such limit may be exceeded but, in any event, investments of this kind will then not exceed 25% of the Sub-Fund’s net assets. It is therefore presently expected that capital gains realised by Shareholders on the disposal of Shares in the Sub-Fund will not be subject to the reporting or withholding requirements as applicable.

If the Investment Manager considers this to be in the best interest of the Shareholders, the Sub-Fund may also, hold, up to 100% of its net assets, liquidities as among other cash deposits, money market funds (within the above-mentioned 10% limit) and money market instruments.

Classification according to the Sustainable Finance Disclosure Regulation

In line with the Sustainable Finance Disclosure Regulation, the Sub-Fund seeks to promote environmental/social characteristics as per its Article 8 classification of the Sustainable Finance Disclosure Regulation.

Sustainability Risk Integration: assessing the likely impact of sustainability risks on the return of the Sub-Fund’s investments

The manner in which the Investment Manager takes into consideration sustainability risks and assesses their likely impact on the portfolio’s returns is done through its internal ESG integration approach. This approach consists of a three-stages process: first by excluding the issuers which are considered by the Investment Manager to be too exposed to sustainability risk; second by screening issuers in order to categorise them depending on their level of sustainability risk; and finally, by analysing and reviewing issuers using the Investment Manager’s pre-defined list of material ESG factors. The objective of this three-stages process is to ensure a long-term financial outcome for the Sub-Fund’s investors, in line with the Management Company fiduciary duty. This approach also ensures that both, financial and non-financial risks, are taken into consideration when evaluating the potential impact on returns. More information on this ESG integration approach can be found in the Investment Manager’s ESG integration policy available on its webpage: Alken Asset Management | Legal (alken-am.com).

Benchmark

A benchmark index has not been designated as a reference benchmark for sustainability purposes, as further explained in Appendix V of the Prospectus.

Principal Adverse Impacts consideration

The Investment Manager has opted to consider the principal adverse impacts of investment decisions on sustainability factors and integrated them as part of the ESG due diligence process. All information can be found on the Investment Manager's regulatory webpage: Alken Asset Management | Legal (alken-am.com).

Risk Factors

The Sub-Fund is subject to the specific risks linked to investments in equity securities and collective investment schemes as well as to market volatility linked to the investment in derivative instruments and warrants.

The Sub-Fund's global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on financial derivative instruments ("FDIs") which may not exceed the Sub-Fund's Net Asset Value.

Furthermore, a risk of lower liquidity of the Sub-Fund may not be excluded. For full details of the risks applicable to investing in this Sub-Fund, Shareholders are advised to refer to "Risk Considerations" in the Prospectus.

Dividend Policy

This Sub-Fund pursues a policy of achieving capital growth and reinvests income earned; as a result, it is not the Company's intention to pay out dividends on Share Classes classified as "Accumulation" for the "Dividend Policy" in the section "Shares Classes" below. Nevertheless, the general meeting of Shareholders may decide each year on proposals made by the Directors on this matter.

Shares Classes

Share Class Name	Share Class Currency	Share Class Hedged	Dividend Policy	Restrictions	Minimum Initial Investment in Reference Currency of Share Class*	Management Fee **	Performance Fee***
EU1	EUR	No	Accumulation	1		1,25%	10%
A	EUR	No	Accumulation			1,95%	10%
R	EUR	No	Accumulation			1,75%	10%
EUX	EUR	No	Accumulation	2	5 Million	2,00%	0%
EUN	EUR	No	Accumulation	1		1,20%	10%

* May be waived or varied at the discretion of the Directors on a case-by-case basis provided that such waiver or variation shall be made only on the basis of objective criteria to be determined by the Directors and in an equitable manner to all such Investors on the same Applicable NAV.

** Applied on the total average net assets of each Class.

*** Applied on the positive excess of the net return of the Sub-Fund over the Benchmark Index (i.e. the outperformance) since the last performance fee payment.

1 Shares are available to such financial intermediaries which, according to regulatory requirements or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.

2 Shares shall be reserved for investments made by Institutional Investors investing on their own account. With respect to Investors that are incorporated in the European Union Institutional Investor means per se professional investors. Operating and Administrative Expenses rate is set at 0.30%.

Frequency of calculation of NAV

Every Business Day.

Other fees

Performance fee:

The Management Company is also entitled to receive a performance fee. The performance fee may be levied only in case there is a difference in favour of the Investor between the relative evolution of the Net Asset Value and the MSCI Europe Small Cap Index (EUR) (i.e. an outperformance).

Even if the absolute performance of the Net Asset Value in a performance fee period is negative, a performance fee will be charged if an outperformance against the benchmark index is achieved.

The performance fee by Share outstanding will be equivalent to 10 per cent of the positive excess of the net return of the Sub-Fund over the Benchmark Index (i.e. the outperformance) since the last performance fee payment.

If the performance of the Net Asset Value per Share is lower than the return of the Benchmark Index no provision for the performance fee shall be made.

The performance fee is calculated and accrued at each Applicable NAV on the basis of Net Asset Value after deducting all expenses, the management fee (but not the performance fee) and adjusting for subscriptions and redemptions during the relevant performance period. Such performance fee will be payable annually in arrears.

In the event of a downturn in performance of the Sub-Fund during any performance fee payment period, accruals for the performance fee will be reduced accordingly. However, if a performance fee is paid at the end of a year, and the NAV per share subsequently underperformed its benchmark, no claw back provision will be made, and past payment will therefore remain acquired to the Management Company.

In case of dividend distribution the reference Net Asset Value (as described below) is adjusted. To perform this adjustment, the dividend per Share is deducted from the reference Net Asset Value. The reference Net Asset Value is the Net Asset Value per Share at the end of the preceding performance period.

In the event that a Shareholder redeems Shares prior to the end of the performance period, any accrued but unpaid performance fee in respect of such Shares will be kept and paid to the Management Company at the end of the relevant performance period. The performance fee amount kept into the Sub-Fund is equal to the product of the performance fee accruals at the redemption date by the proportion of the redeemed Shares to the total number of Shares at this date.

In the event that a Shareholder subscribes Shares prior to the end of the performance period, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the outperformance of the NAV per share against the benchmark index until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the reference Net Asset Value, that is the Net Asset Value per Share after deduction of accrued performance fee at the last performance fee payment, adjusted by the benchmark performance at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

The first performance period of any Class shall start on the date of the first subscription and will end at the completion of the relevant year. The subsequent performance periods shall start from the beginning of each following calendar year until the end thereof. The first performance fee payment of any Class is only due after 12 months since the date of the first subscription in that Class.

Performance fees are payable within 20 business days following the closing of the yearly accounts.

The formula used to calculate the performance fees is:

G	=	0 if (B / E - 1) < (C / F - 1)
	=	[(B / E - 1) - (C / F - 1)] * E * H * A if (B / E - 1) > (C / F - 1)

A	=	Number of Shares outstanding on a valuation day
B	=	Net Asset Value per Share before performance fee accrual on a valuation day
C	=	Benchmark Index Value on a valuation day
E	=	Reference Net Asset Value, Net Asset Value per Share after deduction of accrued Performance Fee at the last performance fee payment
F	=	Benchmark Index reference value, value of the Benchmark Index at the last performance fee payment
G	=	Performance fee
H	=	Performance fee rate (10%)

Example

	NAV per share before Performance Fee	Reference Net Asset Value per share	NAV per share performance	Yearly Benchmark performance	Cumulated Benchmark performance (1)	Performance Fee	NAV per share after Performance Fee
Year 1:	112.00	100.00	12.00%	2.00%	2.00%	1.00	111.00
Year 2:	120.00	111.00	8.11%	-1.00%	-1.00%	1.01	118.99
Year 3:	117.00	118.99	-1.67%	-3.00%	-3.00%	0.16	116.84
Year 4:	117.64	116.84	0.68%	1.00%	1.00%	0,0	117.64
Year 5:	118.00	116.84	0.99%	-2.00%	-1.00%	0.23	117.77

(1) Index performance since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated.

With a performance fee rate equal to 10%:

Year 1: The NAV per share performance (12%) is superior to the Index performance (2%). The excess of performance is 10% and generates a performance fee equal to 1.

Year 2: The NAV per share performance (8.11%) is superior to the Index performance (-1%). The excess of performance is 9.11% and generates a performance fee equal to 1.01.

Year 3: The NAV per share performance (-1.67%) is superior to the Index performance (-3%). The excess of performance is 1.33% and generates a performance fee equal to 0.16.

Year 4: The NAV per share performance (0.68%) is inferior to the Index performance since the last performance fees payment (1%). No performance fee is calculated.

Year 5: The NAV per share performance (0.99%) is superior to the Index performance since the last performance fees payment (-1%). The excess of performance is 1.99% and generates a performance fee equal to 0.23.

3. ALKEN FUND – Absolute Return Europe

Objectives and investment policy

Profile of the typical Investor

This Sub-Fund is a medium risk vehicle aiming to provide capital growth on the long term. It may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short-term losses. This Sub-Fund may be suitable for Investors adhering to sustainability principle (Article 8 of Regulation (EU) 2019/2088), as further explained in Appendix V of the Prospectus and who plan to invest for at least 5 years.

Investment Objective

Provide capital growth and aim for a positive absolute return over long term period through long and short market exposure in the European markets primarily in equities or related derivative contracts.

The Sub-Fund aims to typically deliver absolute (more than zero) returns in each year, although an absolute return performance is not guaranteed and over the short-term it may experience periods of negative return and consequently the Sub-Fund may not achieve this objective.

Investment Policy

The Sub-Fund is an actively managed strategy and will have flexible net exposure to equity markets by taking long and short exposures on European equities primarily through the use of transferable securities, linear financial derivatives “delta one” (i.e. non optional, derivative instruments like contracts for difference (CFD) and portfolio swaps) and index futures.

The strategy will seek to gain market exposure primarily on equities and equity related securities of companies that are headquartered, domiciled in Europe, or conduct a preponderant part of their activity in Europe.

At least 90% of its net assets (excluding cash, derivatives or any such non-applicable instruments) will promote E/S characteristics according to the investment process and to the ESG policy of the Investment Manager Alken Asset Management Ltd.

The Sub-Fund’s investment process is supported by a proprietary investment model which combines financial and non-financial analysis.

Covering the four key ESG themes: environment, social, governance and human rights, the responsible investing approach is based on global criteria with quantitative and qualitative rating, recommendations and ranking of the companies, irrespective of their sectors, capitalizations, or financial ratings. The responsible investing approach assessment is based both on the asset manager’s proprietary ESG analysis and on information gathered from external ESG providers.

The portfolio will contain a long exposure to a limited selection of securities considered as offering the greatest potential. Selection will comprise a mixture of "growth" and "value" stocks believed to have the potential to provide enhanced returns relative to the market. Growth stocks are those whose earnings are expected to grow faster than the average for the market, whereas value stocks, on the other hand, are inexpensive compared with the earnings or assets of the companies that issue them, often because they are in a mature or depressed industry, or because the company has suffered a setback.

Short exposure to single stocks may be gained if and when the manager believes they have a stretched valuation for which an imminent negative news flow is likely (e.g. sales or margins under unexpected pressure, likely to miss market forecasts, EPS revisions turning negative, unforeseen, acute risks on the balance sheet, cash flows disconnecting from P&L).

The Sub-Fund will be managed on a bottom-up basis, whereby overweight and underweight positions in securities of a given country, sector and stock will be determined through the application of analytical techniques to such countries, sectors, and stocks; furthermore, the Sub-Fund will endeavour to benefit from the regular movements of stock exchanges by investing according to geographical, sectorial, and thematic trends.

The Sub-Fund may also invest up to 10% of its net assets in units or shares of UCITS.

For hedging and for efficient management purposes, within the limits set out in the chapter ”Investment restrictions” of the prospectus, the Sub-Fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialised in this type of transactions.

When using financial derivative instruments, the Sub-Fund will primarily take exposure through CFD, portfolio swaps and listed derivatives.

On an ancillary basis, the Sub-Fund may also:

1. take exposure through any other financial derivative instruments such as but not limited to futures, options, swaps (including but not limited to total return swaps, contracts for difference, credit default swaps) and forwards on any underlying in line with the 2010 Law as well as the investment policy of the Sub-Fund, including but not limited to, currencies (including non-delivery forwards), interest rates, transferable securities, basket of transferable securities, indices (including but not limited to commodities, precious metals or volatility indices), undertakings for collective investment;

2. invest in structured products, such as but not limited to notes, certificates or any other transferable securities whose returns are correlated with changes in, among others, an index selected in accordance with the article 9 of the grand-ducal regulation dated 8th February 2008 (including indices on volatility, commodities, precious metals, etc.), currencies, exchange rates, transferable securities or a basket of transferable securities or an undertaking for collective investment, at all times in compliance with the grand-ducal regulation.

In compliance with the grand-ducal regulation, the Sub-Fund may also invest in structured products without embedded derivatives, correlated with changes in commodities (including precious metals) with cash settlement. Those investments may not be used to elude the investment policy of the Sub-Fund.

If the Investment Manager considers this to be in the best interest of the Shareholders, the Sub-Fund may also, hold, up to 100% of its net assets, liquidities as among other cash deposits, money market funds and money market instruments.

Classification according to the Sustainable Finance Disclosure Regulation

In line with the Sustainable Finance Disclosure Regulation, the Sub-Fund seeks to promote environmental/social characteristics as per its Article 8 classification of the Sustainable Finance Disclosure Regulation.

Sustainability Risk Integration: assessing the likely impact of sustainability risks on the return of the Sub-Fund's investments

The manner in which the Investment Manager takes into consideration sustainability risks and assesses their likely impact on the portfolio's returns is done through its internal ESG integration approach. This approach consists of a three-stages process: first by excluding the issuers which are considered by the Investment Manager to be too exposed to sustainability risk; second by screening issuers in order to categorise them depending on their level of sustainability risk; and finally, by analysing and reviewing issuers using the Investment Manager's pre-defined list of material ESG factors. The objective of this three-stages process is to ensure a long-term financial outcome for the Sub-Fund's investors, in line with the Management Company fiduciary duty. This approach also ensures that both, financial and non-financial risks, are taken into consideration when evaluating the potential impact on returns. More information on this ESG integration approach can be found in the Investment Manager's ESG integration policy available on its webpage: Alken Asset Management | Legal (alken-am.com).

Benchmark

A benchmark index has not been designated as a reference benchmark for sustainability purposes, as further explained in Appendix V of the Prospectus.

Principal Adverse Impacts consideration

The Investment Manager has opted to consider the principal adverse impacts of investment decisions on sustainability factors and integrated them as part of the ESG due diligence process. All information can be found on the Investment Manager's regulatory webpage: Alken Asset Management | Legal (alken-am.com).

Risk Factors

The Sub-Fund is subject to the specific risks linked to investments in equity securities as well as to market volatility linked to the investment in derivative instruments. Therefore, no assurance can be given that the invested capital will be preserved, or that capital appreciation will occur.

The Sub-Fund's global risk exposure is monitored by using the Value-at-Risk ("VaR") approach which aims to estimate the maximum potential loss that the Sub-Fund could suffer within a certain time horizon (one month) and with a certain confidence level (99% confidence interval), in normal market conditions. More specifically, the Sub-Fund uses the absolute VaR option, whereby the Sub-Fund's VaR is limited to 17%.

In addition, stress tests will be carried out in order to manage additional risks related to possible abnormal market movements at a specific point of time.

The expected level of leverage of this Sub-Fund is around 50% (gross commitment). This figure is computed as the sum of the absolute notionals of the financial derivative instruments (FDI), whereby large parts of these FDI are used for hedging purposes. Depending on market conditions, higher leverage levels may be used to increase the hedging component of the Sub-Fund and/or generate a higher market exposure.

For full details of the risks applicable to investing in this Sub-Fund, Shareholders are advised to refer to "Risk Considerations" in the Prospectus.

Dividend Policy

This Sub-Fund pursues a policy of achieving capital growth and reinvests income earned; as a result, it is not the Company's intention to pay out dividends on Share Classes classified as "Accumulation" for the "Dividend Policy" in the section "Shares Classes" below. Nevertheless, the general meeting of Shareholders may decide each year on proposals made by the Directors on this matter.

Shares Classes

Share Class Name	Share Class Currency	Share Class Hedged	Dividend Policy	Restrictions	Minimum Initial Investment in Reference Currency of Share Class*	Manageme nt Fee **	Performance Fee***
CH3	CHF	Yes	Accumulation			2,25%	20%
US3	USD	Yes	Accumulation			2,25%	20%
US2	USD	Yes	Accumulation			1,50%	20%
CH1	CHF	Yes	Accumulation	1		1,10%	20%
CH2	CHF	Yes	Accumulation			1,50%	20%
GB1	GBP	Yes	Accumulation	1		1,10%	20%
EU1	EUR	No	Accumulation	1		1,10%	20%
US1	USD	Yes	Accumulation	1		1,10%	20%
A	EUR	No	Accumulation			2,10%	20%
K	EUR	No	Accumulation		10 Million	1,50%	20%
I	EUR	No	Accumulation			1,50%	20%
H	EUR	No	Accumulation	2****		0,90%	20%
EUX	EUR	No	Accumulation	2	5 Million	2,00%	0%
EUN	EUR	No	Accumulation			1,45%	20%

* May be waived or varied at the discretion of the Directors on a case-by-case basis provided that such waiver or variation shall be made only on the basis of objective criteria to be determined by the Directors and in an equitable manner to all such Investors on the same Applicable NAV.

** Applied on the total average net assets of each Class.

*** Applied only in case there is a difference in favour of the Investor between the net asset value (NAV) and the high water mark (as defined in the following section "Other fees", "Performance fee").

**** Shares are currently not offered to Investors; exceptionally and with the approval of the Board of Directors Shares may be re-opened for limited time periods.

1 Shares are available to such financial intermediaries which, according to regulatory requirements or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.

2 Shares are reserved for investments made by institutional investor. Shares are available to such financial intermediaries which, according to regulatory requirements or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.

Frequency of calculation of NAV

Every Business Day.

Other fees

Performance fee:

The Investment Manager will receive a performance fee, accrued on each valuation date, paid yearly, based on the net asset value (NAV), equivalent to 20% of the performance of the NAV per share exceeding the high water mark (as defined hereafter).

The performance fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and management fees (but not performance fee), and is adjusted to take account of all subscriptions and redemptions.

The performance fee is equal to the out performance of the NAV per share multiplied by the number of shares in circulation during the calculation period. No performance fee will be due if the NAV per share before performance fee turns out to be below the high water mark for the calculation period in question.

The high water mark (HWM) is defined as the greater of the following two figures:
- The last highest Net Asset Value per Share on which a performance fee has been paid and;
- The initial NAV per share.

If no performance fee was paid in the past 5 consecutive years, then the HMW is reset and the new HWM will be the highest NAV recorded as of year-end during these past 5 years.

The HWM will be decreased by the dividends paid to shareholders.

Provision will be made for this performance fee on each valuation point. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee will be reduced accordingly. If these provisions fall to zero, no performance fee will be payable.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realized may be taking into account in the calculation and payment of performance fees.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the performance of the NAV per share against the HWM until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the HWM at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

Calculation period shall correspond to each calendar year.

The first performance period of any Class shall start on the date of the first subscription and will end at the completion of the relevant year. The subsequent performance periods shall start from the beginning of each following calendar year until the end thereof. The first performance fee payment of any Class is only due after 12 months since the date of the first subscription in that Class.

Performance fees are payable within 20 business days following the closing of the yearly accounts.

The formula used to calculate the performance fees is:

F	=	0 if $(B / E - 1) <= 0$
	=	$(B / E - 1) * E * C * A$ if $(B / E - 1) > 0$
The new high water mark	=	if F>0; D if F=0 ; E
A	=	Number of shares outstanding
B	=	NAV per share before performance
C	=	Performance fee rate (20%)
D	=	NAV per share after performance
E	=	High water mark
F	=	Performance fees

Example

	NAV per share before Performance Fee	HWM per share	NAV per share performance	NAV per share performance / HWM	Performance Fee	NAV per share after Performance Fee
Year 1:	110	100	10.00%	10.00%	2.00	108
Year 2:	115	108	6.48%	6.48%	1.40	113.60
Year 3:	108	113.60	-4.93%	-4.93%	0.00	108
Year 4:	112.5	113.60	4.17%	-0.97%	0.00	112.5
Year 5:	110	113.60	-2.22%	-3.17%	0.00	110.00
Year 6:	111	113.60	0.91%	-2.29%	0.00	111.00
Year 7:	112	113.60	0.90%	-1.41%	0.00	112.00
Year 8:	113.5	112.50	1.34%	0.89%	0.20	113.30

With a performance fee rate equal to 20%:

Year 1: The NAV per share performance is 10%. The excess of performance over the HWM is 10% and generates a performance fee equal to 2.

Year 2: The NAV per share performance is 6.48%. The excess of performance over the HWM is 6.48% and generates a performance fee equal to 1.4.

Year 3: The NAV per share performance is -4.93%. The underperformance over the HWM is -4.93%. No performance fee is calculated.

Year 4: The NAV per share performance is 4.17%. The underperformance over the HWM is -0.97%. No performance fee is calculated.

Year 5: The NAV per share performance is -2.2%. The excess of performance over the HWM is -3.17%. No performance fee is calculated.

