**Ambienta X Sustainable Leaders Fund**
**(a sub-fund of Ambienta X ICAV)**
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2024

# Ambienta X Sustainable Leaders Fund

## Annual Report and Audited Financial Statements

For the financial year ended 31 December 2024

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# Ambienta X Sustainable Leaders Fund

## Management and Administration

**Directors**
Enda Allen* (Irish resident)
Donard McClean* (Irish resident)
Robert Moore (UK resident) (resigned 28 April 2025)
Joel Bird (resigned 31 July 2024)
Andrea Panzeri (appointed 02 Oct 2024)

**Secretary**
Tudor Trust Limited
33 Sir John Rogerson's Quay
Dublin 2
Ireland

**Manager**
Ambienta Sgr S.p.A.**
Piazza Fontana, 6
20122 Milan
Italy

**Registered Office of the ICAV**
33 Sir John Rogerson's Quay
Dublin 2
Ireland

**Administrator**
MUFG Alternative Fund Services
(Ireland) Limited (from 01 December 2024)
15 George's Quay
Dublin 2
D02 VR98
Ireland

**Investment Manager**
Ambienta Ltd. (from 17 January 2024)
20 King Street
London SW1Y 6QY
United Kingdom

Morgan Stanley Fund Services (Ireland) Limited
(until 30 November 2024)
24-26 City Quay
Dublin Docklands
Dublin
D02 NY19
Ireland

**Depositary**
Northern Trust Fiduciary Services (Ireland) Limited
Georges Court
54-62 Townsend Street
Dublin 2
Ireland

**Independent Auditors**
Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
29 Earlsfort Tenace
Dublin 2
D02 AY28

**Legal Advisers**
Dillon Eustace
33 Sir John Rogerson's Quay
Dublin 2
Ireland

*Independent and non-executive Director

**Acted as Investment Manager up until 16 January 2024

# Ambienta X Sustainable Leaders Fund

## Directors' Report

The Directors present their annual report and audited financial statements for the financial year ended 31 December 2024.

**Principal activities**
Ambienta X ICAV (the "ICAV") is registered in Ireland as an Irish collective asset-management vehicle under the Irish Collective Asset Management Vehicle Act 2015 (the "ICAV Act 2015"). The ICAV was authorised as an Undertaking for Collective Investment in Transferable Securities ("UCITS") by the Central Bank of Ireland on 21 April 2020. As at 31 December 2024, the ICAV has three sub-funds: Ambienta X Alpha Fund, Ambienta X Sustainable Leaders Fund and Ambienta X Environmental Mid Cap Fund. The Ambienta X Alpha Fund (the "Fund") commenced operations on 5 May 2020. The Ambienta X Sustainable Leaders Fund commenced operations on 21 January 2022 and the Ambienta X Environmental Mid Cap Fund commenced operations on 29 April 2022.

The investment objective of the Fund is to generate attractive risk-adjusted absolute returns by investing primarily in environmentally sustainable investments.

**Directors' statement on accounting records**
The Directors are responsible for ensuring that accounting records as outlined in Section 110 of the ICAV Act 2015 are kept by the Fund. To achieve this, the Directors have employed MUFG Alternative Fund Services (Ireland) Limited (the “Administrator”). The accounting records are located at the offices of the Administrator as stated on page 1.

**Activities and business review**
A detailed review of the Fund's activities for the financial year ended 31 December 2024 is included in the Investment Manager's Report.

**Risk management objectives and policies**
The main risks of the Fund are outlined in note 10.

**Distributions and retentions**
Details of distributions declared during the financial year are outlined in note 11 to the financial statements.

**Connected party transactions**
Central Bank UCITS Regulations state that any transaction carried out with a UCITS by the investment manager or depositary; and the delegates or sub-delegates of such an investment manager or depositary (excluding any non-group company sub-custodians appointed by a depositary); and any associated or group company of such an investment manager, depositary, delegate or sub-delegate ("Connected Person") must be carried out as if conducted at arm's length. Such transactions must be in the best interests of the shareholders of the Fund.

# Directors' Report (continued)

**Connected party transactions (continued)**
The Directors are satisfied that there are arrangements (evidenced by written procedures) in place to ensure that the obligations prescribed are applied with all transactions with Connected Persons and there were no transactions with Connected Persons for financial year ended 31 December 2024 .