Year 6: The NAV per share performance is 0.91%. The excess of performance over the HWM is -2.29%. No performance fee is calculated.

Year 7: The NAV per share performance is 0.90%. The excess of performance over the HWM is -1.41%. No performance fee is calculated.

Year 8: As the 5 last years no performance fees has been paid, the new HWM will be the highest NAV recorded as of year-end during these past 5 years. The NAV per share performance is 1.34%. The excess of performance over the HWM is 0.89% and generates a performance fee equal to 0.2.

4. ALKEN FUND – Sustainable Europe

Objectives and investment policy

Profile of the typical Investor

This Sub-Fund is a medium risk vehicle aiming to provide capital growth. It may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short-term losses. This Sub-Fund may be suitable for Investors adhering to sustainability principle (Article 8 of Regulation (EU) 2019/2088), as further explained in Appendix V of the Prospectus and who plan to invest for at least 5 years.

Investment Objective

To provide capital growth and to enable Investors to benefit from growth in the European equity market, primarily through dynamic investment in a growth/value style biased portfolio of equity securities of undervalued European companies with a high growth potential. This Sub-Fund is a relative return fund implying a medium tolerance to risk, with the objective to realise a relative net performance over the MSCI Europe ex UK Net Return EUR Index.

Investment Policy

The Sub-Fund is an actively managed strategy and will invest at least 80% of their assets in European equities with a maximum of up to 5% (but no more than 5%) of the total assets of the Sub-Fund can be invested in UK equities.

At least 90% of its net assets (excluding cash, derivatives or any such non-applicable instruments) will promote E/S characteristics according to the investment process and to the ESG policy of the Investment Manager Alken Asset Management Ltd.

The Sub-Fund's investment process is supported by a proprietary investment model which combines financial and non-financial analysis.

Covering the four key ESG themes: environment, social, governance and human rights, the responsible investing approach is based on global criteria with quantitative and qualitative rating, recommendations and ranking of the companies, irrespective of their sectors, capitalizations, or financial ratings. The responsible investing approach assessment is based on the asset manager's proprietary ESG analysis and all information gathered from external ESG providers.

The portfolio will contain a limited selection of securities considered as offering the greatest potential. Selection will comprise a mixture of "growth" and "value" stocks believed to have the potential to provide enhanced returns relative to the market. Growth stocks are those whose earnings are expected to grow faster than the average for the market, whereas value stocks, on the other hand, are inexpensive compared with the earnings or assets of the companies that issue them, often because they are in a mature or depressed industry, or because the company has suffered a setback. The Sub-Fund will be managed on a bottom-up basis, whereby overweight and underweight positions in securities of a given country, sector and stock will be determined through the application of analytical techniques to such countries, sectors, and stocks; furthermore, the Sub-Fund will endeavour to benefit from the regular movements of stock exchanges by investing according to geographical, sectorial, and thematic trends.

These securities may consist of ordinary or preferred shares, convertible bonds, and to a lesser extent, structured products, and financial derivative instruments (such as options, warrants, contracts for difference) having as underlying or offering an exposure to assets referred above-mentioned in the first paragraph.

The Sub-Fund may also invest up to 10% of its net assets in units/shares of UCITS and/or other UCIs.

For hedging and for efficient management purposes, within the limits set out in the chapter "Investment restrictions" of the prospectus, the Sub-Fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision.

The Sub-Fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

Investments in debt securities will be limited to 15% of the Sub-Fund's net assets; in exceptional circumstances only, when market conditions so command, such limit may be exceeded but, in any event, investments of this kind will then not exceed 25% of the Sub-Fund's net assets. It is therefore presently expected that capital gains realised by Shareholders on the disposal of Shares in the Sub-Fund will not be subject to the reporting or withholding requirements as applicable.

If the Investment Manager considers this to be in the best interest of the Shareholders, the Sub-Fund may also, hold, up to 100% of its net assets, liquidities as among other cash deposits, money market funds (within the above-mentioned 10% limit) and money market instruments.

Classification according to the Sustainable Finance Disclosure Regulation

In line with the Sustainable Finance Disclosure Regulation, the Sub-Fund seeks to promote environmental/social characteristics as per its Article 8 classification of the Sustainable Finance Disclosure Regulation.

Sustainability Risk Integration: assessing the likely impact of sustainability risks on the return of the Sub-Fund's investments

The manner in which the Investment Manager takes into consideration sustainability risks and assesses their likely impact on the portfolio's returns is done through its internal ESG integration approach. This approach consists of a three-stages process: first by excluding the issuers which are considered by the Investment Manager to be too exposed to sustainability risk; second by screening issuers in order to categorise them depending on their level of sustainability risk; and finally, by analysing and reviewing issuers using the Investment Manager's pre-defined list of material ESG factors. The objective of this three-stages process is to ensure a long-term financial outcome for the Sub-Fund's investors, in line with the Management Company fiduciary duty. This approach also ensures that both, financial and non-financial risks, are taken into consideration when evaluating the potential impact on returns. More information on this ESG integration approach can be found in the Investment Manager's ESG integration policy available on its webpage: Alken Asset Management | Legal (alken-am.com).

Benchmark

A benchmark index has not been designated as a reference benchmark for sustainability purposes, as further explained in Appendix V of the Prospectus.

Principal Adverse Impacts consideration

The Investment Manager has opted to consider the principal adverse impacts of investment decisions on sustainability factors and integrated them as part of the ESG due diligence process. All information can be found on the Investment Manager's regulatory webpage: Alken Asset Management | Legal (alken-am.com).

Risk Factors

The Sub-Fund is subject to the specific risks mainly linked to investments in equity securities and collective investment schemes as well as to some extent market volatility linked to the investment in financial derivative instruments

The Sub-Fund's global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on financial derivative instruments ("FDIs") which may not exceed the Sub-Fund's Net Asset Value.

Furthermore, a risk of lower liquidity of the Sub-Fund may not be excluded. For full details of the risks applicable to investing in this Sub-Fund, Shareholders are advised to refer to "Risk Considerations" in the Prospectus.

Dividend Policy

This Sub-Fund pursues a policy of achieving capital growth and reinvests income earned; as a result, it is not the Company's intention to pay out dividends on Share Classes classified as "Accumulation" for the "Dividend Policy" in the section "Shares Classes" below. Nevertheless, the general meeting of Shareholders may decide each year on proposals made by the Directors on this matter.

Shares Classes

Share Class Name	Share Class Currency	Share Class Hedged	Dividend Policy	Restrictions	Minimum Initial Investment in Reference Currency of Share Class*	Management Fee **	Performance Fee***
EU1	EUR	No	Accumulation	1		1,00%	10%
GB1	GBP	No	Accumulation	1		1,00%	10%
SEU1	EUR	No	Accumulation	1****		0,75%	10%
SGB1	GBP	No	Accumulation	1****		0,75%	10%
EUX	EUR	No	Accumulation	2	5 Million	2,00%	0%
EUN	EUR	No	Accumulation	1****		0,70%	10%

* May be waived or varied at the discretion of the Directors on a case-by-case basis provided that such waiver or variation shall be made only on the basis of objective criteria to be determined by the Directors and in an equitable manner to all such Investors on the same Applicable NAV.

** Applied on the total average net assets of each Class.

*** Applied only in case there is a difference in favour of the Investor between the relative evolution of the Net Asset Value and the MSCI Europe ex UK Net Return EUR Index (i.e. an outperformance).

**** Share Class can be closed upon resolution of the Board of Directors to any further subscriptions, either from new or existing Shareholders, at any time and until further notice.

1 Shares are available to such financial intermediaries which, according to regulatory requirements or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.

2 Shares are reserved for investments made by institutional investor. Shares are available to such financial intermediaries which, according to regulatory requirements or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.

Frequency of calculation of NAV

Every Business Day.

Other fees

Performance fee:

The Management Company is also entitled to receive a performance fee. The performance fee may be levied only in case there is a difference in favour of the Investor between the relative evolution of the Net Asset Value and the MSCI Europe ex UK Net Return EUR Index (i.e. an outperformance).

Even if the absolute performance of the Net Asset Value in a performance fee period is negative, a performance fee will be charged if an outperformance against the benchmark index is achieved.

The performance fee by Share outstanding will be equivalent to 10 per cent of the positive excess of the net return of the Sub-Fund over the Benchmark Index (i.e. the outperformance) since the last performance fee payment.

If the performance of the Net Asset Value per Share is lower than the return of the Benchmark Index no provision for the performance fee shall be made.

The performance fee is calculated and accrued at each Applicable NAV on the basis of Net Asset Value after deducting all expenses, the management fee (but not the performance fee) and adjusting for subscriptions and redemptions during the relevant performance period. Such performance fee will be payable annually in arrears. In the event of a downturn in performance of the Sub-Fund during any performance fee payment period, accruals for the performance fee will be reduced accordingly. However, if a performance fee is paid at the end of a year, and the NAV per share subsequently underperformed its benchmark, no claw back provision will be made, and past payment will therefore remain acquired to the Management Company.

In case of dividend distribution the reference Net Asset Value (as described below) is adjusted. To perform this adjustment, the dividend per Share is deducted from the reference Net Asset Value. The reference Net Asset Value is the Net Asset Value per Share at the end of the preceding performance period.

In the event that a Shareholder redeems Shares prior to the end of the performance period, any accrued but unpaid performance fee in respect of such Shares will be kept and paid to the Management Company at the end of the relevant performance period. The performance fee amount kept into the Sub-Fund is equal to the product of the performance fee accruals at the redemption date by the proportion of the redeemed Shares to the total number of Shares at this date.

In the event that a Shareholder subscribes Shares prior to the end of the performance period, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the outperformance of the NAV per share against the benchmark index until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the reference Net Asset Value, that is the Net Asset Value per Share after deduction of accrued performance fee at the last performance fee payment, adjusted by the benchmark performance at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

The first performance period of any Class shall start on the date of the first subscription and will end at the completion of the relevant year. The subsequent performance periods shall start from the beginning of each following calendar year until the end thereof. The first performance fee payment of any Class is only due after 12 months since the date of the first subscription in that Class.

Performance fees are payable within 20 business days following the closing of the yearly accounts.

The formula used to calculate the performance fees is:

G	=	0 if (B / E - 1) < (C / F - 1)
	=	[(B / E - 1) - (C / F - 1)] * E * H * A if (B / E - 1) > (C / F - 1)

A	=	Number of Shares outstanding on a valuation day
B	=	Net Asset Value per Share before performance fee accrual on a valuation day
C	=	Benchmark Index Value on a valuation day
E	=	Reference Net Asset Value, Net Asset Value per Share after deduction of accrued Performance Fee at the last performance fee payment
F	=	Benchmark Index reference value, value of the Benchmark Index at the last performance fee payment
G	=	Performance fee
H	=	Performance fee rate (10%)

Example

	NAV per share before Performance Fee	Reference Net Asset Value per share	NAV per share performance	Yearly Benchmark performance	Cumulated Benchmark performance (1)	Performance Fee	NAV per share after Performance Fee
Year 1:	112.00	100.00	12.00%	2.00%	2.00%	1.00	111.00
Year 2:	120.00	111.00	8.11%	-1.00%	-1.00%	1.01	118.99
Year 3:	117.00	118.99	-1.67%	-3.00%	-3.00%	0.16	116.84
Year 4:	117.64	116.84	0.68%	1.00%	1.00%	0,0	117.64
Year 5:	118.00	116.84	0.99%	-2.00%	-1.00%	0.23	117.77

(1) Index performance since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated.

With a performance fee rate equal to 10%:

Year 1: The NAV per share performance (12%) is superior to the Index performance (2%). The excess of performance is 10% and generates a performance fee equal to 1.

Year 2: The NAV per share performance (8.11%) is superior to the Index performance (-1%). The excess of performance is 9.11% and generates a performance fee equal to 1.01.

Year 3: The NAV per share performance (-1.67%) is superior to the Index performance (-3%). The excess of performance is 1.33% and generates a performance fee equal to 0.16.

Year 4: The NAV per share performance (0.68%) is inferior to the Index performance since the last performance fees payment (1%). No performance fee is calculated.

Year 5: The NAV per share performance (0.99%) is superior to the Index performance since the last performance fees payment (-1%). The excess of performance is 1.99% and generates a performance fee equal to 0.23.

5. ALKEN FUND – Global Sustainable Convertible

Objectives and investment policy

Profile of the typical Investor

This Sub-Fund is suitable for Investors seeking capital growth as well as income. This Sub-Fund may be suitable for Investors adhering to sustainability principle (Article 8 of Regulation (EU) 2019/2088), as further explained in Appendix V of the Prospectus and who plan to invest for at least 5 years.

Investment Objective

The investment objective of the Sub-Fund is to provide capital growth and income by investing primarily in a globally diversified portfolio of Convertible and Exchangeable bonds. The Sub-Fund is actively managed without reference to a benchmark.

Investment Policy

The Sub-Fund is an actively managed strategy and aims at investing in companies which have an attractive long-term value creation. At least 90% of its net assets (excluding cash, derivatives or any such non-applicable instruments) will promote E/S characteristics according to the investment process and to the policy of the Investment Manager Alken Asset Management Ltd.

The Sub-Fund's investment process is supported by a proprietary investment model which combines financial and non-financial analysis.

Covering the four key ESG themes: environment, social, governance and human rights, the responsible investing approach is based on global criteria with quantitative and qualitative rating, recommendations and ranking of the companies, irrespective of their sectors, capitalizations, or financial ratings. The responsible investing approach assessment is based both on the asset manager's proprietary ESG analysis and on information gathered from external ESG providers.

The Sub-Fund will invest at least 67% of its net assets in convertible securities. Issuers of these securities may be located in any country, including emerging markets. The Sub-Fund will invest mainly in Investment Grade assets.

These securities may consist of and are not limited to warrants, convertible bonds, exchangeable bonds, convertible notes, and convertible preference shares. The maximum proportion of ordinary shares held by the Sub-Fund is 10% of the Net Asset Value. If the proportion of ordinary shares exceed 10% of the Net Asset Value as a result of a conversion or a corporate action, then the excess of shares above 10% should be sold in a timely manner in line with the underlying market liquidity. Generally, it is intended to sell the convertible securities before the conversion. The Sub-Fund may also invest up to 10% of its net assets in units/shares of UCITS and/or other UCIs or structured products (issued eligible instrument with a specific term sheet describing the principle of a capital guaranteed or a formula that identifies a pay-off and using options on listed indices or listed securities). Debt securities, equity securities, cash and cash equivalents may be held on an ancillary basis.

For hedging and for efficient management purposes, within the limits set out in the chapter "Investment restrictions" of the Prospectus, the Sub-Fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision. These instruments may include, but are not limited to, futures, options, forward contracts on financial instruments and options on such contracts, swap contracts by private agreement and other fixed income, currency, and credit derivatives.

The Sub-Fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

Classification according to the Sustainable Finance Disclosure Regulation

In line with the Sustainable Finance Disclosure Regulation, the Sub-Fund seeks to promote environmental/social characteristics as per its Article 8 classification of the Sustainable Finance Disclosure Regulation.

Sustainability Risk Integration: assessing the likely impact of sustainability risks on the return of the Sub-Fund's investments

The manner in which the Investment Manager takes into consideration sustainability risks and assesses their likely impact on the portfolio's returns is done through its internal ESG integration approach. This approach consists of a three-stages process: first by excluding the issuers which are considered by the Investment Manager to be too exposed to sustainability risk; second by screening issuers in order to categorise them depending on their level of sustainability risk; and finally, by analysing and reviewing issuers using the Investment Manager's pre-defined list of material ESG factors. The objective of this three-stages process is to ensure a long-term financial outcome for the Sub-Fund's investors, in line with the Management Company fiduciary duty. This approach also ensures that both, financial and non-financial risks, are taken into consideration when evaluating the potential impact on returns. More information on this ESG integration approach can be found in the Investment Manager's ESG integration policy available on its webpage: Alken Asset Management | Legal (alken-am.com).

Benchmark

A benchmark index has not been designated as a reference benchmark for sustainability purposes, as further explained in Appendix V of the Prospectus.

Principal Adverse Impacts consideration

The Investment Manager has opted to consider the principal adverse impacts of investment decisions on sustainability factors and integrated them as part of the ESG due diligence process. All information can be found on the Investment Manager's regulatory webpage: Alken Asset Management | Legal (alken-am.com).

Risk Factors

The Sub-Fund is subject to the specific risks mainly linked to investments in corporate bonds and convertible securities as well as risks associated to equities. Furthermore, a risk of a lower liquidity of the Sub-Fund may not be excluded.

The Sub-Fund is subject to the risks described under the "Risk Considerations" of the Prospectus (refer to this section of the Prospectus for details) and in particular the following risks:

- Credit Risk
- Derivatives Risk
- Equity Risk
- Interest Rate Risk
- Market Risk
- Emerging market risk
- Currency risk

The Sub-Fund's global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on financial derivative instruments ("FDIs") which may not exceed the Sub-Fund's Net Asset Value.

The Sub-Fund will not purchase Contingent Convertible Bonds ("Cocos") as characterised by hybrid securities issued as debt instruments and automatically converted into equity shares if a contractually pre-defined "trigger event" occurs.

Dividend Policy

Under normal circumstances, the Sub-Fund does not intend to declare and make distributions with respect to the net investment income and realised capital gains for the Share Classes classified as "Accumulation" for the "Dividend Policy" in the section "Shares Classes" below. Accordingly, the Net Asset Value per Share of these Share Classes will reflect any net investment income or capital gains.

Under normal circumstances, the Sub-Fund intends to make distributions as at the end of the financial year, or at other time(s) to be determined by the Board of Directors, with respect to the net income, if any, attributable to the Share Classes classified as "Distribution" for the "Dividend Policy" in the section "Shares Classes" below. The Sub-Fund will re-invest all distributions in additional Shares of the Sub-Fund, and not distribute cash to Shareholders in connection with any distributions, unless otherwise expressly requested by the relevant Shareholder.

Shares Classes

Share Class Name	Share Class Currency	Share Class Hedged	Dividend Policy	Restrictions	Minimum Initial Investment in Reference Currency of Share Class*	Management Fee **	Performance Fee
SUS	USD	No	Accumulation	3		0,45%	None
US1	USD	No	Accumulation	1		0,60%	None
IUS	USD	No	Accumulation	2	5 Million	0,60%	None
US3	USD	No	Accumulation			1,20%	None
SEUh	EUR	Yes	Accumulation	3		0,45%	None
EU1h	EUR	Yes	Accumulation	1		0,60%	None
EUIh	EUR	Yes	Accumulation	2	5 Million	0,60%	None
EU3h	EUR	Yes	Accumulation			1,20%	None
SCHh	CHF	Yes	Accumulation	3		0,45%	None
CH1h	CHF	Yes	Accumulation	1		0,60%	None
ICHh	CHF	Yes	Accumulation	2	5 Million	0,60%	None
CH3h	CHF	Yes	Accumulation			1,20%	None
SGBh	GBP	Yes	Accumulation	3		0,45%	None
GB1h	GBP	Yes	Accumulation	1		0,60%	None
IGBh	GBP	Yes	Accumulation	2	5 Million	0,60%	None
GB3h	GBP	Yes	Accumulation			1,20%	None
SYh	JPY	Yes	Accumulation	3		0,45%	None
Y1h	JPY	Yes	Accumulation	1		0,60%	None
IYh	JPY	Yes	Accumulation	2	5 Million	0,60%	None
Y3h	JPY	Yes	Accumulation			1,20%	None

* May be waived or varied at the discretion of the Directors on a case-by-case basis provided that such waiver or variation shall be made only on the basis of objective criteria to be determined by the Directors and in an equitable manner to all such Investors on the same Applicable NAV.

** Applied on the total average net assets of each Class.

1 Shares are available to such financial intermediaries which, according to regulatory requirements or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.
2 Shares shall be reserved for investments made by Institutional Investors investing on their own account. With respect to investors that are incorporated in the European Union Institutional Investor means per se professional investors. Operating and Administrative Expenses rate is set at 0.30%.
3 "Operating and Administrative Expenses" will be charged at 0.15%. Share Class can be closed upon resolution of the Board of Directors to any further subscriptions, either from new or existing Shareholders, at any time and until further notice.

Reference currency

US Dollar (USD)

Frequency of calculation of NAV

Every Business Day

6. ALKEN FUND – Sustainable Income Opportunities

Objectives and investment policy

Profile of the typical Investor

This is a bond Sub-Fund suitable for Investors seeking regular income and capital growth and who wish to gain exposure to a total return fund. This Sub-Fund may be suitable for Investors adhering to sustainability principle (Article 8 of Regulation (EU) 2019/2088), as further explained in Appendix V of the Prospectus and who plan to invest for at least 5 years.

Investment Objective

The investment objective of the Sub-Fund is to achieve a return by exploiting investment opportunities in income generating securities including but not limited to debt and convertible markets. The Sub-Fund will seek to provide a positive return over the medium term irrespective of market conditions. Returns will be generated by income and capital growth of the invested security.

Investment Policy

The Sub-Fund is an actively managed strategy and aims at investing in companies which have an attractive long-term value creation. At least 90% of its net assets (excluding cash, derivatives or any such non-applicable instruments) will promote E/S characteristics according to the investment process and to the policy of the Investment Manager Alken Asset Management Ltd.

The Sub-Fund's investment process is supported by a proprietary investment model which combines financial and non-financial analysis.

Covering the four key ESG themes: environment, social, governance and human rights, the responsible investing approach is based on global criteria with quantitative and qualitative rating, recommendations and ranking of the companies, irrespective of their sectors, capitalizations, or financial ratings. The responsible investing approach assessment is based both on the asset manager's proprietary ESG analysis and on information gathered from external ESG providers.

The Sub-Fund will invest at least 67% of its net assets in bonds, corporate bonds, and other types of bonds. Issuers of these securities may be located in any country, including emerging markets.

These securities may consist of and are not limited to corporate bonds and convertible securities. It is generally intended to sell these convertible securities before the conversion when applicable. The Sub-Fund will invest in rated and unrated debt securities. It will invest in Investment Grade and high yield securities but no more than 10% will be invested in below B- equivalent credit quality securities.

The Sub-Fund may also invest up to 10% of its net assets in units/shares of UCITS and/or other UCIs or structured products (issued eligible instrument with a specific term sheet describing the principle of a capital guaranteed or a formula that identifies a pay-off and using options on listed indices or listed securities). Equity securities, cash and cash equivalents may be held on an ancillary basis.

For hedging and for efficient management purposes, within the limits set out in the chapter ”Investment restrictions” of the Prospectus, the Sub-Fund may use all types of financial derivative instruments traded on a regulated market and/or over the counter (OTC) provided they are contracted with leading financial institutions specialized in this type of transactions and subject to regulatory supervision. These instruments may include, but are not limited to, futures, options, forward contracts on financial instruments and options on such contracts, swap contracts by private agreement and other fixed income, currency, and credit derivatives.

The Sub-Fund may ensure that its total commitment arising from financial derivative instruments, for purposes other than hedging, does not exceed 100% of its net assets.

Classification according to the Sustainable Finance Disclosure Regulation

In line with the Sustainable Finance Disclosure Regulation, the Sub-Fund seeks to promote environmental/social characteristics as per its Article 8 classification of the Sustainable Finance Disclosure Regulation.

Sustainability Risk Integration: assessing the likely impact of sustainability risks on the return of the Sub-Fund’s investments

The manner in which the Investment Manager takes into consideration sustainability risks and assesses their likely impact on the portfolio’s returns is done through its internal ESG integration approach. This approach consists of a three-stages process: first by excluding the issuers which are considered by the Investment Manager to be too exposed to sustainability risk; second by screening issuers in order to categorise them depending on their level of sustainability risk; and finally, by analysing and reviewing issuers using the Investment Manager’s pre-defined list of material ESG factors. The objective of this three-stages process is to ensure a long-term financial outcome for the Sub-Fund’s investors, in line with the Management Company fiduciary duty. This approach also ensures that both, financial and non-financial risks, are taken into consideration when evaluating the potential impact on returns. More information on this ESG integration approach can be found in the Investment Manager’s ESG integration policy available on its webpage: Alken Asset Management | Legal (alken-am.com).

Benchmark

A benchmark index has not been designated as a reference benchmark for sustainability purposes, as further explained in Appendix V of the Prospectus.

Principal Adverse Impacts consideration

The Investment Manager has opted to consider the principal adverse impacts of investment decisions on sustainability factors and integrated them as part of the ESG due diligence process. All information can be found on the Investment Manager’s regulatory webpage: Alken Asset Management | Legal (alken-am.com).

Risk Factors

The Sub-Fund is subject to the specific risks mainly linked to investments in debt as well as to some extent market volatility linked to the investment in equities and financial derivative instruments.

The Sub-Fund is primarily subject to the risks described under the "Risk Considerations" of the Prospectus and in particular the following risks:

- Credit Risk
- Derivatives Risk
- Interest Rate Risk
- Market Risk
- Emerging market risk
- Currency risk

The Sub-Fund's global risk exposure is monitored by using the commitment approach. This approach measures the global exposure related to positions on financial derivative instruments ("FDIs") which may not exceed the Sub-Fund's Net Asset Value. Furthermore, a risk of lower liquidity of the Sub-Fund may not be excluded. For full details of the risks applicable to investing in this Sub-Fund, Shareholders are advised to refer to "Risk Considerations" in the Prospectus.

The Sub-Fund will not purchase Contingent Convertible Bonds ("Cocos") as characterised by hybrid securities issued as debt instruments and automatically converted into equity shares if a contractually pre-defined "trigger event" occurs.

Dividend Policy

Unless for Share Classes classified as "Distribution", under normal circumstances, the Sub-Fund does not intend to declare and make distributions with respect to the net investment income and realised capital gains for the Share Classes. However the Sub-Fund will make distributions as determined by the Board of Directors (including no distribution) as at the end of the financial year, or at other time(s), with respect to the Share Classes classified as "Distribution" for the "Dividend Policy" in the section "Shares Classes" below.

Shares Classes

Share Class Name	Share Class Currency	Share Class Hedged	Dividend Policy	Restrictions	Minimum Initial Investment in Reference Currency of Share Class*	Management Fee **	Performance Fee***
SUSd	USD	No	Distribution	3		0,45%	15%
US1d	USD	No	Distribution	1		0,60%	15%
IUSd	USD	No	Distribution	2	5 Million	0,60%	15%
US3d	USD	No	Distribution			1,20%	15%
SEUhd	EUR	Yes	Distribution	3		0,45%	15%
EU1hd	EUR	Yes	Distribution	1		0,60%	15%
IEUhd	EUR	Yes	Distribution	2	5 Million	0,60%	15%
EU3hd	EUR	Yes	Distribution			1,20%	15%

Share Class Name	Share Class Currency	Share Class Hedged	Dividend Policy	Restrictions	Minimum Initial Investment in Reference Currency of Share Class*	Management Fee **	Performance Fee***
SCHhd	CHF	Yes	Distribution	3		0,45%	15%
CH1hd	CHF	Yes	Distribution	1		0,60%	15%
ICHhd	CHF	Yes	Distribution	2	5 Million	0,60%	15%
CH3hd	CHF	Yes	Distribution			1,20%	15%
SGBhd	GBP	Yes	Distribution	3		0,45%	15%
GB1hd	GBP	Yes	Distribution	1		0,60%	15%
IGBhd	GBP	Yes	Distribution	2	5 Million	0,60%	15%
GB3hd	GBP	Yes	Distribution			1,20%	15%
SYhd	JPY	Yes	Distribution	3		0,45%	15%
Y1hd	JPY	Yes	Distribution	1		0,60%	15%
IYhd	JPY	Yes	Distribution	2	5 Million	0,60%	15%
Y3hd	JPY	Yes	Distribution			1,20%	15%
SUS	USD	No	Accumulation	3		0,45%	15%
US1	USD	No	Accumulation	1		0,60%	15%
IUS	USD	No	Accumulation	2	5 Million	0,60%	15%
US3	USD	No	Accumulation			1,20%	15%
SEUh	EUR	Yes	Accumulation	3		0,45%	15%
EUIh	EUR	Yes	Accumulation	1		0,60%	15%
IEUh	EUR	Yes	Accumulation	2	5 Million	0,60%	15%
EU3h	EUR	Yes	Accumulation			1,20%	15%
SCHh	CHF	Yes	Accumulation	3		0,45%	15%
CH1h	CHF	Yes	Accumulation	1		0,60%	15%
ICHh	CHF	Yes	Accumulation	2	5 Million	0,60%	15%
CH3h	CHF	Yes	Accumulation			1,20%	15%
SGBh	GBP	Yes	Accumulation	3		0,45%	15%
GB1h	GBP	Yes	Accumulation	1		0,60%	15%
IGBh	GBP	Yes	Accumulation	2	5 Million	0,60%	15%
GB3h	GBP	Yes	Accumulation			1,20%	15%
SYh	JPY	Yes	Accumulation	3		0,45%	15%
Y1h	JPY	Yes	Accumulation	1		0,60%	15%
IYh	JPY	Yes	Accumulation	2	5 Million	0,60%	15%
Y3h	JPY	Yes	Accumulation			1,20%	15%
LUS3	USD	No	Accumulation	4		1,50%	15%
LEU3H	EUR	Yes	Accumulation	4		1,50%	15%

* May be waived or varied at the discretion of the Directors on a case-by-case basis provided that such waiver or variation shall be made only on the basis of objective criteria to be determined by the Directors and in an equitable manner to all such Investors on the same Applicable NAV.

** Applied on the total average net assets of each Class.

*** Applied above to the High Water Mark and Hurdle Rate.

1 Shares are available to such financial intermediaries which, according to regulatory requirements or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.

2 Shares shall be reserved for investments made by Institutional Investors investing on their own account. With respect to investors that are incorporated in the European Union Institutional Investor means per se professional investors. Operating and Administrative Expenses rate is set at 0.30%.

3 "Operating and Administrative Expenses" will be charged at 0.15%. Share Class can be closed upon resolution of the Board of Directors to any further subscriptions, either from new or existing Shareholders, at any time and until further notice.

4 The sales commission of up to 3% of the Net Asset Value of the Shares cannot be charged by the professional intermediaries to their clients subscribing for Shares. Instead, a commission of 1% of the Net Asset Value of the Shares is charged by the Management Company to remunerate intermediaries.

Reference currency

US Dollar (USD)

Frequency of calculation of NAV

Every Business Day.

Performance Fee

The Management Company is also entitled to receive a performance fee. The performance fee is accrued on each valuation date, paid yearly, based on the Net Asset Value (NAV), equivalent to 15% of the performance of the NAV per Share over the "Hurdle Rate" and subject to the "High Water Mark" (HWM) both as defined below:

The "Hurdle Rate" is defined as the performance of the Relevant Benchmark Index plus a spread as defined below compounded since the last day of the previous calendar year and over the calculation period.

The "Relevant Benchmark Index" per share class currency:

Share Class Currency	Relevant Benchmark Index	Bloomberg ticker	Hurdle Rate
USD	SOFR	SOFRRATE Index	SOFR + 100 bps
EUR	€STR	ESTRON Index	€STR + 100 bps
CHF	€STR	ESTRON Index	€STR + 80 bps
GBP	SONIA	SONIO/N Index	SONIA + 100 bps
JPY	TONAR	MUTKCALM Index	TONAR + 100 bps

The "High Water Mark" is defined as the greater of the following two figures:

- The last highest Net Asset Value per Share on which a performance fee has been paid and;
- The initial NAV per Share class.

The High Water Mark will be decreased by the dividends paid to Shareholders.

No performance fee will be due if the NAV per share before performance fee turns out to be below the High Water Mark for the calculation period in question.

If the performance of the Net Asset Value per Share is lower than the return of the Hurdle Rate, no provision for the performance fee shall be made.

The performance fee is calculated and accrued at each Applicable NAV on the basis of Net Asset Value after deducting all expenses, the management fee (but not the performance fee) and adjusting for subscriptions and redemptions during the relevant performance period. Such performance fee will be payable yearly in arrears. In the event of a downturn in performance of the Sub-Fund during any performance fee payment period, accruals for the performance fee will be reduced accordingly. However, if a performance fee is paid at the end of a year, and the NAV per share subsequently underperformed its benchmark, no claw back provision will be made, and past payment will therefore remain acquired to the Management Company.

In case of dividend distribution the reference Net Asset Value (as described below) is adjusted. To perform this adjustment, the dividend per Share is deducted from the reference Net Asset Value. The reference Net Asset Value is the Net Asset Value per Share at the end of the preceding calendar year.

If shares are redeemed on a date other than that on which a performance fee is paid while provision has been made for performance fees, the performance fees for which provision has been made and which are attributable to the shares redeemed will be paid at the end of the period even if provision for performance fees is no longer made at that date. Gains which have not been realized may be taken into account in the calculation and payment of performance fees.

In case of subscription, the performance fee calculation is adjusted to avoid that this subscription impacts the amount of performance fee accruals. To perform this adjustment, the outperformance of the NAV per share against the hurdle rate until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the High Water Mark adjusted by the hurdle at the date of the subscription. This cumulated adjustment amount is used in the performance fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period. The first performance period of any Class shall start on the date of the first subscription and will end at the completion of the relevant year. The subsequent performance periods shall start from the beginning of each following calendar year until the end thereof. The first performance fee payment of any Class is only due after 12 months since the date of the first subscription in that Class.

Performance fees are payable within 20 business days following the closing of the yearly accounts.

The formula used to calculate the performance fees is:

F	=	0 if [(B / E – 1) – X] <= 0
	=	[(B / E – 1) – X] * E * C * A if [(B / E – 1) – X] > 0
The new High Water Mark	=	if F>0; D if F=0; E
A	=	Number of Shares outstanding
B	=	Net Asset Value per Share before performance fee accrual on a valuation day
C	=	Performance fee rate (15%)
D	=	NAV per Share after performance
E	=	High Water Mark
F	=	Performance fees
X	=	Hurdle Rate

Example

	NAV per share before Performance Fee	HWM per share	NAV per share performance	Yearly hurdle performance	Cumulated hurdle performance (1)	Performance Fee	NAV per share after Performance Fee
Year 1:	112.00	100.00	12.00%	0.80%	0.80%	1.68	110.32
Year 2:	120.00	110.32	8.77%	1.00%	1.00%	1.29	118.71
Year 3:	117.00	118.71	-1.44%	0.50%	0.50%	0.00	117.00
Year 4:	121	118.71	1.93%	1.60%	2.10%	0.00	121.00
Year 5:	128.00	118.71	7.82%	1.50%	3.60%	0.75	127.25

(1) Hurdle performance since the last Valuation Day at the end of a calculation period, on which a performance fee has been calculated.

With a performance fee rate equal to 15%:

Year 1: The NAV per share performance (12%) is superior to the Hurdle performance (0.8%). The excess of performance is 11.2% and generates a performance fee equal to 1.68.

Year 2: The NAV per share performance (8.77%) is superior to the Hurdle performance (1%). The excess of performance is 7.77% and generates a performance fee equal to 1.29.

Year 3: The NAV per share performance (-1.44%) is inferior to the Hurdle performance since the last performance fees payment (0.5%). No performance fee is calculated.

Year 4: The NAV per share performance (1.93%) is inferior to the Hurdle performance since the last performance fees payment (2.10%). No performance fee is calculated.

Year 5: The NAV per share performance (7.82%) is superior to the Hurdle performance since the last performance fees payment (3.6%). The excess of performance is 4.22% and generates a performance fee equal to 0.75.

APPENDIX II – UK TAX SUPPLEMENT

The following sets out the principal tax consequences for Shareholders, persons who are beneficial owners of Shares and persons who have an indirect economic interest (including but not limited to settlers of a trust or the beneficiaries of a trust) in the Shares listed hereafter (collectively referred under the present Appendix as "Investors"). Investors and potential Investors are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling, converting, or otherwise disposing of Shares listed hereafter or an interest therein under the laws of their country of incorporation, establishment, citizenship, residence, or domicile, and in the light of their particular circumstances.

The following statements on taxation are based on advice received by the Company regarding the law and practice in force at the date of this Appendix. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.

The Company as an offshore fund

Each Share Class within the Company is an "offshore fund" for the purposes of s361 of the Taxation of International and Other Profits Act 2010 ("TIOPA") and holdings in them will be an interest in an offshore fund for these purposes.

A Class of Shares in a part of an umbrella fund (each a "Class") may apply to HM Revenue & Customs as a reporting fund if the Manager undertakes to satisfy certain conditions. Each separate Class of Shares can be certified as a reporting fund in its own right; the Manager will undertake to meet the relevant conditions in order to obtain reporting fund status for each Investor Class.

Income Classes of Shares

Where Sub-Funds offer an Income for the following Class of Shares an application for reporting fund status has been made to and accepted by HM Revenue & Customs. Note that the name Full Product Name shown below is subject to change as per the updated naming of the Sub-Funds in Appendix I.

ISIN	Full Product Name
LU0572586591	Absolute Return Europe - A
LU0572586757	Absolute Return Europe - H
LU0572586674	Absolute Return Europe - I
LU0592995731	Absolute Return Europe - K
LU1040154095	Absolute Return Europe - US3
LU0866838229	Absolute Return Europe - EU1
LU0832413578	Absolute Return Europe - GB1
LU0832412760	Absolute Return Europe - US1
LU1676129031	Continental Europe - EU1
LU1676129205	Continental Europe - GB1
LU1696658423	Continental Europe - SEU1
LU1696658696	Continental Europe - SGB1
LU1731103088	European Opportunities - I
LU1731103245	European Opportunities - Id
LU1731103161	European Opportunities - IGB
LU1731102940	European Opportunities - IUSh
LU0235308482	European Opportunities - R
LU0524465977	European Opportunities - A
LU1164024165	European Opportunities - EU1d
LU0347565383	European Opportunities - U
LU1139087693	European Opportunities - US1
LU0866838492	European Opportunities - US2
LU1164021575	European Opportunities - US2h
LU0866838575	European Opportunities - EU1
LU0832414030	European Opportunities - GB1
LU0832413909	European Opportunities - US1
LU1864133423	Global Convertible - SEUh
LU1864133001	Global Convertible - SUS
LU1864132292	Income Opportunities - SEUh
LU1864131641	Income Opportunities - SUS
LU0300834669	Small Cap Europe - R
LU0524465548	Small Cap Europe - A
LU0953331096	Small Cap Europe - EU1

There can, however, be no guarantee that certification will be obtained for further share classes or that, once obtained; it will continue to be available for future periods of account.

Taxation of gains – individual investors

Where reporting fund status has been obtained, under current law any gain accruing to the Shareholder upon the sale, redemption, or other disposal of their interest in a reporting fund will taxed at the capital gains tax rate (currently 18% or 28%), with any undistributed income that has been subject to tax being treated as capital expenditure for the purpose of computing the amount of the chargeable gain.

Where reporting fund status is not obtained all gains by an individual Shareholder who is resident or ordinarily resident in the United Kingdom for taxation purposes will be an offshore income gain subject to tax as income at 20%, 40% or 50%, depending on individual Shareholders' total annual income band.

Shareholders who are neither resident nor ordinarily resident in the United Kingdom for taxation purposes should not generally be subject to United Kingdom taxation on any gain realised on any sale, redemption, or other disposal of their Shares unless their holding of Shares is connected with a branch or agency through which the relevant Shareholder carries on a trade, profession, or vocation in the United Kingdom.

A Shareholder who is an individual who has ceased to be resident or ordinarily resident in the United Kingdom for tax purposes for a period of less than five years of assessment and who disposes of Shares during that period may also be liable, on their return to the United Kingdom to taxation on offshore income gains.

Special rules and different rates apply to United Kingdom resident individual Shareholders who are not domiciled in the United Kingdom or are resident but not ordinarily resident in the United Kingdom. Should an Investor be such an individual, the gain may be taxable under the remittance basis. UK resident non-domiciled investors should seek professional advice on their status following changes implemented since April 2008 as this may not be the case where they have been tax resident in the UK for seven out of the last nine tax years.

Taxation of gain where class becoming a reporting fund was not a distributing fund

Where an Income Class of Shares, which was previously not certified as a distributing fund in the UK, becomes a reporting fund the UK investors in that Class will have to make an election in their tax return to crystallise any income gains accrued to that point, in order to access capital gains treatments for any further gains accrued up to their ultimate exit. Investors are advised to seek their own professional advice in relation to their specific circumstances.

Taxation of distributions – individual investors

According to their personal circumstances, individual Shareholders resident or ordinarily resident in the United Kingdom for tax purposes will, in general, be liable to income tax at the relevant dividend income rate on any distributions received from the Company (whether or not such dividends or distributions are reinvested) and reported income attributable to the Shareholder in excess of any amounts actually distributed. Provided the Company is not substantially invested in interest bearing assets (see below), the current rates, depending on individual Shareholders' total annual income band are 10%, 32.5% or 42% (less a 10% notional tax credit which effectively reduces the dividend income tax rate to 0%/25%/36.11% respectively).

Other Classes of Shares

Gains in respect of Classes of Shares which have not applied for reporting fund status should be considered to be income taxable under miscellaneous income provisions for both corporate and individual Investors. Should a loss be sustained the loss will represent an allowable loss for capital gains purposes and cannot be offset against similar non distributing fund gains. Should an Investor be an individual resident in the UK but not of UK domicile the income gain may be taxable under the remittance basis. UK non-domiciled individual Investors should seek professional advice.

Other UK tax considerations

The attention of non-corporate Shareholders ordinarily resident in the United Kingdom is drawn to Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and may render them liable to taxation in respect of undistributed income and profits of the Company on an annual basis.

The Taxation of Chargeable Gains Act 1992 provides that where individuals and trustees for individuals hold shares in a non-UK company, and that company would if resident in the UK be considered a close company, such Shareholders may be taxed a proportion of the company's gains, which otherwise would be chargeable gains if that company were resident in the UK. However, such an attribution will not be made to a Shareholder whose interest, together with that of connected persons, does not exceed 10% of the gain. It is likely that the shares of the Company will be widely held, however, the Directors cannot guarantee that this will be (or continue to be) the case.

Although holdings of shares should fall within the scope of inheritance tax for individuals domiciled in the UK shares should represent excluded property for UK inheritance tax purposes when held by Investors who are neither domiciled in the UK nor through habitual residence statutorily deemed to be domiciled in the UK. Appropriate professional advice should be sought in relation to this matter.