**Future developments**
The Investment Manager will look to develop its Assets Under Management. The primary focus is European and Asian investors.

**Corporate governance code**
The Fund has voluntarily adopted the corporate governance code as published by Irish Funds. The Fund was in compliance with all elements of the code during the financial year.

**Directors**
The directors during the financial year are listed on page 1.

**Directors' and secretary interests in shares and contracts**
All Directors and the secretary who held office at 31 December 2024.

| Director Name | Shares | Class Name |
|---|---|---|
| Enda Allen | - | - |
| Donard McClean | - | - |
| Robert Moore | 12 | Class C Accumulation |
| Joel Bird | - | - |
| Andrea Panzeri | - | - |

**Significant events during the financial year**
On 31 July 2024, Joel Bird resigned from the board of Ambienta X ICAV. As of 02 October 2024, Andrea Panzeri has been appointed to the board of Ambienta X ICAV.

On 01 December 2024, the Fund changed Fund Administrator from Morgan Stanley Fund Services (Ireland) Limited to MUFG Alternative Fund Services (Ireland) Limited.

On 01 December 2024, a class rationalization took place with Classes N and N2 being renamed Classes F and F2 respectively, Class C being renamed Class I and Classes H, R and T being closed.

**Subsequent events**
From 01 January 2025, the benchmark index for the Ambienta X Sustainable Leaders Fund was changed to the MSCI World Net Total Return Index (EUR).

On 28 April 2025, Robert Moore resigned from the board of Ambienta X ICAV.

There have been no other significant events after the Statement of Financial Position date.

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**Independent Auditors**
In accordance with Section 125 of the ICAV Act 2015, the Auditors, Deloitte Ireland LLP, have expressed their willingness to continue in office as the Fund's auditors.

**Statement of Directors' Responsibilities**
The Directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable laws and regulations.

The ICAV Act 2015 requires the Directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

The financial statements are required to give a true and fair view of the assets, liabilities and financial position of the Fund at the end of the financial period and of the profit or loss of the Fund for the financial period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS; and
- prepare the financial statements of the ICAV on the going concern basis unless it is inappropriate to presume that the ICAV will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Fund and enable them to ensure that the financial statements comply with the ICAV Act 2015 and the Central Bank UCITS Regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Fund. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the ICAV Act 2015.

On behalf of the Board of Directors:

Signed by:
31C1646DBE75418...
Enda Allen
28 April 2025

DocuSigned by:
Donard McClean
60861F0FF5134F6...
Donard McClean
28 April 2025

Ambienta Sustainable Leaders Fund

Investment Manager's Report

## MARKET REVIEW

Amidst continuous geopolitical tensions, 2024 was another positive year for equity markets. The surging generative-AI theme and the protectionist stance of the then President-elect Trump fuelled the US markets to the point where discussions revolved around "US exceptionalism" and decoupling from the rest of the world economy.

At the same time, this nationalistic posture is being echoed in Europe by various political groups, supported by a weakening economy and a loss of competitiveness in key industries like the automotive and chemicals sectors. Germany, in particular, is experiencing a complex macroeconomic backdrop with strong ramifications for the entire European construct. The elections in February 2025 appear to be proven to be a pivotal moment for the continent.

Against this backdrop, sustainability-driven themes took a backseat, resulting in sharp underperformance in Q4. This was compounded by a series of negative comments and actions from key asset management players, including the withdrawal of early leaders like JPMorgan and State Street from the Climate Action 100+ coalition and BlackRock's exit from the Net Zero Asset Managers initiative.

While it is understandable for such players to adopt a pragmatic stance influenced by investor sentiment and the political climate in Washington, it serves as a stark reminder of how marketing practices and tactical commercial motives often shape much of the investment management industry. The ongoing confusion around impact investing, ESG, and sustainable investments can be seen as a direct consequence of such narratives and behaviours.

We invest in companies that enable humanity to continue progressing sustainably. The world needs innovation, and the companies in our portfolios are driving this progress by delivering solutions to their clients.

The first year exceeding 1.5 degrees above pre-industrial levels and the wildfires ravaging Los Angeles serve as sobering reminders of the urgency of addressing climate change. Similarly, the need to vaccinate children to reduce the spread of deadly and debilitating diseases remains pressing. Protectionism, denialism, and lax labelling of financial products might capture votes or short-term client inflows, but they are losing propositions in the long run.