The attention of Shareholders subject to United Kingdom income tax is drawn to section 378A ITTOIA 2005 which provides that certain distributions from offshore funds that are economically similar to payments of yearly interest will be chargeable to tax as if they were yearly interest. A distribution is treated as interest if the offshore fund, at any time during the “relevant period”, holds more than 60% of its assets in the form of qualifying investments. As such, where the offshore fund fails to satisfy this test then any distribution will be treated as interest for income tax purposes and the United Kingdom Investors will be subject to income tax on such distributions at their appropriate marginal rate.

Special considerations may apply for UK resident corporate Investors.

APPENDIX III – US TAX SUPPLEMENT

Investors' Reliance on US Federal Tax Advice in this Prospectus

The discussion contained in this Prospectus as to US federal tax considerations is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties. Such discussion is written to support the promotion or marketing of the transactions or matters addressed herein. Each taxpayer should seek US federal tax advice based on the taxpayer's particular circumstances from an independent tax advisor.

The following discussion is a general summary of certain US federal tax consequences that may result to the Company and its Shareholders in connection with their investment in a Sub-Fund. The discussion does not purport to deal with all of the US federal income tax consequences applicable to the Company or to all categories of Investors, some of whom may be subject to special rules.

The following discussion is based on laws and regulations currently in effect, which may change retroactively or prospectively. The discussion assumes that the Company (including each Sub-Fund) will not hold any interests (other than as a creditor) in any "United States real property holding corporations" as defined in the US Internal Revenue Code of 1986, as amended (the "Code"). Investors should consult their own tax advisors regarding the tax consequences to them of an investment in a Sub-Fund under applicable US federal, state, local and foreign income tax laws as well as with respect to any specific gift, estate, and inheritance tax issues.

Taxation of the Company

The Company (including each Sub-Fund) generally intends to conduct its affairs so that it will not be deemed to be engaged in trade or business in the United States and, therefore, none of its income will be treated as "effectively connected" with a US trade or business. If not treated as effectively connected with a US trade or business, certain categories of income, including dividends (and certain substitute dividends and other dividend equivalent payments) and certain types of interest income, derived by the Company (or a Sub-Fund) from US sources will be subject to a US tax of 30 per cent., which tax is generally withheld from such income. Certain other categories of income, generally including capital gains (including those derived from the use of derivative instruments) and interest on certain portfolio debt obligations (which may include US Government securities), original issue discount obligations having an original maturity of one hundred and eighty-three days or less, and certificates of deposit will not be subject to this 30 percent tax. If, on the other hand, the Company (or a Sub-Fund) derives income which is effectively connected with a US trade or business, such income will be subject to US federal income tax at the graduated rates applicable to US domestic corporations, and the Company (or Sub-Fund) will also be subject to a branch profits tax.

The Company (or each Sub-Fund) will be subject to US federal withholding taxes (at a 30 per cent. rate) on payments of certain amounts made to such entity after 2013 ("withholdable payments"), unless it complies (or is deemed compliant) with extensive reporting and withholding requirements. Withholdable payments generally will include interest (including original issue discount), dividends, rents, annuities, and other fixed or determinable annual or periodical gains, profits, or income, if such payments are derived from US sources, as well as gross proceeds from dispositions of securities that could produce US source interest or dividends. Income which is effectively connected with the conduct of a US trade or business is not, however, included in this definition. To avoid the withholding tax, unless deemed compliant, the Company (or each Sub-Fund) will be required to enter into an agreement with the United States to identify and disclose identifying and financial information about each US Taxpayer (or foreign entity with substantial US ownership) which invests in such entity, and to withhold tax (at a 30 per cent. rate) on withholdable payments and related payments made to any Shareholder which fails to furnish information requested by such entity to satisfy its obligations under the agreement. Alternatively, pursuant to an intergovernmental agreement that may be concluded between the United States and Luxembourg, the Company (or each Sub-Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports US ownership information directly to the government of Luxembourg.

Certain categories of Shareholders, generally including, but not limited to, tax-exempt Shareholders, publicly traded corporations, banks, regulated investment companies, real estate investment trusts, common trust funds, brokers, dealers and middlemen, and state and federal governmental entities, will be exempt from such reporting. Detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future Company (or Sub-Fund) operations.

Shareholders will be required to furnish appropriate documentation certifying as to their US or non-US tax status, together with such additional tax information as the Company (or a Sub-Fund) may from time-to-time request. Failure to provide requested information may subject a Shareholder to liability for any resulting US withholding taxes, US tax information reporting and/or mandatory redemption, transfer, or other termination of the Shareholder’s interest in Shares.

Taxation of Shareholders

The US tax consequences to Shareholders of distributions from a Sub-Fund and of dispositions of Shares generally depends on the Shareholder’s particular circumstances, including whether the Shareholder conducts a trade or business within the United States or is otherwise taxable as a US Taxpayer.

US Taxpayers seeking to invest in a Sub-Fund should refer to the Supplemental Disclosure Statement for US Persons and US Taxpayers for a discussion of the US federal income tax consequences to such persons of an investment in Shares. All prospective investors should, however, consult, and must depend upon, their own tax advisors with specific reference to their own tax situations and potential changes in applicable law, including the application of state and local, non-US and other tax considerations.

APPENDIX IV – GERMAN TAX SUPPLEMENT

As per the German Investment Tax Reform Act (“Investmentsteuerreformgesetz” – “InvStG 2018”) funds which invest in particular in equities (“Kapitalbeteiligungen” in the meaning of InvStG 2018) and which consider certain minimum thresholds are entitled to grant a certain tax benefit to its investors (“Teilfreistellung”).

In achieving this positive tax status for the Company it will be ensured to publish a daily tax figure in accordance with the draft circular of the German Ministry of Finance (IV C 1 – S 1980-1/16/10010:001; Investmentsteuergesetz; Anwendungsfragen zum Investmentsteuergesetz in der Fassung des Gesetzes zur Reform der Investmentbesteuerung (InvStG), No. 2.14.

The Sub-Funds´ minimum threshold of physical holdings in equities in meaning of InvStG 2018 / Kapitalbeteiligungen is (relates to all Classes of Shares of a Sub-Fund):

Sub-Fund name	**Level of minimum threshold of physical equity holdings ("Kapitalbeteiligungen")**
ALKEN FUND - ABSOLUTE RETURN EUROPE	51%
ALKEN FUND - EUROPEAN OPPORTUNITIES	75%
ALKEN FUND - SMALL CAP EUROPE	75%
ALKEN FUND - SUSTAINABLE EUROPE	75%

APPENDIX V – SFDR RELATED INFORMATION

Information relating to the environmental and social characteristics, or objectives, of the Sub-Funds are provided in the below Annexes in accordance with Regulation 2019/2088 on Sustainability-Related Disclosures in the Financial Services Sector.

1. ALKEN FUND – European Opportunities

Template pre-contractual disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name:	**Legal entity identifier:**
Alken Fund – European Opportunities (the "Sub-Fund")	*549300623OUMWVDRT506*

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments.
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective**: ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The financial product promotes environmental and social characteristics by using the Investment Manager's own in-house ESG methodology. This ESG methodology uses a combination of the Global Reporting Initiative (GRI) Standards, of the Sustainability Accounting Standards Board (SASB) ESG metrics, of the Sustainable Development Goals (SDGs) objectives as well as of the UN Global Compact Principles. This allows the Investment Manager to identify the most material environmental and social characteristics against the security issuer's industry.

The most prevalent cross sectorial environmental and social characteristics are listed as follows:

- **Top 10 of the cross sectorial characteristics pertaining to the environment:**

1. Air, water, ground pollution – SDG15
2. Greenhouse gases emissions – SDG13
3. Energy use, efficiency, and renewables – SDG7 combined with PRINCIPLE 9 UN Global Compact: Businesses should encourage the development and diffusion of environmentally friendly technologies
4. Raw materials consumption – SDG12
5. Sustainable transportation – SDG12
6. Water management – SDG6 and SDG14
7. Waste management – SDG15 and SDG14
8. Biodiversity and its protection – SDG15 and SDG14
9. Lifecycle impacts – SDG12
10. Noise pollution – SDG15

- **Top 10 of the cross sectorial characteristics pertaining to the social pillar:**

1. Impact on local community - SDG1 and SDG11
2. Working conditions – including health and safety – SDG10 and SDG3
3. Diversity programmes- SDG5 combined with PRINCIPLE 6 UN Global Compact: Businesses should uphold the elimination of discrimination in respect of employment and occupation
4. Retention rate – SDG8
5. Relationships with stakeholders (unions, NGOCs, communities etc) combined with PRINCIPLE 3 UN Global Compact: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
6. Supply Chain Management – SDG12
7. Materials sourcing – SDG12
8. Product Safety, quality, and labelling
9. Customer privacy & information security
10. Access to health and medicine – SDG10

According to the Investment Manager’s ESG mapping, it shall primarily focus on the **three most material environmental and social factors identified for each sector** (and sub-sector if relevant). For instance:

Environmental characteristics promoted for the consumer discretionary sector:

1. Clean water and sanitation, in line with SDG6
2. Responsible consumption and production, in line with SDG12
3. Encouraging the development and diffusion of environmentally friendly technologies, in line with Principle 9 of the UNGC

Social characteristics promoted for the same consumer discretionary sector:

1. Decent work and economic growth, in line with SDG8
2. Industry, innovation, and infrastructure, in line with SDG9
3. Supply chain management, in line with SDG12

Overall, the Investment Manager will use this in-house ESG mapping in order to:

- **Exclude issuers:** limiting investments in companies whose environmental and social characteristics are considered to present too much risk and where companies have failed to mitigate those;
- **Screen issuers:** applying screening processes, including both best-in-universe and best-in-class companies, based on the issuers' performance on those environmental, social and governance characteristics combined;
- **Rate issuers internally:** reviewing the ESG risk profiles of issuers, identifying their potential exposure to industry specific ESG concerns as well as ESG opportunities;
- **Engage with issuers:** engaging with issuers to encourage improvements on the identified environmental and social characteristics to be mitigated or improved;
- **Review controversies:** analysing potential environmental or social failures and reviewing the level of risk that can be tolerated.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics that it promotes

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Sub-Fund has implemented the following sustainability indicators in order to measure the effective promotion of the environmental and social characteristics:

1. The percentage of investments in securities that are on the exclusion list as a result of the application of the Investment Manager's exclusion policy;
2. The percentage of securities that are being covered either by an internal ESG research review or by an external ESG research review;
3. The number of companies that are failing or that are under the watch list of the United Nationals Global Compact Principles ("UNGCs");
4. The number of companies that are subject to controversies considered to be severe as a result of the application of the Investment Manager's ESG integration policy;
5. The number of companies that went through a thorough ESG engagement process using the Investment Manager's ESG methodology.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Sub-Fund intends to invest a minimum of 20% of its net asset value in companies which contribute to "climate change mitigation". "Contributing to climate mitigation" means encouraging the reduction of emissions of issuers and/or encouraging the stabilization of the current levels of heat-trapping greenhouse gases in the atmosphere, and whilst doing so, also encouraging issuers to publicly commit to those reduction or stabilization targets.

In order to select companies which contribute to "climate change mitigation" as described above, the Investment Manager applies the pass/fail approach which methodology and thresholds are being detailed in the below.

Step 1: Environmental contribution test

To be considered as contributing to the defined environmental objective, companies must meet both a) and b) requirements as detailed below:

a) Companies demonstrated a climate mitigation intent:

The Investment Manager uses companies' disclosures of their carbon reduction targets to established climate platforms or outside:

- MSCI' CDP disclosures, looking for the "YES" indicator OR;
- MSCI SBTi disclosures SBTI APPROVED, looking for the "YES" indicator OR;
- MSCI' carbon emissions reduction targets, looking for anything but the "No target".

⇨ **Quantitative threshold:** the Investment Manager considers that a YES to any of those three conditions qualifies as a PASS.

AND

b) On top of their commitments, companies demonstrated concrete actions to climate mitigation:

The Investment Manager uses companies' carbon reduction Key Performance Indicators (KPIs). At least one of the four conditions below must be met to qualify as a PASS:

- Companies that have an above average taxonomy alignment (using MSCI' taxonomy alignment estimated revenues)
  - ⇨ **Quantitative threshold:** any percentage above 20% of taxonomy alignment qualifies as a PASS.
- Companies that have reduced or mitigated their carbon risk exposure (using MSCI' Carbon Emissions Management Score).
  - ⇨ **Quantitative threshold**: any score above 2/10 qualifies as a PASS
- Companies that are using alternative energy as a percentage of their revenues (using MSCI's field on "alternative energy". This indicator is a percentage).
  - ⇨ **Quantitative threshold:** any percentage above 20% qualifies as a PASS.
- Companies that have embedded the use of energy from renewable sources within their business strategy (using MSCI's "renewable energy use" indicator. This field is a YES/NO indicator).
  - ⇨ **Quantitative threshold:** Any YES to this indicator qualifies as a PASS.

Both sections a) and b) must be PASSED in order to consider that a company is considered as contributing to the defined environmental objective.

Contributing companies shall also successfully PASS the below Step 2 (DNSH Test) and Step 3 (good corporate governance practices) to be considered as a sustainable investment in the portfolio.

Step 2: Do no significant harm test – the contributing companies cannot perform negatively on selected principal adverse impact ("PAI") indicators. The following section on PAI details the methodology applied to ensure contributing companies are immune from causing PAI.

Step 3: Good governance test – the contributing companies must meet minimum corporate governance standards. The section on "*assessing good governance practices"* details the methodology applied to ensure contributing companies apply good governance practices.

If successfully passing Steps 1, 2 and 3, the company respectively the issuer of a financial instrument is then considered a (100%) sustainable investment. The percentage of sustainable investments in the portfolio is subsequently calculated by adding up the weights of all investments that are considered sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager relies on a number of indicators provided by its external data provider to ensure that those climate change mitigation contributing issuers are not at the same time causing harm to any other environmental or social sustainable objective (STEP 2 mentioned above). The section below details which indicators were chosen to identify any potential harm that could be caused by issuers.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Extracted from the Investment Manager's data provider's platform, the following indicators are being stored and monitored via the internal ESG interface in order to identify any potential adverse impacts:

a) **No harm shall be caused to PAI 1:** The company's economic activities shall not be part of the worst sectorial performers when it comes to their level of carbon emissions.
b) **No harm shall be caused to PAI 13:** The company's economic activities shall not be part of the worst sectorial performers when it comes to ensuring a minimum level of female directors on the Board.
c) **No tolerance to high degree of ESG risks:** The company's economic activities shall not be part of the worst global performers when it comes to general E, S and G matters, using our internal ESG scoring. Note we have identified the worst performers to be the internal category: RED/ C-. Also note companies subject to this category can be upgraded according to a strict internal process.
d) **No tolerance to high degree of controversy:** The company's economic activities shall not be part of the worst performers when it comes to being subject to controversies.
e) **No tolerance to controversial weapons:** The company's economic activities shall be immune from any type of involvement with controversial weapons.
f) **No tolerance to large fossil fuel revenue share exposures:** The company's economic activities shall be capped at 30% maximum of revenues generated by thermal coal or shale oil activities.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Investment Manager uses its external data provider's research to be alerted about any serious controversy on notable failures or events which it

believes would include issues relating to the OECD Guidelines for Multinational Enterprises and to the UN Guiding Principles on Business and Human Rights.

Besides, the Investment Manager's ESG internal assessment includes a number of elements raised by the OCED Guidelines and by the UN Guiding Principles. For instance, the internal review may require to verify the respect of human rights, compliance with minimum international labour rights, to evaluate issuers' environmental performance and to monitor the key governance practices of a given issuer.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

x Yes

No,

The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

The Investment Manager uses its ESG material map to assess whether an investee company has caused or could cause principal adverse impacts, or whether it has contributed or could contribute to principal adverse impacts, or whether principal adverse impacts are or would be directly linked with the investee company's operations, products, or services as far as relevant data can be obtained.

The Responsible Investor and Impact Statement Report available on the Investment Manager's website elaborates on the methodologies to identify and manage PAIs: Alken Asset Management | Legal (alken-am.com)

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund is an actively managed strategy and will invest at least 75% of its net assets in equities and equity related securities issued by companies that are headquartered in Europe, or conduct the preponderant part of their activity in Europe.

The Sub-Fund’s investment process is supported by a proprietary investment model which combines financial and non-financial analysis.

Covering the four key ESG themes: environment, social, governance and human rights, the responsible investing approach is based on global criteria with quantitative and qualitative rating, recommendations and ranking of the companies, irrespective of their sectors, capitalizations, or financial ratings. The responsible investing approach assessment is based both on the asset manager’s proprietary ESG analysis and on information gathered from external ESG providers.

The portfolio will contain a limited selection of securities considered as offering the greatest potential. Selection will comprise a mixture of "growth" and "value" stocks believed to have the potential to provide enhanced returns relative to the market.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Sub-Fund promotes the aforementioned environmental and social characteristics by following the Investment Manager’s binding ESG process, described below.

1. The Sub-Fund’s portfolio shall comply with the Investment Manager’s Exclusion Policy (which can be retrieved from the Investment Manager's website). This policy seeks to exclude from its investable universe products or business practices which the Investment Manager considers to be detrimental or incompatible with its investment ESG philosophy.
2. The Sub-Fund shall have at least 90% of its assets (excluding ancillary liquid assets) covered by the ESG analysis based on its ESG internal proprietary reviews or on its external provider of ESG research.
3. The Investment Manager monitors investments in companies that are in breach or on the “watch list” of the UNGCs. The monitoring can lead to divestment if the ESG Committee confirms the presence of high ESG risks that cannot be resolved.
4. The Investment Manager monitors investments in companies that are in breach or on the “watch list” of the UNGCs. For this the data provider’s “Watch” or “Fail” alerts are being used.. The monitoring and subsequent review of the situation can lead to divestment if the Investment Manager’s ESG Committee confirms the presence of high ESG risks that cannot be resolved.
5. The Investment Manager monitors investments in companies that are subject to severe controversies. For this the data provider’s controversy scores that fall below 3/10 are used. The review of those investment can lead to divestment if the Investment Manager’s ESG Committee confirms the presence of high ESG risks that cannot be resolved.

6. The Investment Manager limits exposure to elevated sustainability risk investments by identifying the worst ESG rated issuers according to the internal scoring system. The worst ESG rated issuers belong to the "C-"/"RED" category according to the internal grid system. The maximum tolerated exposure to those instruments is strictly defined in the Investment Manager's ESG Integration Policy available on its website: 10% or 25% tolerance depending on the strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There are no minimum percentage commitments to reduce the scope of investments.

- ***What is the policy to assess good governance practices of the investee companies?***

The Investment Manager screens the general good governance structure and practices of the investee companies based on governance datapoints provided by the external data provider.

The Investment Manager's also performs a general ESG internal review which includes a verification of the key pillars of governance such as Corruption and Bribery Prevention, Remuneration Policies, Audit and Internal Controls, Ownership Structure, Level of Transparency, Voting Structure, Independence of the Board and Independence of the Committees.

Additionally, an internal thorough review is performed where a heightened governance risk is identified to evaluate the potential risk.

What is the asset allocation planned for this financial product?

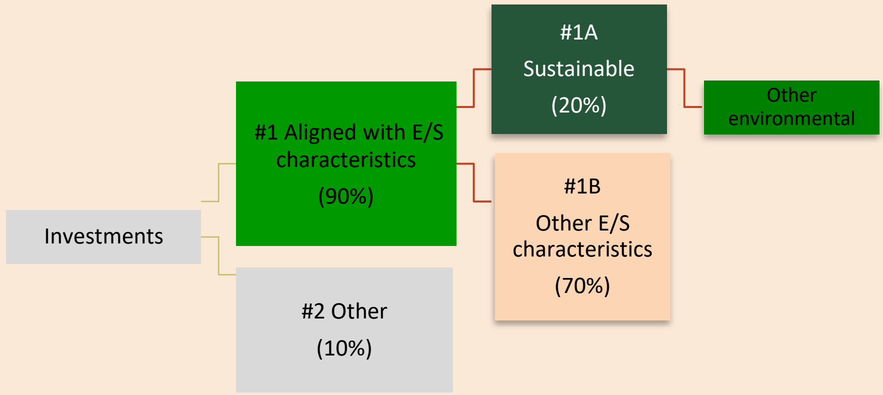
1. All exclusions putting limits on E or S defined characteristics are coded in the operational process through which investing in an excluded asset is prevented.
2. The limits set for investment in poor ESG companies is also similarly coded in the operational process.
3. Any UNGC watch or fail events, any new controversy and any new poor ESG credentials are notified to the ESG team members internally via an alert system. The operations and compliance teams are also alerted of any non-reviewed alerts.
4. A minimum threshold of 20% for sustainable investment promoting an environmental objective and/or a Taxonomy-alignment is also coded internally.
5. The remaining percentage goes through the Investment Manager’s usual ESG integration process, where E, S and G factors are carefully reviewed on a best-effort basis.
6. ESG internal analysis and engagement results are all logged in a common internal platform.
7. The risk management team monitors compliance with the defined ESG thresholds (including the monitoring of the Sub-Fund’s exposition to heightened ESG risks and strict compliance with the ESG exclusions lists).
8. Every week the ESG Committee is given the opportunity to review potential holdings with elevated sustainability risk rating, controversy, or tied to UNGC failures.

The remaining proportion is used for investment purposes, or for instruments which are mainly used for liquidity or for risk balancing purposes, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives. Minimum safeguards are not considered for investments included under this category.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **Turnover** reflecting the share of revenue from green activities of investee companies
- **Capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **Operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives:
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

N/A

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[2]

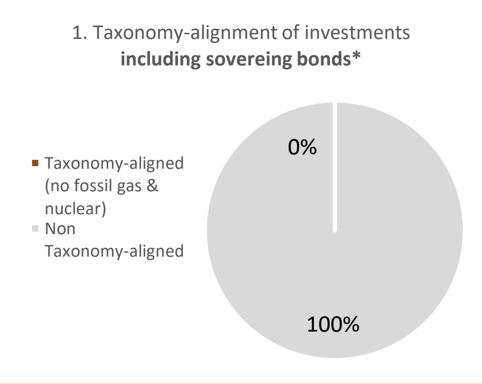
☐ Yes:

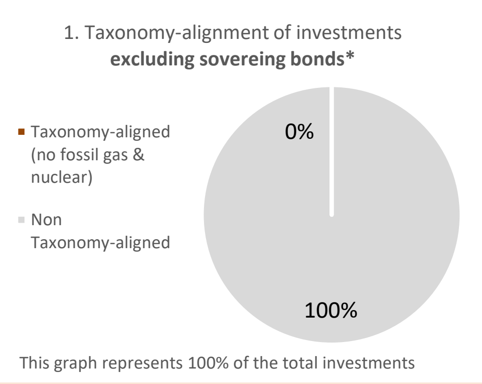
☐ In fossil gas ☐ In nuclear energy

☒ No

[2] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

N/A

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A

What is the minimum share of socially sustainable investments?

N/A

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

'#2 Other' refers to Investments that are not expected to promote environmental and/or social characteristics, as well as ancillary assets such as cash and other balance sheet items. These remaining proportion is used for investment purposes, or for instruments which are mainly used for liquidity or for risk balancing purposes, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives. Minimum environmental or social safeguards are not considered for investments included under this category.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

N/A

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Where can I find more product specific information online?

More product-specific information can be found on the following websites:

1) The Management Company: AFFM

2) The Investment Manager: Alken Asset Management | Legal (alken-am.com)

Template pre-contractual disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name:	**Legal entity identifier:**
Alken Fund – Small Cap Europe (the "Sub-Fund")	*549300353V37QUFNJU68*

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments.
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective**: ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The financial product promotes environmental and social characteristics by using the Investment Manager's own in-house ESG methodology. This ESG methodology uses a combination of the Global Reporting Initiative (GRI) Standards, of the Sustainability Accounting Standards Board (SASB) ESG metrics, of the Sustainable Development Goals (SDGs) objectives as well as of the UN Global Compact Principles. This allows the Investment Manager to identify the most material environmental and social characteristics against the security issuer's industry.

The most prevalent cross sectorial environmental and social characteristics are listed as follows:

- **Top 10 of the cross sectorial characteristics pertaining to the environment:**

1. Air, water, ground pollution – SDG15
2. Greenhouse gases emissions – SDG13
3. Energy use, efficiency, and renewables – SDG7 combined with PRINCIPLE 9 UN Global Compact: Businesses should encourage the development and diffusion of environmentally friendly technologies
4. Raw materials consumption – SDG12
5. Sustainable transportation – SDG12
6. Water management – SDG6 and SDG14
7. Waste management – SDG15 and SDG14
8. Biodiversity and its protection – SDG15 and SDG14
9. Lifecycle impacts – SDG12
10. Noise pollution – SDG15

- **Top 10 of the cross sectorial characteristics pertaining to the social pillar:**

1. Impact on local community - SDG1 and SDG11
2. Working conditions – including health and safety – SDG10 and SDG3
3. Diversity programmes- SDG5 combined with PRINCIPLE 6 UN Global Compact: Businesses should uphold the elimination of discrimination in respect of employment and occupation
4. Retention rate – SDG8
5. Relationships with stakeholders (unions, NGOCs, communities etc) combined with PRINCIPLE 3 UN Global Compact: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
6. Supply Chain Management – SDG12
7. Materials sourcing – SDG12
8. Product Safety, quality, and labelling
9. Customer privacy & information security
10. Access to health and medicine – SDG10

According to the Investment Manager's ESG mapping, it shall primarily focus on the **three most material environmental and social factors identified for each sector** (and sub-sector if relevant). For instance:

Environmental characteristics promoted for the consumer discretionary sector:

1. Clean water and sanitation, in line with SDG6
2. Responsible consumption and production, in line with SDG12
3. Encouraging the development and diffusion of environmentally friendly technologies, in line with Principle 9 of the UNGC

Social characteristics promoted for the same consumer discretionary sector:

1. Decent work and economic growth, in line with SDG8
2. Industry, innovation, and infrastructure, in line with SDG9
3. Supply chain management, in line with SDG12

Overall, the Investment Manager will use this in-house ESG mapping in order to:

- **Exclude issuers:** limiting investments in companies whose environmental and social characteristics are considered to present too much risk and where companies have failed to mitigate those;
- **Screen issuers:** applying screening processes, including both best-in-universe and best-in-class companies, based on the issuers' performance on those environmental, social and governance characteristics combined;
- **Rate issuers internally:** reviewing the ESG risk profiles of issuers, identifying their potential exposure to industry specific ESG concerns as well as ESG opportunities;
- **Engage with issuers:** engaging with issuers to encourage improvements on the identified environmental and social characteristics to be mitigated or improved;
- **Review controversies:** analysing potential environmental or social failures and reviewing the level of risk that can be tolerated.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics that it promotes

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Sub-Fund has implemented the following sustainability indicators in order to measure the effective promotion of the environmental and social characteristics:

1. The percentage of investments in securities that are on the exclusion list as a result of the application of the Investment Manager's exclusion policy;
2. The percentage of securities that are being covered either by an internal ESG research review or by an external ESG research review;
3. The number of companies that are failing or that are under the watch list of the United Nationals Global Compact Principles ("UNGCs");
4. The number of companies that are subject to controversies considered to be severe as a result of the application of the Investment Manager's ESG integration policy;
5. The number of companies that went through a thorough ESG engagement process using the Investment Manager's ESG methodology.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Sub-Fund intends to invest a minimum of 20% of its net asset value in companies which contribute to "climate change mitigation". "Contributing to climate mitigation" means encouraging the reduction of emissions of issuers and/or encouraging the stabilization of the current levels of heat-trapping greenhouse gases in the atmosphere, and whilst doing so, also encouraging issuers to publicly commit to those reduction or stabilization targets.

In order to select companies which contribute to "climate change mitigation" as described above, the Investment Manager applies the pass/fail approach which methodology and thresholds are being detailed in the below.

Step 1: Environmental contribution test

To be considered as contributing to the defined environmental objective, companies must meet both a) and b) requirements as detailed below:

a) **Companies demonstrated a climate mitigation intent:**

The Investment Manager uses companies' disclosures of their carbon reduction targets to established climate platforms or outside:

- MSCI' CDP disclosures, looking for the "YES" indicator OR;
- MSCI SBTi disclosures SBTI APPROVED, looking for the "YES" indicator OR;
- MSCI' carbon emissions reduction targets, looking for anything but the "No target".

⇨ **Quantitative threshold:** the Investment Manager considers that a YES to any of those three conditions qualifies as a PASS.

AND

b) **On top of their commitments, companies demonstrated concrete actions to climate mitigation:**

The Investment Manager uses companies' carbon reduction Key Performance Indicators (KPIs). At least one of the four conditions below must be met to qualify as a PASS:

- Companies that have an above average taxonomy alignment (using MSCI' taxonomy alignment estimated revenues)
  - ⇨ **Quantitative threshold:** any percentage above 20% of taxonomy alignment qualifies as a PASS.
- Companies that have reduced or mitigated their carbon risk exposure (using MSCI' Carbon Emissions Management Score).
  - ⇨ **Quantitative threshold**: any score above 2/10 qualifies as a PASS
- Companies that are using alternative energy as a percentage of their revenues (using MSCI's field on "alternative energy". This indicator is a percentage).
  - ⇨ **Quantitative threshold:** any percentage above 20% qualifies as a PASS.
- Companies that have embedded the use of energy from renewable sources within their business strategy (using MSCI's "renewable energy use" indicator. This field is a YES/NO indicator).
  - ⇨ **Quantitative threshold:** Any YES to this indicator qualifies as a PASS.

Both sections a) and b) must be PASSED in order to consider that a company is considered as contributing to the defined environmental objective.

Contributing companies shall also successfully PASS the below Step 2 (DNSH Test) and Step 3 (good corporate governance practices) to be considered as a sustainable investment in the portfolio.

Step 2: Do no significant harm test – the contributing companies cannot perform negatively on selected principal adverse impact ("PAI") indicators. The following section on PAI details the methodology applied to ensure contributing companies are immune from causing PAI.

Step 3: Good governance test – the contributing companies must meet minimum corporate governance standards. The section on "*assessing good governance practices"* details the methodology applied to ensure contributing companies apply good governance practices.

If successfully passing Steps 1, 2 and 3, the company respectively the issuer of a financial instrument is then considered a (100%) sustainable investment. The percentage of sustainable investments in the portfolio is subsequently calculated by adding up the weights of all investments that are considered sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager relies on a number of indicators provided by its external data provider to ensure that those climate change mitigation contributing issuers are not at the same time causing harm to any other environmental or social sustainable objective (STEP 2 mentioned above). The section below details which indicators were chosen to identify any potential harm that could be caused by issuers.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Extracted from the Investment Manager's data provider's platform, the following indicators are being stored and monitored via the internal ESG interface in order to identify any potential adverse impacts:

a) **No harm shall be caused to PAI 1:** The company's economic activities shall not be part of the worst sectorial performers when it comes to their level of carbon emissions.
b) **No harm shall be caused to PAI 13:** The company's economic activities shall not be part of the worst sectorial performers when it comes to ensuring a minimum level of female directors on the Board.
c) **No tolerance to high degree of ESG risks:** The company's economic activities shall not be part of the worst global performers when it comes to general E, S and G matters, using our internal ESG scoring. Note we have identified the worst performers to be the internal category: RED/ C-. Also note companies subject to this category can be upgraded according to a strict internal process.
d) **No tolerance to high degree of controversy:** The company's economic activities shall not be part of the worst performers when it comes to being subject to controversies.
e) **No tolerance to controversial weapons:** The company's economic activities shall be immune from any type of involvement with controversial weapons.
f) **No tolerance to large fossil fuel revenue share exposures:** The company's economic activities shall be capped at 30% maximum of revenues generated by thermal coal or shale oil activities.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Investment Manager uses its external data provider's research to be alerted about any serious controversy on notable failures or events which it

believes would include issues relating to the OECD Guidelines for Multinational Enterprises and to the UN Guiding Principles on Business and Human Rights.

Besides, the Investment Manager's ESG internal assessment includes a number of elements raised by the OCED Guidelines and by the UN Guiding Principles. For instance, the internal review may require to verify the respect of human rights, compliance with minimum international labour rights, to evaluate issuers' environmental performance and to monitor the key governance practices of a given issuer.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- [x] Yes

- [ ] No,

The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

The Investment Manager uses its ESG material map to assess whether an investee company has caused or could cause principal adverse impacts, or whether it has contributed or could contribute to principal adverse impacts, or whether principal adverse impacts are or would be directly linked with the investee company's operations, products, or services as far as relevant data can be obtained.

The Responsible Investor and Impact Statement Report available on the Investment Manager's website elaborates on the methodologies to identify and manage PAIs: Alken Asset Management | Legal (alken-am.com)

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund is an actively managed strategy and will invest at least 75% of its net assets in equities and equity related securities issued by companies that are headquartered in Europe, or conduct the preponderant part of their activity in Europe, which are small-caps (capitalisation of less than EUR 3 billion) and mid-caps (market capitalisation of around more than EUR 3 billion but less than EUR 10 billion).

The Sub-Fund’s investment process is supported by a proprietary investment model which combines financial and non-financial analysis.

Covering the four key ESG themes: environment, social, governance and human rights, the responsible investing approach is based on global criteria with quantitative and qualitative rating, recommendations and ranking of the companies, irrespective of their sectors, capitalizations, or financial ratings. The responsible investing approach assessment is based both on the asset manager’s proprietary ESG analysis and on information gathered from external ESG providers.

The portfolio will contain a limited selection of securities considered as offering the greatest potential. Selection will comprise a mixture of "growth" and "value" stocks believed to have the potential to provide enhanced returns relative to the market.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Sub-Fund promotes the aforementioned environmental and social characteristics by following the Investment Manager’s binding ESG process, described below.

1. The Sub-Fund’s portfolio shall comply with the Investment Manager’s Exclusion Policy (which can be retrieved from the Investment Manager's website). This policy seeks to exclude from its investable universe products or business practices which the Investment Manager considers to be detrimental or incompatible with its investment ESG philosophy.
2. The Sub-Fund shall have at least 90% of its assets (excluding ancillary liquid assets) covered by the ESG analysis based on its ESG internal proprietary reviews or on its external provider of ESG research.
3. The Investment Manager monitors investments in companies that are in breach or on the “watch list” of the UNGCs. The monitoring can lead to divestment if the ESG Committee confirms the presence of high ESG risks that cannot be resolved.
4. The Investment Manager monitors investments in companies that are in breach or on the “watch list” of the UNGCs. For this the data provider’s “Watch” or “Fail” alerts are being used.. The monitoring and subsequent review of the situation can lead to divestment if the Investment Manager’s ESG Committee confirms the presence of high ESG risks that cannot be resolved.
5. The Investment Manager monitors investments in companies that are subject to severe controversies. For this the data provider’s controversy scores that fall below 3/10 are used. The review of those investment can

lead to divestment if the Investment Manager's ESG Committee confirms the presence of high ESG risks that cannot be resolved.

6. The Investment Manager limits exposure to elevated sustainability risk investments by identifying the worst ESG rated issuers according to the internal scoring system. The worst ESG rated issuers belong to the "C-"/"RED" category according to the internal grid system. The maximum tolerated exposure to those instruments is strictly defined in the Investment Manager's ESG Integration Policy available on its website: 10% or 25% tolerance depending on the strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

There are no minimum percentage commitments to reduce the scope of investments.

What is the policy to assess good governance practices of the investee companies?

The Investment Manager screens the general good governance structure and practices of the investee companies based on governance datapoints provided by the external data provider.

The Investment Manager's also performs a general ESG internal review which includes a verification of the key pillars of governance such as Corruption and Bribery Prevention, Remuneration Policies, Audit and Internal Controls, Ownership Structure, Level of Transparency, Voting Structure, Independence of the Board and Independence of the Committees.

Additionally, an internal thorough review is performed where a heightened governance risk is identified to evaluate the potential risk.

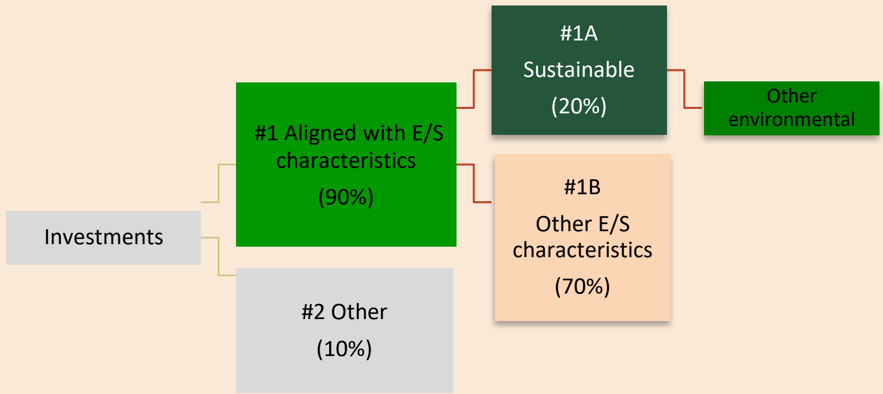
What is the asset allocation planned for this financial product?

1. All exclusions putting limits on E or S defined characteristics are coded in the operational process through which investing in an excluded asset is prevented.
2. The limits set for investment in poor ESG companies is also similarly coded in the operational process.
3. Any UNGC watch or fail events, any new controversy and any new poor ESG credentials are notified to the ESG team members internally via an alert system. The operations and compliance teams are also alerted of any non-reviewed alerts.
4. A minimum threshold of 20% for sustainable investment promoting an environmental objective and/or a Taxonomy-alignment is also coded internally.
5. The remaining percentage goes through the Investment Manager's usual ESG integration process, where E, S and G factors are carefully reviewed on a best-effort basis.
6. ESG internal analysis and engagement results are all logged in a common internal platform.
7. The risk management team monitors compliance with the defined ESG thresholds (including the monitoring of the Sub-Fund's exposition to heightened ESG risks and strict compliance with the ESG exclusions lists).
8. Every week the ESG Committee is given the opportunity to review potential holdings with elevated sustainability risk rating, controversy, or tied to UNGC failures.

The remaining proportion is used for investment purposes, or for instruments which are mainly used for liquidity or for risk balancing purposes, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives. Minimum safeguards are not considered for investments included under this category.

Asset allocation describes the share of investments in specific assets.
Taxonomy-aligned activities are expressed as a share of:
- **Turnover** reflecting the share of revenue from green activities of investee companies
- **Capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **Operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives:
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

N/A

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A

***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy*[3]**

- [ ] Yes:
  - [ ] In fossil gas
  - [ ] In nuclear energy
- [x] No

[3] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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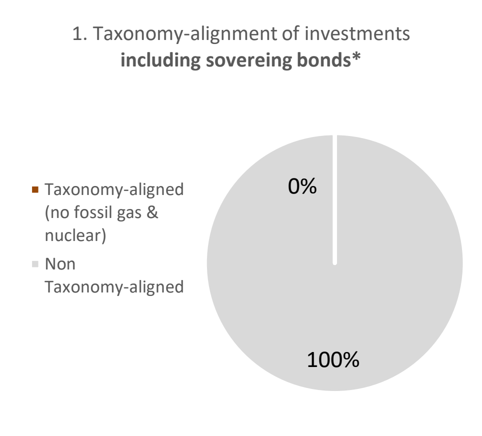

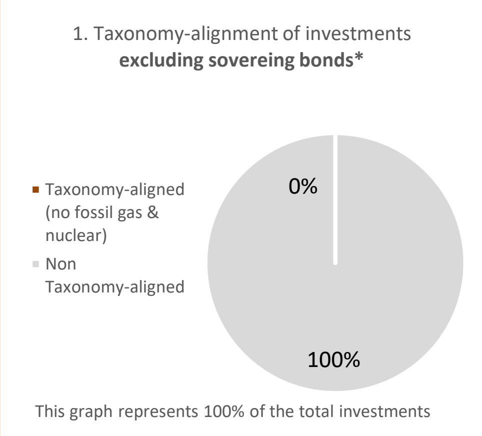

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What is the minimum share of investments in transitional and enabling activities?

N/A

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.

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N/A

What is the minimum share of socially sustainable investments?

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Product name:	**Legal entity identifier:**
Alken Fund – Absolute Return Europe (the "Sub-Fund")	*549300EZLBDG6VAQCH10*

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments.
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
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Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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7. Waste management – SDG15 and SDG14
8. Biodiversity and its protection – SDG15 and SDG14
9. Lifecycle impacts – SDG12
10. Noise pollution – SDG15

- **Top 10 of the cross sectorial characteristics pertaining to the social pillar:**

1. Impact on local community - SDG1 and SDG11
2. Working conditions – including health and safety – SDG10 and SDG3
3. Diversity programmes- SDG5 combined with PRINCIPLE 6 UN Global Compact: Businesses should uphold the elimination of discrimination in respect of employment and occupation
4. Retention rate – SDG8
5. Relationships with stakeholders (unions, NGOCs, communities etc) combined with PRINCIPLE 3 UN Global Compact: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
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Social characteristics promoted for the same consumer discretionary sector:

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2. Industry, innovation, and infrastructure, in line with SDG9
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Overall, the Investment Manager will use this in-house ESG mapping in order to:

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- **Rate issuers internally:** reviewing the ESG risk profiles of issuers, identifying their potential exposure to industry specific ESG concerns as well as ESG opportunities;
- **Engage with issuers:** engaging with issuers to encourage improvements on the identified environmental and social characteristics to be mitigated or improved;
- **Review controversies:** analysing potential environmental or social failures and reviewing the level of risk that can be tolerated.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics that it promotes

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Sub-Fund has implemented the following sustainability indicators in order to measure the effective promotion of the environmental and social characteristics:

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2. The percentage of securities that are being covered either by an internal ESG research review or by an external ESG research review;
3. The number of companies that are failing or that are under the watch list of the United Nationals Global Compact Principles ("UNGCs");
4. The number of companies that are subject to controversies considered to be severe as a result of the application of the Investment Manager's ESG integration policy;
5. The number of companies that went through a thorough ESG engagement process using the Investment Manager's ESG methodology.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Sub-Fund intends to invest a minimum of 20% of its net asset value in companies which contribute to "climate change mitigation". "Contributing to climate mitigation" means encouraging the reduction of emissions of issuers and/or encouraging the stabilization of the current levels of heat-trapping greenhouse gases in the atmosphere, and whilst doing so, also encouraging issuers to publicly commit to those reduction or stabilization targets.

In order to select companies which contribute to "climate change mitigation" as described above, the Investment Manager applies the pass/fail approach which methodology and thresholds are being detailed in the below.

Step 1: Environmental contribution test

To be considered as contributing to the defined environmental objective, companies must meet both a) and b) requirements as detailed below:

a) Companies demonstrated a climate mitigation intent:

The Investment Manager uses companies' disclosures of their carbon reduction targets to established climate platforms or outside:

- MSCI' CDP disclosures, looking for the "YES" indicator OR;
- MSCI SBTi disclosures SBTI APPROVED, looking for the "YES" indicator OR;
- MSCI' carbon emissions reduction targets, looking for anything but the "No target".

⇨ **Quantitative threshold:** the Investment Manager considers that a YES to any of those three conditions qualifies as a PASS.

AND

b) On top of their commitments, companies demonstrated concrete actions to climate mitigation:

The Investment Manager uses companies' carbon reduction Key Performance Indicators (KPIs). At least one of the four conditions below must be met to qualify as a PASS:

- Companies that have an above average taxonomy alignment (using MSCI' taxonomy alignment estimated revenues)
  ⇨ **Quantitative threshold:** any percentage above 20% of taxonomy alignment qualifies as a PASS.
- Companies that have reduced or mitigated their carbon risk exposure (using MSCI' Carbon Emissions Management Score).
  ⇨ **Quantitative threshold**: any score above 2/10 qualifies as a PASS
- Companies that are using alternative energy as a percentage of their revenues (using MSCI's field on "alternative energy". This indicator is a percentage).
  ⇨ **Quantitative threshold:** any percentage above 20% qualifies as a PASS.
- Companies that have embedded the use of energy from renewable sources within their business strategy (using MSCI's "renewable energy use" indicator. This field is a YES/NO indicator).
  ⇨ **Quantitative threshold:** Any YES to this indicator qualifies as a PASS.

Both sections a) and b) must be PASSED in order to consider that a company is considered as contributing to the defined environmental objective.

Contributing companies shall also successfully PASS the below Step 2 (DNSH Test) and Step 3 (good corporate governance practices) to be considered as a sustainable investment in the portfolio.

Step 2: Do no significant harm test – the contributing companies cannot perform negatively on selected principal adverse impact ("PAI") indicators. The following section on PAI details the methodology applied to ensure contributing companies are immune from causing PAI.

Step 3: Good governance test – the contributing companies must meet minimum corporate governance standards. The section on "*assessing good governance practices"* details the methodology applied to ensure contributing companies apply good governance practices.

If successfully passing Steps 1, 2 and 3, the company respectively the issuer of a financial instrument is then considered a (100%) sustainable investment. The percentage of sustainable investments in the portfolio is subsequently calculated by adding up the weights of all investments that are considered sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager relies on a number of indicators provided by its external data provider to ensure that those climate change mitigation contributing issuers are not at the same time causing harm to any other environmental or social sustainable objective (STEP 2 mentioned above). The section below details which indicators were chosen to identify any potential harm that could be caused by issuers.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Extracted from the Investment Manager's data provider's platform, the following indicators are being stored and monitored via the internal ESG interface in order to identify any potential adverse impacts:

a) **No harm shall be caused to PAI 1:** The company's economic activities shall not be part of the worst sectorial performers when it comes to their level of carbon emissions.
b) **No harm shall be caused to PAI 13:** The company's economic activities shall not be part of the worst sectorial performers when it comes to ensuring a minimum level of female directors on the Board.
c) **No tolerance to high degree of ESG risks:** The company's economic activities shall not be part of the worst global performers when it comes to general E, S and G matters, using our internal ESG scoring. Note we have identified the worst performers to be the internal category: RED/ C-. Also note companies subject to this category can be upgraded according to a strict internal process.
d) **No tolerance to high degree of controversy:** The company's economic activities shall not be part of the worst performers when it comes to being subject to controversies.
e) **No tolerance to controversial weapons:** The company's economic activities shall be immune from any type of involvement with controversial weapons.
f) **No tolerance to large fossil fuel revenue share exposures:** The company's economic activities shall be capped at 30% maximum of revenues generated by thermal coal or shale oil activities.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Investment Manager uses its external data provider's research to be alerted about any serious controversy on notable failures or events which it

believes would include issues relating to the OECD Guidelines for Multinational Enterprises and to the UN Guiding Principles on Business and Human Rights.

Besides, the Investment Manager's ESG internal assessment includes a number of elements raised by the OCED Guidelines and by the UN Guiding Principles. For instance, the internal review may require to verify the respect of human rights, compliance with minimum international labour rights, to evaluate issuers' environmental performance and to monitor the key governance practices of a given issuer.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

x Yes

No,

The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

The Investment Manager uses its ESG material map to assess whether an investee company has caused or could cause principal adverse impacts, or whether it has contributed or could contribute to principal adverse impacts, or whether principal adverse impacts are or would be directly linked with the investee company's operations, products, or services as far as relevant data can be obtained.

The Responsible Investor and Impact Statement Report available on the Investment Manager's website elaborates on the methodologies to identify and manage PAIs: Alken Asset Management | Legal (alken-am.com)

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Sub-Fund is an actively managed strategy and will have flexible net exposure to equity markets by taking long and short exposures on European equities primarily through the use of transferable securities, linear financial derivatives “delta one” (i.e. non optional, derivative instruments like contracts for difference (CFD) and portfolio swaps) and index futures.

The strategy will seek to gain market exposure primarily on equities and equity related securities of companies that are headquartered, domiciled in Europe, or conduct a preponderant part of their activity in Europe.

The Sub-Fund’s investment process is supported by a proprietary investment model which combines financial and non-financial analysis.

Covering the four key ESG themes: environment, social, governance and human rights, the responsible investing approach is based on global criteria with quantitative and qualitative rating, recommendations and ranking of the companies, irrespective of their sectors, capitalizations, or financial ratings. The responsible investing approach assessment is based both on the asset manager’s proprietary ESG analysis and on information gathered from external ESG providers.

The portfolio will contain a long exposure to a limited selection of securities considered as offering the greatest potential. Selection will comprise a mixture of "growth" and "value" stocks believed to have the potential to provide enhanced returns relative to the market.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Sub-Fund promotes the aforementioned environmental and social characteristics by following the Investment Manager’s binding ESG process, described below.

1. The Sub-Fund’s portfolio shall comply with the Investment Manager’s Exclusion Policy (which can be retrieved from the Investment Manager's website). This policy seeks to exclude from its investable universe products or business practices which the Investment Manager considers to be detrimental or incompatible with its investment ESG philosophy.
2. The Sub-Fund shall have at least 90% of its assets (excluding ancillary liquid assets) covered by the ESG analysis based on its ESG internal proprietary reviews or on its external provider of ESG research.
3. The Investment Manager monitors investments in companies that are in breach or on the “watch list” of the UNGCs. The monitoring can lead to divestment if the ESG Committee confirms the presence of high ESG risks that cannot be resolved.
4. The Investment Manager monitors investments in companies that are in breach or on the “watch list” of the UNGCs. For this the data provider’s “Watch” or “Fail” alerts are being used.. The monitoring and subsequent review of the situation can lead to divestment if the Investment Manager’s ESG Committee confirms the presence of high ESG risks that cannot be resolved.

5. The Investment Manager monitors investments in companies that are subject to severe controversies. For this the data provider's controversy scores that fall below 3/10 are used. The review of those investment can lead to divestment if the Investment Manager's ESG Committee confirms the presence of high ESG risks that cannot be resolved.
6. The Investment Manager limits exposure to elevated sustainability risk investments by identifying the worst ESG rated issuers according to the internal scoring system. The worst ESG rated issuers belong to the "C-"/"RED" category according to the internal grid system. The maximum tolerated exposure to those instruments is strictly defined in the Investment Manager's ESG Integration Policy available on its website: 10% or 25% tolerance depending on the strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There are no minimum percentage commitments to reduce the scope of investments.

- ***What is the policy to assess good governance practices of the investee companies?***

The Investment Manager screens the general good governance structure and practices of the investee companies based on governance datapoints provided by the external data provider.

The Investment Manager's also performs a general ESG internal review which includes a verification of the key pillars of governance such as Corruption and Bribery Prevention, Remuneration Policies, Audit and Internal Controls, Ownership Structure, Level of Transparency, Voting Structure, Independence of the Board and Independence of the Committees.

Additionally, an internal thorough review is performed where a heightened governance risk is identified to evaluate the potential risk.

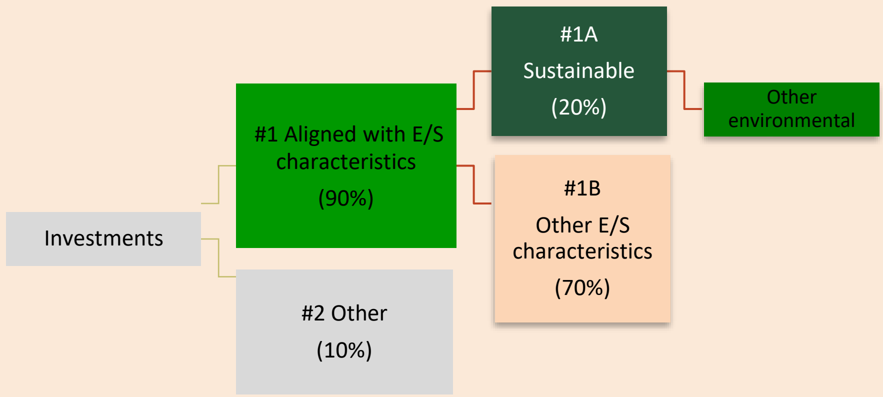
Asset allocation describes the share of investments in specific assets.
Taxonomy-aligned activities are expressed as a share of:
- **Turnover** reflecting the share of revenue from green activities of investee companies
- **Capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **Operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

What is the asset allocation planned for this financial product?

1. All exclusions putting limits on E or S defined characteristics are coded in the operational process through which investing in an excluded asset is prevented.
2. The limits set for investment in poor ESG companies is also similarly coded in the operational process.
3. Any UNGC watch or fail events, any new controversy and any new poor ESG credentials are notified to the ESG team members internally via an alert system. The operations and compliance teams are also alerted of any non-reviewed alerts.
4. A minimum threshold of 20% for sustainable investment promoting an environmental objective and/or a Taxonomy-alignment is also coded internally.
5. The remaining percentage goes through the Investment Manager’s usual ESG integration process, where E, S and G factors are carefully reviewed on a best-effort basis.
6. ESG internal analysis and engagement results are all logged in a common internal platform.
7. The risk management team monitors compliance with the defined ESG thresholds (including the monitoring of the Sub-Fund’s exposition to heightened ESG risks and strict compliance with the ESG exclusions lists).
8. Every week the ESG Committee is given the opportunity to review potential holdings with elevated sustainability risk rating, controversy, or tied to UNGC failures.

The remaining proportion is used for investment purposes, or for instruments which are mainly used for liquidity or for risk balancing purposes, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives. Minimum safeguards are not considered for investments included under this category.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives:
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

N/A

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[4]

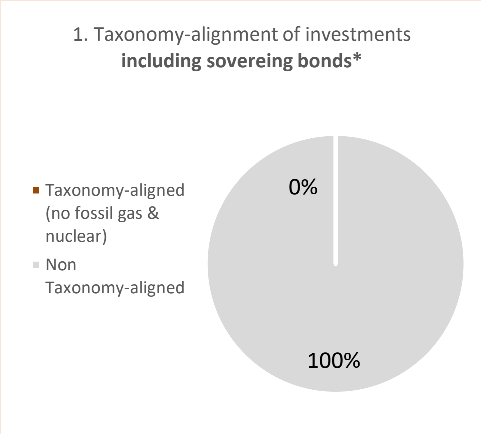
☐ Yes:

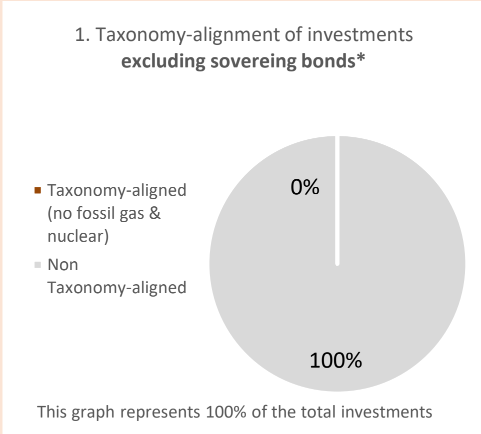
☐ In fossil gas ☐ In nuclear energy

☒ No

[4] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

N/A

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A

What is the minimum share of socially sustainable investments?

N/A

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

'#2 Other' refers to Investments that are not expected to promote environmental and/or social characteristics, as well as ancillary assets such as cash and other balance sheet items. These remaining proportion is used for investment purposes, or for instruments which are mainly used for liquidity or for risk balancing purposes, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives. Minimum environmental or social safeguards are not considered for investments included under this category.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

N/A

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Where can I find more product specific information online?

More product-specific information can be found on the following websites:

1) The Management Company: AFFM

2) The Investment Manager: Alken Asset Management | Legal (alken-am.com)

Template pre-contractual disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name:	**Legal entity identifier:**
Alken Fund – Sustainable Europe (the "Sub-Fund")	*222100WHRR0JRV4INU51*

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
[ ] **Yes**	[X] **No**
[ ] It will make a minimum of **sustainable investments with an environmental objective:** ___%	[X] It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments.
[ ] in economic activities that qualify as environmentally sustainable under the EU Taxonomy	[ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
[ ] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	[X] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	[ ] with a social objective
[ ] It will make a minimum of **sustainable investments with a social objective**: ___%	[ ] It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by using the Investment Manager's own in-house ESG methodology. This ESG methodology uses a combination of the Global Reporting Initiative (GRI) Standards, of the Sustainability Accounting Standards Board (SASB) ESG metrics, of the Sustainable Development Goals (SDGs) objectives as well as of the UN Global Compact Principles. This allows the Investment Manager to identify the most material environmental and social characteristics against the security issuer's industry.

The most prevalent cross sectorial environmental and social characteristics are listed as follows:

- **Top 10 of the cross sectorial characteristics pertaining to the environment:**

1. Air, water, ground pollution – SDG15
2. Greenhouse gases emissions – SDG13
3. Energy use, efficiency, and renewables – SDG7 combined with PRINCIPLE 9 UN Global Compact: Businesses should encourage the development and diffusion of environmentally friendly technologies
4. Raw materials consumption – SDG12
5. Sustainable transportation – SDG12
6. Water management – SDG6 and SDG14
7. Waste management – SDG15 and SDG14
8. Biodiversity and its protection – SDG15 and SDG14
9. Lifecycle impacts – SDG12
10. Noise pollution – SDG15

- **Top 10 of the cross sectorial characteristics pertaining to the social pillar:**

1. Impact on local community - SDG1 and SDG11
2. Working conditions – including health and safety – SDG10 and SDG3
3. Diversity programmes- SDG5 combined with PRINCIPLE 6 UN Global Compact: Businesses should uphold the elimination of discrimination in respect of employment and occupation
4. Retention rate – SDG8
5. Relationships with stakeholders (unions, NGOCs, communities etc) combined with PRINCIPLE 3 UN Global Compact: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
6. Supply Chain Management – SDG12
7. Materials sourcing – SDG12
8. Product Safety, quality, and labelling
9. Customer privacy & information security
10. Access to health and medicine – SDG10

According to the Investment Manager's ESG mapping, it shall primarily focus on the **three most material environmental and social factors identified for each sector** (and sub-sector if relevant). For instance:

Environmental characteristics promoted for the consumer discretionary sector:

1. Clean water and sanitation, in line with SDG6
2. Responsible consumption and production, in line with SDG12
3. Encouraging the development and diffusion of environmentally friendly technologies, in line with Principle 9 of the UNGC

Social characteristics promoted for the same consumer discretionary sector:

1. Decent work and economic growth, in line with SDG8
2. Industry, innovation, and infrastructure, in line with SDG9
3. Supply chain management, in line with SDG12

Overall, the Investment Manager will use this in-house ESG mapping in order to:

- **Exclude issuers:** limiting investments in companies whose environmental and social characteristics are considered to present too much risk and where companies have failed to mitigate those;
- **Screen issuers:** applying screening processes, including both best-in-universe and best-in-class companies, based on the issuers' performance on those environmental, social and governance characteristics combined;
- **Rate issuers internally:** reviewing the ESG risk profiles of issuers, identifying their potential exposure to industry specific ESG concerns as well as ESG opportunities;
- **Engage with issuers:** engaging with issuers to encourage improvements on the identified environmental and social characteristics to be mitigated or improved;
- **Review controversies:** analysing potential environmental or social failures and reviewing the level of risk that can be tolerated.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics that it promotes

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Sub-Fund has implemented the following sustainability indicators in order to measure the effective promotion of the environmental and social characteristics:

1. The percentage of investments in securities that are on the exclusion list as a result of the application of the Investment Manager's exclusion policy;
2. The percentage of securities that are being covered either by an internal ESG research review or by an external ESG research review;
3. The number of companies that are failing or that are under the watch list of the United Nationals Global Compact Principles ("UNGCs");
4. The number of companies that are subject to controversies considered to be severe as a result of the application of the Investment Manager's ESG integration policy;
5. The number of companies that went through a thorough ESG engagement process using the Investment Manager's ESG methodology.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Sub-Fund intends to invest a minimum of 20% of its net asset value in companies which contribute to "climate change mitigation". "Contributing to climate mitigation" means encouraging the reduction of emissions of issuers and/or encouraging the stabilization of the current levels of heat-trapping greenhouse gases in the atmosphere, and whilst doing so, also encouraging issuers to publicly commit to those reduction or stabilization targets.

In order to select companies which contribute to "climate change mitigation" as described above, the Investment Manager applies the pass/fail approach which methodology and thresholds are being detailed in the below.

Step 1: Environmental contribution test

To be considered as contributing to the defined environmental objective, companies must meet both a) and b) requirements as detailed below:

a) Companies demonstrated a climate mitigation intent:

The Investment Manager uses companies' disclosures of their carbon reduction targets to established climate platforms or outside:

- MSCI' CDP disclosures, looking for the "YES" indicator OR;
- MSCI SBTi disclosures SBTI APPROVED, looking for the "YES" indicator OR;
- MSCI' carbon emissions reduction targets, looking for anything but the "No target".

⇨ **Quantitative threshold:** the Investment Manager considers that a YES to any of those three conditions qualifies as a PASS.

AND

b) On top of their commitments, companies demonstrated concrete actions to climate mitigation:

The Investment Manager uses companies' carbon reduction Key Performance Indicators (KPIs). At least one of the four conditions below must be met to qualify as a PASS:

- Companies that have an above average taxonomy alignment (using MSCI' taxonomy alignment estimated revenues)
  ⇨ **Quantitative threshold:** any percentage above 20% of taxonomy alignment qualifies as a PASS.
- Companies that have reduced or mitigated their carbon risk exposure (using MSCI' Carbon Emissions Management Score).
  ⇨ **Quantitative threshold**: any score above 2/10 qualifies as a PASS
- Companies that are using alternative energy as a percentage of their revenues (using MSCI's field on "alternative energy". This indicator is a percentage).
  ⇨ **Quantitative threshold:** any percentage above 20% qualifies as a PASS.
- Companies that have embedded the use of energy from renewable sources within their business strategy (using MSCI's "renewable energy use" indicator. This field is a YES/NO indicator).
  ⇨ **Quantitative threshold:** Any YES to this indicator qualifies as a PASS.

Both sections a) and b) must be PASSED in order to consider that a company is considered as contributing to the defined environmental objective.

Contributing companies shall also successfully PASS the below Step 2 (DNSH Test) and Step 3 (good corporate governance practices) to be considered as a sustainable investment in the portfolio.

Step 2: Do no significant harm test – the contributing companies cannot perform negatively on selected principal adverse impact ("PAI") indicators. The following section on PAI details the methodology applied to ensure contributing companies are immune from causing PAI.

Step 3: Good governance test – the contributing companies must meet minimum corporate governance standards. The section on "*assessing good governance practices"* details the methodology applied to ensure contributing companies apply good governance practices.

If successfully passing Steps 1, 2 and 3, the company respectively the issuer of a financial instrument is then considered a (100%) sustainable investment. The percentage of sustainable investments in the portfolio is subsequently calculated by adding up the weights of all investments that are considered sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager relies on a number of indicators provided by its external data provider to ensure that those climate change mitigation contributing issuers are not at the same time causing harm to any other environmental or social sustainable objective (STEP 2 mentioned above). The section below details which indicators were chosen to identify any potential harm that could be caused by issuers.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Extracted from the Investment Manager's data provider's platform, the following indicators are being stored and monitored via the internal ESG interface in order to identify any potential adverse impacts:

a) **No harm shall be caused to PAI 1:** The company's economic activities shall not be part of the worst sectorial performers when it comes to their level of carbon emissions.
b) **No harm shall be caused to PAI 13:** The company's economic activities shall not be part of the worst sectorial performers when it comes to ensuring a minimum level of female directors on the Board.
c) **No tolerance to high degree of ESG risks:** The company's economic activities shall not be part of the worst global performers when it comes to general E, S and G matters, using our internal ESG scoring. Note we have identified the worst performers to be the internal category: RED/ C-. Also note companies subject to this category can be upgraded according to a strict internal process.
d) **No tolerance to high degree of controversy:** The company's economic activities shall not be part of the worst performers when it comes to being subject to controversies.
e) **No tolerance to controversial weapons:** The company's economic activities shall be immune from any type of involvement with controversial weapons.
f) **No tolerance to large fossil fuel revenue share exposures:** The company's economic activities shall be capped at 30% maximum of revenues generated by thermal coal or shale oil activities.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Investment Manager uses its external data provider's research to be alerted about any serious controversy on notable failures or events which it

believes would include issues relating to the OECD Guidelines for Multinational Enterprises and to the UN Guiding Principles on Business and Human Rights.

Besides, the Investment Manager's ESG internal assessment includes a number of elements raised by the OCED Guidelines and by the UN Guiding Principles. For instance, the internal review may require to verify the respect of human rights, compliance with minimum international labour rights, to evaluate issuers' environmental performance and to monitor the key governance practices of a given issuer.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- [x] Yes

- [ ] No,

The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

The Investment Manager uses its ESG material map to assess whether an investee company has caused or could cause principal adverse impacts, or whether it has contributed or could contribute to principal adverse impacts, or whether principal adverse impacts are or would be directly linked with the investee company's operations, products, or services as far as relevant data can be obtained.

The Responsible Investor and Impact Statement Report available on the Investment Manager's website elaborates on the methodologies to identify and manage PAIs: Alken Asset Management | Legal (alken-am.com)

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund is an actively managed strategy and will invest at least 80% of their assets in European equities with a maximum of up to 5% (but no more than 5%) of the total assets of the Sub-Fund can be invested in UK equities.

The Sub-Fund's investment process is supported by a proprietary investment model which combines financial and non-financial analysis.

Covering the four key ESG themes: environment, social, governance and human rights, the responsible investing approach is based on global criteria with quantitative and qualitative rating, recommendations and ranking of the companies, irrespective of their sectors, capitalizations, or financial ratings. The responsible investing approach assessment is based both on the asset manager's proprietary ESG analysis and on information gathered from external ESG providers.

The portfolio will contain a limited selection of securities considered as offering the greatest potential. Selection will comprise a mixture of "growth" and "value" stocks believed to have the potential to provide enhanced returns relative to the market.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Sub-Fund promotes the aforementioned environmental and social characteristics by following the Investment Manager's binding ESG process, described below.

1. The Sub-Fund's portfolio shall comply with the Investment Manager's Exclusion Policy (which can be retrieved from the Investment Manager's website). This policy seeks to exclude from its investable universe products or business practices which the Investment Manager considers to be detrimental or incompatible with its investment ESG philosophy.
2. The Sub-Fund shall have at least 90% of its assets (excluding ancillary liquid assets) covered by the ESG analysis based on its ESG internal proprietary reviews or on its external provider of ESG research.
3. The Investment Manager monitors investments in companies that are in breach or on the "watch list" of the UNGCs. The monitoring can lead to divestment if the ESG Committee confirms the presence of high ESG risks that cannot be resolved.
4. The Investment Manager monitors investments in companies that are in breach or on the "watch list" of the UNGCs. For this the data provider's "Watch" or "Fail" alerts are being used.. The monitoring and subsequent review of the situation can lead to divestment if the Investment Manager's ESG Committee confirms the presence of high ESG risks that cannot be resolved.
5. The Investment Manager monitors investments in companies that are subject to severe controversies. For this the data provider's controversy scores that fall below 3/10 are used. The review of those investment can lead to divestment if the Investment Manager's ESG Committee confirms the presence of high ESG risks that cannot be resolved.

6. The Investment Manager limits exposure to elevated sustainability risk investments by identifying the worst ESG rated issuers according to the internal scoring system. The worst ESG rated issuers belong to the "C-"/"RED" category according to the internal grid system. The maximum tolerated exposure to those instruments is strictly defined in the Investment Manager's ESG Integration Policy available on its website: 10% or 25% tolerance depending on the strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There are no minimum percentage commitments to reduce the scope of investments.

- ***What is the policy to assess good governance practices of the investee companies?***

The Investment Manager screens the general good governance structure and practices of the investee companies based on governance datapoints provided by the external data provider.

The Investment Manager's also performs a general ESG internal review which includes a verification of the key pillars of governance such as Corruption and Bribery Prevention, Remuneration Policies, Audit and Internal Controls, Ownership Structure, Level of Transparency, Voting Structure, Independence of the Board and Independence of the Committees.

Additionally, an internal thorough review is performed where a heightened governance risk is identified to evaluate the potential risk.

What is the asset allocation planned for this financial product?

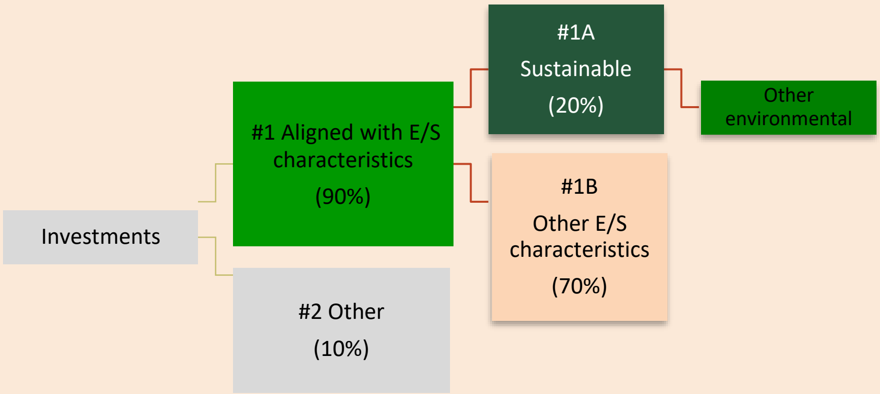
Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **Turnover** reflecting the share of revenue from green activities of investee companies
- **Capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **Operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

1. All exclusions putting limits on E or S defined characteristics are coded in the operational process through which investing in an excluded asset is prevented.
2. The limits set for investment in poor ESG companies is also similarly coded in the operational process.
3. Any UNGC watch or fail events, any new controversy and any new poor ESG credentials are notified to the ESG team members internally via an alert system. The operations and compliance teams are also alerted of any non-reviewed alerts.
4. A minimum threshold of 20% for sustainable investment promoting an environmental objective and/or a Taxonomy-alignment is also coded internally.
5. The remaining percentage goes through the Investment Manager's usual ESG integration process, where E, S and G factors are carefully reviewed on a best-effort basis.
6. ESG internal analysis and engagement results are all logged in a common internal platform.
7. The risk management team monitors compliance with the defined ESG thresholds (including the monitoring of the Sub-Fund's exposition to heightened ESG risks and strict compliance with the ESG exclusions lists).
8. Every week the ESG Committee is given the opportunity to review potential holdings with elevated sustainability risk rating, controversy, or tied to UNGC failures.

The remaining proportion is used for investment purposes, or for instruments which are mainly used for liquidity or for risk balancing purposes, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives. Minimum safeguards are not considered for investments included under this category.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives:
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

N/A

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[5]

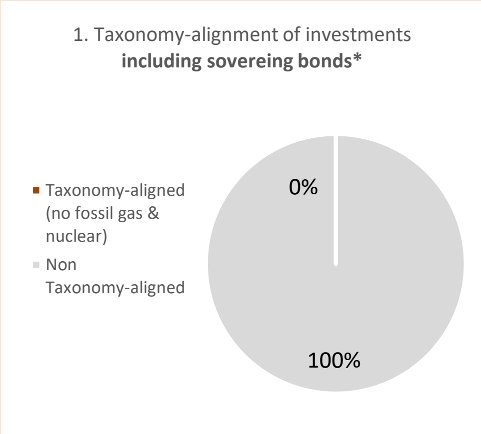
☐ Yes:

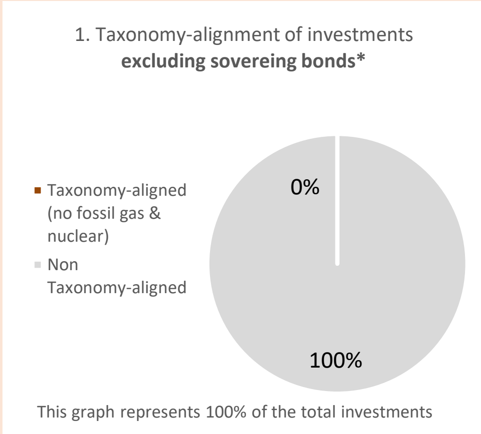
☐ In fossil gas ☐ In nuclear energy

☒ No

[5] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

N/A

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A

What is the minimum share of socially sustainable investments?

N/A

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

'#2 Other' refers to Investments that are not expected to promote environmental and/or social characteristics, as well as ancillary assets such as cash and other balance sheet items. These remaining proportion is used for investment purposes, or for instruments which are mainly used for liquidity or for risk balancing purposes, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives. Minimum environmental or social safeguards are not considered for investments included under this category.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

N/A

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Where can I find more product specific information online?

More product-specific information can be found on the following websites:

1) The Management Company: AFFM

2) The Investment Manager: Alken Asset Management | Legal (alken-am.com)

5. ALKEN FUND – Global Sustainable Convertible

Template pre-contractual disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name:	**Legal entity identifier:**
Alken Fund – Global Sustainable Convertible (the "Sub-Fund")	*2221009SG5MY582G7Z77*

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments.
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective**: ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The financial product promotes environmental and social characteristics by using the Investment Manager's own in-house ESG methodology. This ESG methodology uses a combination of the Global Reporting Initiative (GRI) Standards, of the Sustainability Accounting Standards Board (SASB) ESG metrics, of the Sustainable Development Goals (SDGs) objectives as well as of the UN Global Compact Principles. This allows the Investment Manager to identify the most material environmental and social characteristics against the security issuer's industry.

The most prevalent cross sectorial environmental and social characteristics are listed as follows:

- **Top 10 of the cross sectorial characteristics pertaining to the environment:**

1. Air, water, ground pollution – SDG15
2. Greenhouse gases emissions – SDG13
3. Energy use, efficiency, and renewables – SDG7 combined with PRINCIPLE 9 UN Global Compact: Businesses should encourage the development and diffusion of environmentally friendly technologies
4. Raw materials consumption – SDG12
5. Sustainable transportation – SDG12
6. Water management – SDG6 and SDG14
7. Waste management – SDG15 and SDG14
8. Biodiversity and its protection – SDG15 and SDG14
9. Lifecycle impacts – SDG12
10. Noise pollution – SDG15

- **Top 10 of the cross sectorial characteristics pertaining to the social pillar:**

1. Impact on local community - SDG1 and SDG11
2. Working conditions – including health and safety – SDG10 and SDG3
3. Diversity programmes- SDG5 combined with PRINCIPLE 6 UN Global Compact: Businesses should uphold the elimination of discrimination in respect of employment and occupation
4. Retention rate – SDG8
5. Relationships with stakeholders (unions, NGOCs, communities etc) combined with PRINCIPLE 3 UN Global Compact: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
6. Supply Chain Management – SDG12
7. Materials sourcing – SDG12
8. Product Safety, quality, and labelling
9. Customer privacy & information security
10. Access to health and medicine – SDG10

According to the Investment Manager's ESG mapping, it shall primarily focus on the **three most material environmental and social factors identified for each sector** (and sub-sector if relevant). For instance:

Environmental characteristics promoted for the consumer discretionary sector:

1. Clean water and sanitation, in line with SDG6
2. Responsible consumption and production, in line with SDG12
3. Encouraging the development and diffusion of environmentally friendly technologies, in line with Principle 9 of the UNGC

Social characteristics promoted for the same consumer discretionary sector:

1. Decent work and economic growth, in line with SDG8
2. Industry, innovation, and infrastructure, in line with SDG9
3. Supply chain management, in line with SDG12

Overall, the Investment Manager will use this in-house ESG mapping in order to:

- **Exclude issuers:** limiting investments in companies whose environmental and social characteristics are considered to present too much risk and where companies have failed to mitigate those;
- **Screen issuers:** applying screening processes, including both best-in-universe and best-in-class companies, based on the issuers' performance on those environmental, social and governance characteristics combined;
- **Rate issuers internally:** reviewing the ESG risk profiles of issuers, identifying their potential exposure to industry specific ESG concerns as well as ESG opportunities;
- **Engage with issuers:** engaging with issuers to encourage improvements on the identified environmental and social characteristics to be mitigated or improved;
- **Review controversies:** analysing potential environmental or social failures and reviewing the level of risk that can be tolerated.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics that it promotes

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Sub-Fund has implemented the following sustainability indicators in order to measure the effective promotion of the environmental and social characteristics:

1. The percentage of investments in securities that are on the exclusion list as a result of the application of the Investment Manager's exclusion policy;
2. The percentage of securities that are being covered either by an internal ESG research review or by an external ESG research review;
3. The number of companies that are failing or that are under the watch list of the United Nationals Global Compact Principles ("UNGCs");
4. The number of companies that are subject to controversies considered to be severe as a result of the application of the Investment Manager's ESG integration policy;
5. The number of companies that went through a thorough ESG engagement process using the Investment Manager's ESG methodology.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Sub-Fund intends to invest a minimum of 20% of its net asset value in companies which contribute to "climate change mitigation". "Contributing to climate mitigation" means encouraging the reduction of emissions of issuers and/or encouraging the stabilization of the current levels of heat-trapping greenhouse gases in the atmosphere, and whilst doing so, also encouraging issuers to publicly commit to those reduction or stabilization targets.

In order to select companies which contribute to "climate change mitigation" as described above, the Investment Manager applies the pass/fail approach which methodology and thresholds are being detailed in the below.

Step 1: Environmental contribution test

To be considered as contributing to the defined environmental objective, companies must meet both a) and b) requirements as detailed below:

a) Companies demonstrated a climate mitigation intent:

The Investment Manager uses companies' disclosures of their carbon reduction targets to established climate platforms or outside:

- MSCI' CDP disclosures, looking for the "YES" indicator <u>OR;</u>
- MSCI SBTi disclosures SBTI APPROVED, looking for the "YES" indicator <u>OR;</u>
- MSCI' carbon emissions reduction targets, looking for anything but the "No target".

⇨ **Quantitative threshold:** the Investment Manager considers that a YES to any of those three conditions qualifies as a PASS.

AND

b) On top of their commitments, companies demonstrated concrete actions to climate mitigation:

The Investment Manager uses companies' carbon reduction Key Performance Indicators (KPIs). At least <u>one of the four conditions</u> below must be met to qualify as a PASS:

- Companies that have an above average taxonomy alignment (using MSCI' taxonomy alignment estimated revenues)
  ⇨ **Quantitative threshold:** any percentage above 20% of taxonomy alignment qualifies as a PASS.
- Companies that have reduced or mitigated their carbon risk exposure (using MSCI' Carbon Emissions Management Score).
  ⇨ **Quantitative threshold**: any score above 2/10 qualifies as a PASS
- Companies that are using alternative energy as a percentage of their revenues (using MSCI's field on "alternative energy". This indicator is a percentage).
  ⇨ **Quantitative threshold:** any percentage above 20% qualifies as a PASS.
- Companies that have embedded the use of energy from renewable sources within their business strategy (using MSCI's "renewable energy use" indicator. This field is a YES/NO indicator).
  ⇨ **Quantitative threshold:** Any YES to this indicator qualifies as a PASS.

Both sections a) and b) must be PASSED in order to consider that a company is considered as contributing to the defined environmental objective.

Contributing companies shall also successfully PASS the below Step 2 (DNSH Test) and Step 3 (good corporate governance practices) to be considered as a sustainable investment in the portfolio.

Step 2: Do no significant harm test – the contributing companies cannot perform negatively on selected principal adverse impact ("PAI") indicators. The following section on PAI details the methodology applied to ensure contributing companies are immune from causing PAI.

Step 3: Good governance test – the contributing companies must meet minimum corporate governance standards. The section on "*assessing good governance practices"* details the methodology applied to ensure contributing companies apply good governance practices.

If successfully passing Steps 1, 2 and 3, the company respectively the issuer of a financial instrument is then considered a (100%) sustainable investment. The percentage of sustainable investments in the portfolio is subsequently calculated by adding up the weights of all investments that are considered sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager relies on a number of indicators provided by its external data provider to ensure that those climate change mitigation contributing issuers are not at the same time causing harm to any other environmental or social sustainable objective (STEP 2 mentioned above). The section below details which indicators were chosen to identify any potential harm that could be caused by issuers.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Extracted from the Investment Manager's data provider's platform, the following indicators are being stored and monitored via the internal ESG interface in order to identify any potential adverse impacts:

a) **No harm shall be caused to PAI 1:** The company's economic activities shall not be part of the worst sectorial performers when it comes to their level of carbon emissions.
b) **No harm shall be caused to PAI 13:** The company's economic activities shall not be part of the worst sectorial performers when it comes to ensuring a minimum level of female directors on the Board.
c) **No tolerance to high degree of ESG risks:** The company's economic activities shall not be part of the worst global performers when it comes to general E, S and G matters, using our internal ESG scoring. Note we have identified the worst performers to be the internal category: RED/ C-. Also note companies subject to this category can be upgraded according to a strict internal process.
d) **No tolerance to high degree of controversy:** The company's economic activities shall not be part of the worst performers when it comes to being subject to controversies.
e) **No tolerance to controversial weapons:** The company's economic activities shall be immune from any type of involvement with controversial weapons.
f) **No tolerance to large fossil fuel revenue share exposures:** The company's economic activities shall be capped at 30% maximum of revenues generated by thermal coal or shale oil activities.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Investment Manager uses its external data provider's research to be alerted about any serious controversy on notable failures or events which it

believes would include issues relating to the OECD Guidelines for Multinational Enterprises and to the UN Guiding Principles on Business and Human Rights.

Besides, the Investment Manager's ESG internal assessment includes a number of elements raised by the OCED Guidelines and by the UN Guiding Principles. For instance, the internal review may require to verify the respect of human rights, compliance with minimum international labour rights, to evaluate issuers' environmental performance and to monitor the key governance practices of a given issuer.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- [x] Yes
- [ ] No,

The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

The Investment Manager uses its ESG material map to assess whether an investee company has caused or could cause principal adverse impacts, or whether it has contributed or could contribute to principal adverse impacts, or whether principal adverse impacts are or would be directly linked with the investee company's operations, products, or services as far as relevant data can be obtained.

The Responsible Investor and Impact Statement Report available on the Investment Manager's website elaborates on the methodologies to identify and manage PAIs: Alken Asset Management | Legal (alken-am.com)

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund is an actively managed strategy and aims at investing in companies which have an attractive long-term value creation.

The Sub-Fund’s investment process is supported by a proprietary investment model which combines financial and non-financial analysis.

Covering the four key ESG themes: environment, social, governance and human rights, the responsible investing approach is based on global criteria with quantitative and qualitative rating, recommendations and ranking of the companies, irrespective of their sectors, capitalizations, or financial ratings. The responsible investing approach assessment is based both on the asset manager’s proprietary ESG analysis and on information gathered from external ESG providers.

The Sub-Fund will invest at least 67% of its net assets in convertible securities. Issuers of these securities may be located in any country, including emerging markets. The Sub-Fund will invest mainly in Investment Grade assets.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Sub-Fund promotes the aforementioned environmental and social characteristics by following the Investment Manager’s binding ESG process, described below.

1. The Sub-Fund’s portfolio shall comply with the Investment Manager’s Exclusion Policy (which can be retrieved from the Investment Manager's website). This policy seeks to exclude from its investable universe products or business practices which the Investment Manager considers to be detrimental or incompatible with its investment ESG philosophy.
2. The Sub-Fund shall have at least 90% of its assets (excluding ancillary liquid assets) covered by the ESG analysis based on its ESG internal proprietary reviews or on its external provider of ESG research.
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Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

There are no minimum percentage commitments to reduce the scope of investments.

What is the policy to assess good governance practices of the investee companies?

The Investment Manager screens the general good governance structure and practices of the investee companies based on governance datapoints provided by the external data provider.

The Investment Manager's also performs a general ESG internal review which includes a verification of the key pillars of governance such as Corruption and Bribery Prevention, Remuneration Policies, Audit and Internal Controls, Ownership Structure, Level of Transparency, Voting Structure, Independence of the Board and Independence of the Committees.

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What is the asset allocation planned for this financial product?

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4. A minimum threshold of 20% for sustainable investment promoting an environmental objective and/or a Taxonomy-alignment is also coded internally.
5. The remaining percentage goes through the Investment Manager's usual ESG integration process, where E, S and G factors are carefully reviewed on a best-effort basis.
6. ESG internal analysis and engagement results are all logged in a common internal platform.
7. The risk management team monitors compliance with the defined ESG thresholds (including the monitoring of the Sub-Fund's exposition to heightened ESG risks and strict compliance with the ESG exclusions lists).
8. Every week the ESG Committee is given the opportunity to review potential holdings with elevated sustainability risk rating, controversy, or tied to UNGC failures.

The remaining proportion is used for investment purposes, or for instruments which are mainly used for liquidity or for risk balancing purposes, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives. Minimum safeguards are not considered for investments included under this category.

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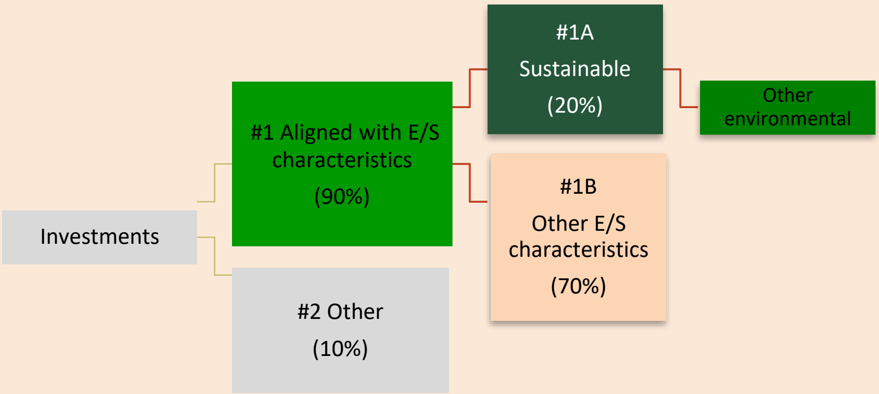

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The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives:
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

N/A

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A

***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy*[6]**

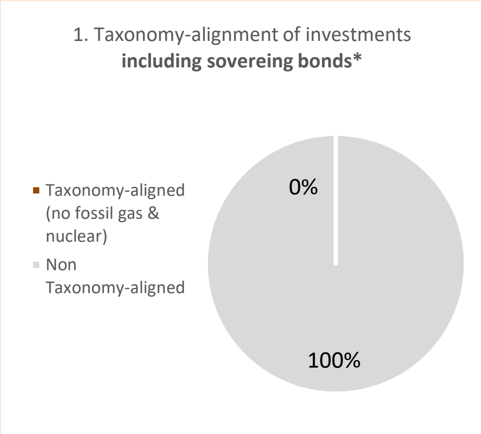
☐ Yes:

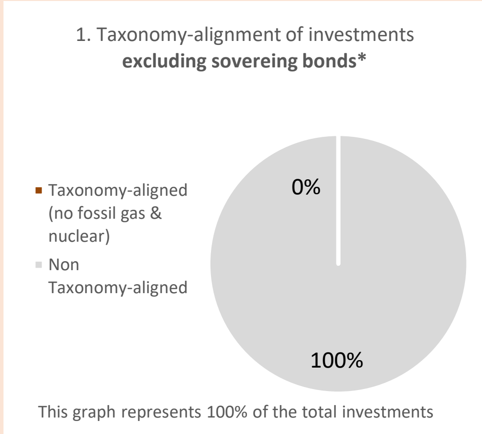
☐ In fossil gas ☐ In nuclear energy

☒ No

[6] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

N/A

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A

What is the minimum share of socially sustainable investments?

N/A

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

'#2 Other' refers to Investments that are not expected to promote environmental and/or social characteristics, as well as ancillary assets such as cash and other balance sheet items. These remaining proportion is used for investment purposes, or for instruments which are mainly used for liquidity or for risk balancing purposes, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives. Minimum environmental or social safeguards are not considered for investments included under this category.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

N/A

Where can I find more product specific information online?

More product-specific information can be found on the following websites:

1) The Management Company: AFFM

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Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Template pre-contractual disclosure for financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name:	**Legal entity identifier:**
Alken Fund – Sustainable Income Opportunities (the "Sub-Fund")	*222100MLJ4IMGF3JA604*

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

[ ] **Yes**	[X] **No**
[ ] It will make a minimum of **sustainable investments with an environmental objective:** ___%	[X] It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments.
[ ] in economic activities that qualify as environmentally sustainable under the EU Taxonomy	[ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
[ ] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	[X] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	[ ] with a social objective
[ ] It will make a minimum of **sustainable investments with a social objective**: ___%	[ ] It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by using the Investment Manager's own in-house ESG methodology. This ESG methodology uses a combination of the Global Reporting Initiative (GRI) Standards, of the Sustainability Accounting Standards Board (SASB) ESG metrics, of the Sustainable Development Goals (SDGs) objectives as well as of the UN Global Compact Principles. This allows the Investment Manager to identify the most material environmental and social characteristics against the security issuer's industry.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The most prevalent cross sectorial environmental and social characteristics are listed as follows:

- **Top 10 of the cross sectorial characteristics pertaining to the environment:**

1. Air, water, ground pollution – SDG15
2. Greenhouse gases emissions – SDG13
3. Energy use, efficiency, and renewables – SDG7 combined with PRINCIPLE 9 UN Global Compact: Businesses should encourage the development and diffusion of environmentally friendly technologies
4. Raw materials consumption – SDG12
5. Sustainable transportation – SDG12
6. Water management – SDG6 and SDG14
7. Waste management – SDG15 and SDG14
8. Biodiversity and its protection – SDG15 and SDG14
9. Lifecycle impacts – SDG12
10. Noise pollution – SDG15

- **Top 10 of the cross sectorial characteristics pertaining to the social pillar:**

1. Impact on local community - SDG1 and SDG11
2. Working conditions – including health and safety – SDG10 and SDG3
3. Diversity programmes- SDG5 combined with PRINCIPLE 6 UN Global Compact: Businesses should uphold the elimination of discrimination in respect of employment and occupation
4. Retention rate – SDG8
5. Relationships with stakeholders (unions, NGOCs, communities etc) combined with PRINCIPLE 3 UN Global Compact: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
6. Supply Chain Management – SDG12
7. Materials sourcing – SDG12
8. Product Safety, quality, and labelling
9. Customer privacy & information security
10. Access to health and medicine – SDG10

According to the Investment Manager's ESG mapping, it shall primarily focus on the **three most material environmental and social factors identified for each sector** (and sub-sector if relevant). For instance:

Environmental characteristics promoted for the consumer discretionary sector:

1. Clean water and sanitation, in line with SDG6
2. Responsible consumption and production, in line with SDG12
3. Encouraging the development and diffusion of environmentally friendly technologies, in line with Principle 9 of the UNGC

Social characteristics promoted for the same consumer discretionary sector:

1. Decent work and economic growth, in line with SDG8
2. Industry, innovation, and infrastructure, in line with SDG9
3. Supply chain management, in line with SDG12

Overall, the Investment Manager will use this in-house ESG mapping in order to:

- **Exclude issuers:** limiting investments in companies whose environmental and social characteristics are considered to present too much risk and where companies have failed to mitigate those;
- **Screen issuers:** applying screening processes, including both best-in-universe and best-in-class companies, based on the issuers' performance on those environmental, social and governance characteristics combined;
- **Rate issuers internally:** reviewing the ESG risk profiles of issuers, identifying their potential exposure to industry specific ESG concerns as well as ESG opportunities;
- **Engage with issuers:** engaging with issuers to encourage improvements on the identified environmental and social characteristics to be mitigated or improved;
- **Review controversies:** analysing potential environmental or social failures and reviewing the level of risk that can be tolerated.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics that it promotes

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Sub-Fund has implemented the following sustainability indicators in order to measure the effective promotion of the environmental and social characteristics:

1. The percentage of investments in securities that are on the exclusion list as a result of the application of the Investment Manager's exclusion policy;
2. The percentage of securities that are being covered either by an internal ESG research review or by an external ESG research review;
3. The number of companies that are failing or that are under the watch list of the United Nationals Global Compact Principles ("UNGCs");
4. The number of companies that are subject to controversies considered to be severe as a result of the application of the Investment Manager's ESG integration policy;
5. The number of companies that went through a thorough ESG engagement process using the Investment Manager's ESG methodology.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Sub-Fund intends to invest a minimum of 20% of its net asset value in companies which contribute to "climate change mitigation". "Contributing to climate mitigation" means encouraging the reduction of emissions of issuers and/or encouraging the stabilization of the current levels of heat-trapping greenhouse gases in the atmosphere, and whilst doing so, also encouraging issuers to publicly commit to those reduction or stabilization targets.

In order to select companies which contribute to "climate change mitigation" as described above, the Investment Manager applies the pass/fail approach which methodology and thresholds are being detailed in the below.

Step 1: Environmental contribution test

To be considered as contributing to the defined environmental objective, companies must meet both a) and b) requirements as detailed below:

a) Companies demonstrated a climate mitigation intent:

The Investment Manager uses companies' disclosures of their carbon reduction targets to established climate platforms or outside:

- MSCI' CDP disclosures, looking for the "YES" indicator OR;
- MSCI SBTi disclosures SBTI APPROVED, looking for the "YES" indicator OR;
- MSCI' carbon emissions reduction targets, looking for anything but the "No target".

⇨ **Quantitative threshold:** the Investment Manager considers that a YES to any of those three conditions qualifies as a PASS.

AND

b) On top of their commitments, companies demonstrated concrete actions to climate mitigation:

The Investment Manager uses companies' carbon reduction Key Performance Indicators (KPIs). At least one of the four conditions below must be met to qualify as a PASS:

- Companies that have an above average taxonomy alignment (using MSCI' taxonomy alignment estimated revenues)
  ⇨ **Quantitative threshold:** any percentage above 20% of taxonomy alignment qualifies as a PASS.
- Companies that have reduced or mitigated their carbon risk exposure (using MSCI' Carbon Emissions Management Score).
  ⇨ **Quantitative threshold**: any score above 2/10 qualifies as a PASS
- Companies that are using alternative energy as a percentage of their revenues (using MSCI's field on "alternative energy". This indicator is a percentage).
  ⇨ **Quantitative threshold:** any percentage above 20% qualifies as a PASS.
- Companies that have embedded the use of energy from renewable sources within their business strategy (using MSCI's "renewable energy use" indicator. This field is a YES/NO indicator).
  ⇨ **Quantitative threshold:** Any YES to this indicator qualifies as a PASS.

Both sections a) and b) must be PASSED in order to consider that a company is considered as contributing to the defined environmental objective.

Contributing companies shall also successfully PASS the below Step 2 (DNSH Test) and Step 3 (good corporate governance practices) to be considered as a sustainable investment in the portfolio.

Step 2: Do no significant harm test – the contributing companies cannot perform negatively on selected principal adverse impact ("PAI") indicators. The following section on PAI details the methodology applied to ensure contributing companies are immune from causing PAI.

Step 3: Good governance test – the contributing companies must meet minimum corporate governance standards. The section on "*assessing good governance practices*" details the methodology applied to ensure contributing companies apply good governance practices.

If successfully passing Steps 1, 2 and 3, the company respectively the issuer of a financial instrument is then considered a (100%) sustainable investment. The percentage of sustainable investments in the portfolio is subsequently calculated by adding up the weights of all investments that are considered sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager relies on a number of indicators provided by its external data provider to ensure that those climate change mitigation contributing issuers are not at the same time causing harm to any other environmental or social sustainable objective (STEP 2 mentioned above). The section below details which indicators were chosen to identify any potential harm that could be caused by issuers.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Extracted from the Investment Manager's data provider's platform, the following indicators are being stored and monitored via the internal ESG interface in order to identify any potential adverse impacts:

a) **No harm shall be caused to PAI 1:** The company's economic activities shall not be part of the worst sectorial performers when it comes to their level of carbon emissions.
b) **No harm shall be caused to PAI 13:** The company's economic activities shall not be part of the worst sectorial performers when it comes to ensuring a minimum level of female directors on the Board.
c) **No tolerance to high degree of ESG risks:** The company's economic activities shall not be part of the worst global performers when it comes to general E, S and G matters, using our internal ESG scoring. Note we have identified the worst performers to be the internal category: RED/ C-. Also note companies subject to this category can be upgraded according to a strict internal process.
d) **No tolerance to high degree of controversy:** The company's economic activities shall not be part of the worst performers when it comes to being subject to controversies.
e) **No tolerance to controversial weapons:** The company's economic activities shall be immune from any type of involvement with controversial weapons.
f) **No tolerance to large fossil fuel revenue share exposures:** The company's economic activities shall be capped at 30% maximum of revenues generated by thermal coal or shale oil activities.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Investment Manager uses its external data provider's research to be alerted about any serious controversy on notable failures or events which it

believes would include issues relating to the OECD Guidelines for Multinational Enterprises and to the UN Guiding Principles on Business and Human Rights.

Besides, the Investment Manager's ESG internal assessment includes a number of elements raised by the OCED Guidelines and by the UN Guiding Principles. For instance, the internal review may require to verify the respect of human rights, compliance with minimum international labour rights, to evaluate issuers' environmental performance and to monitor the key governance practices of a given issuer.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

x Yes

No,

The negative impact of investments on sustainability factors is taken into consideration as an integrated part of the investment process.

The Investment Manager uses its ESG material map to assess whether an investee company has caused or could cause principal adverse impacts, or whether it has contributed or could contribute to principal adverse impacts, or whether principal adverse impacts are or would be directly linked with the investee company's operations, products, or services as far as relevant data can be obtained.

The Responsible Investor and Impact Statement Report available on the Investment Manager's website elaborates on the methodologies to identify and manage PAIs: Alken Asset Management | Legal (alken-am.com)

In addition, information on how the principal adverse impacts on sustainability factors have been considered over the year will be available in the annual report of the financial product.

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund is an actively managed strategy and aims at investing in companies which have an attractive long-term value creation.

The Sub-Fund's investment process is supported by a proprietary investment model which combines financial and non-financial analysis.

Covering the four key ESG themes: environment, social, governance and human rights, the responsible investing approach is based on global criteria with quantitative and qualitative rating, recommendations and ranking of the companies, irrespective of their sectors, capitalizations, or financial ratings. The responsible investing approach assessment is based both on the asset manager's proprietary ESG analysis and on information gathered from external ESG providers.

The Sub-Fund will invest at least 67% of its net assets in bonds, corporate bonds, and other types of bonds. Issuers of these securities may be located in any country, including emerging markets.

These securities may consist of and are not limited to corporate bonds and convertible securities. It is generally intended to sell these convertible securities before the conversion when applicable. The Sub-Fund will invest in rated and unrated debt securities. It will invest in Investment Grade and high yield securities but no more than 10% will be invested in below B- equivalent credit quality securities.

These securities may consist of and are not limited to warrants, convertible bonds, exchangeable bonds, convertible notes, and convertible preference shares. The maximum proportion of ordinary shares held by the Sub-Fund is 10% of the Net Asset Value.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Sub-Fund promotes the aforementioned environmental and social characteristics by following the Investment Manager's binding ESG process, described below.

1. The Sub-Fund's portfolio shall comply with the Investment Manager's Exclusion Policy (which can be retrieved from the Investment Manager's website). This policy seeks to exclude from its investable universe products or business practices which the Investment Manager considers to be detrimental or incompatible with its investment ESG philosophy.
2. The Sub-Fund shall have at least 90% of its assets (excluding ancillary liquid assets) covered by the ESG analysis based on its ESG internal proprietary reviews or on its external provider of ESG research.
3. The Investment Manager monitors investments in companies that are in breach or on the "watch list" of the UNGCs. The monitoring can lead to divestment if the ESG Committee confirms the presence of high ESG risks that cannot be resolved.
4. The Investment Manager monitors investments in companies that are in breach or on the "watch list" of the UNGCs. For this the data provider's

“Watch” or “Fail” alerts are being used.. The monitoring and subsequent review of the situation can lead to divestment if the Investment Manager’s ESG Committee confirms the presence of high ESG risks that cannot be resolved.

5. The Investment Manager monitors investments in companies that are subject to severe controversies. For this the data provider’s controversy scores that fall below 3/10 are used. The review of those investment can lead to divestment if the Investment Manager’s ESG Committee confirms the presence of high ESG risks that cannot be resolved.
6. The Investment Manager limits exposure to elevated sustainability risk investments by identifying the worst ESG rated issuers according to the internal scoring system. The worst ESG rated issuers belong to the “C-“/”RED” category according to the internal grid system. The maximum tolerated exposure to those instruments is strictly defined in the Investment Manager’s ESG Integration Policy available on its website: 10% or 25% tolerance depending on the strategy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

There are no minimum percentage commitments to reduce the scope of investments.

What is the policy to assess good governance practices of the investee companies?

The Investment Manager screens the general good governance structure and practices of the investee companies based on governance datapoints provided by the external data provider.

The Investment Manager’s also performs a general ESG internal review which includes a verification of the key pillars of governance such as Corruption and Bribery Prevention, Remuneration Policies, Audit and Internal Controls, Ownership Structure, Level of Transparency, Voting Structure, Independence of the Board and Independence of the Committees.

Additionally, an internal thorough review is performed where a heightened governance risk is identified to evaluate the potential risk.

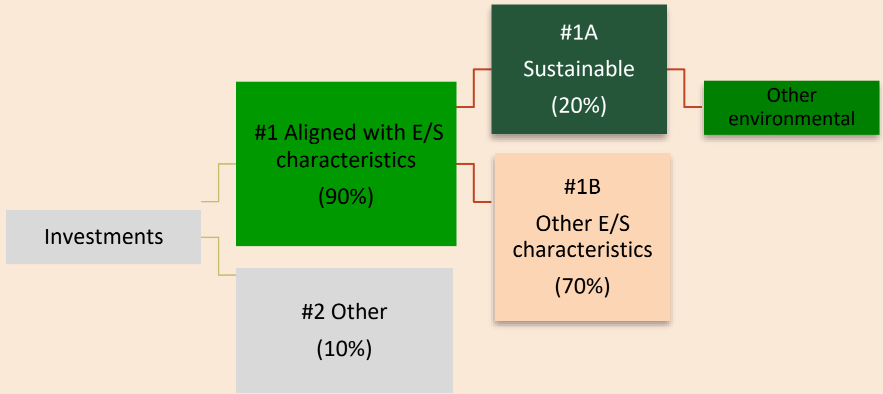
What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.
Taxonomy-aligned activities are expressed as a share of:
- **Turnover** reflecting the share of revenue from green activities of investee companies
- **Capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **Operational expenditure** (OpEx) reflecting green operational activities of investee companies.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

1. All exclusions putting limits on E or S defined characteristics are coded in the operational process through which investing in an excluded asset is prevented.
2. The limits set for investment in poor ESG companies is also similarly coded in the operational process.
3. Any UNGC watch or fail events, any new controversy and any new poor ESG credentials are notified to the ESG team members internally via an alert system. The operations and compliance teams are also alerted of any non-reviewed alerts.
4. A minimum threshold of 20% for sustainable investment promoting an environmental objective and/or a Taxonomy-alignment is also coded internally.
5. The remaining percentage goes through the Investment Manager’s usual ESG integration process, where E, S and G factors are carefully reviewed on a best-effort basis.
6. ESG internal analysis and engagement results are all logged in a common internal platform.
7. The risk management team monitors compliance with the defined ESG thresholds (including the monitoring of the Sub-Fund’s exposition to heightened ESG risks and strict compliance with the ESG exclusions lists).
8. Every week the ESG Committee is given the opportunity to review potential holdings with elevated sustainability risk rating, controversy, or tied to UNGC failures.

The remaining proportion is used for investment purposes, or for instruments which are mainly used for liquidity or for risk balancing purposes, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives. Minimum safeguards are not considered for investments included under this category.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives:
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

N/A

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[7]

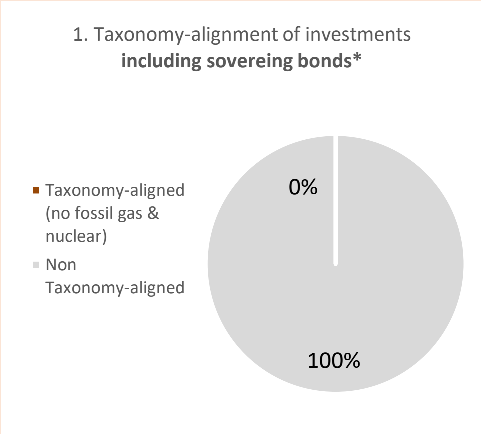
☐ Yes:

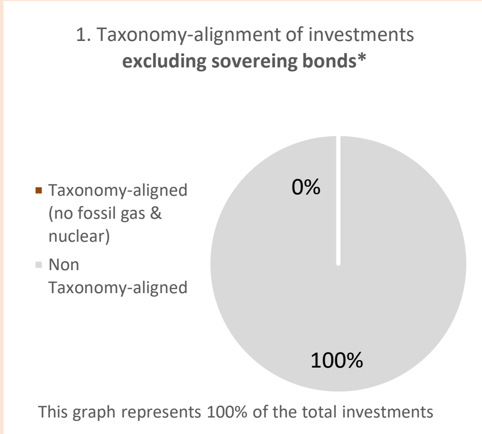
☐ In fossil gas ☐ In nuclear energy

☒ No

[7] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What is the minimum share of investments in transitional and enabling activities?

N/A

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A

What is the minimum share of socially sustainable investments?

N/A

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

'#2 Other' refers to Investments that are not expected to promote environmental and/or social characteristics, as well as ancillary assets such as cash and other balance sheet items. These remaining proportion is used for investment purposes, or for instruments which are mainly used for liquidity or for risk balancing purposes, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives. Minimum environmental or social safeguards are not considered for investments included under this category.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

N/A

Where can I find more product specific information online?

More product-specific information can be found on the following websites:

1) The Management Company: AFFM

2) The Investment Manager: Alken Asset Management | Legal (alken-am.com)

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.