The year ahead, as usual, promises to be eventful, with expectations, uncertainties, and potentially exciting investment themes. Autonomous driving vehicles (robotaxis) are being deployed at commercial scale in several US cities, competing on price with the likes of Uber, solid-state batteries are reaching critical commercial milestones, humanoid robot technology is advancing rapidly, and meaningful applications of AI are emerging, particularly in healthcare and diagnostics, with the potential to transform lives. Quantum computing on the other hand, after much end-of-year hype, seems to still be some way off.

Looking forward, while there are concerns about the long-term implications of demagogic policies on both sides of the Atlantic, there is much to anticipate. Europe and China face significant challenges in proving their ability to redress their economies and foster globally competitive players in high-growth industries.

As always, we remain committed to identifying and investing in the opportunities that will shape a sustainable and innovative future.

## FUND PERFORMANCE

The strategy was down -0.69% net of fees for the full year 2024. Below is a summary of the key contributions/detractions by name:

| *Contributors* | *Bps* | *Detractors* | *Bps* |
|---|---|---|---|
| Schneider Electric | +129 | Spirax | -193 |
| Salesforce | +121 | Sika | -113 |
| Clean Harbors | +105 | Infineon | -91 |
| Tetra Tech | +88 | Advanced Drainage Systems | -86 |
| Waste Management | +64 | Orsted | -55 |

The portfolio exhibited dispersion, with some very strong performers (Schneider, Salesforce, Clean Harbors and Tetra Tech), but also a number of companies with earnings downgrades and/or weak underlying markets. Key idiosyncratic outliers are discussed further below.

Salesforce, Tetra Tech and Waste Management re-rated strongly on the back of continuous positive execution. In particular, Salesforce seems to have assuaged investors' concerns around defensibility of its moats and shown a welcomed focus on profitability and cash flow generation. Schneider is benefiting from its data-centres exposure and resilience amidst a difficult construction market.

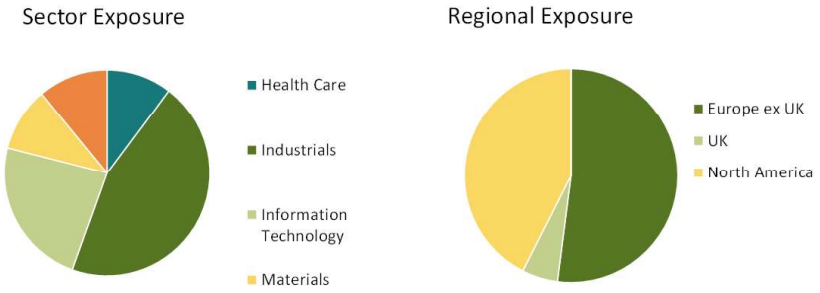
The portfolio exhibited ca. 7% EPS year-over-year growth (vs ca. 11% expected at the start of the year), with notable underperformers heavily penalized for such showing. This was the case for Sika and Infineon, which suffered from weak underlying markets and overly-optimistic guidance well into mid-year.

Spirax is suffering from China weakness in its main steam-specialties division, and a very deep cyclical downturn in its pharma-exposed business (Watson Marlow). Finally, their bets on industrial electrification (ETS) is struggling with execution and profitability concerns. Management credibility has suffered from such showing and the position underwent a significant re-underwriting after inclusion in our watchlist. We decided to maintain the investment due to the attractive risk-return, albeit lowering its quality value assessment.

Canadian Pacific ("CP") and Orsted deserve a different tone: they both performed operationally well despite challenging markets. Their management teams did exactly what we expected from them, with Canadian Pacific showing great resilience within a significant decline of rail-transported goods in the US and Orsted exiting its "annus horribilis" without a need for a capital increase, good progress on the divestiture plans and upgraded estimates. What both companies suffered, among others in the portfolio, is the outcome of the US elections and the negative rhetoric towards trade (affecting CP), and offshore wind farms (impacting Orsted). The latter was also severely impacted by the rapid rise in interest rates during Q4.

## CURRENT POSITIONING (2024 year-end)

The graphs below summarise the current gross exposures to industries and geographies of the Fund.




For the first time, our portfolio's names showed declining average EPS estimates during the year, still ending at ca. +7%, which leaves them ca. 6% cheaper than 12 months ago in absolute terms and ca. 10-15% cheaper vs the market on a relative basis.

For 2025, they are expected to grow their earnings at 10.9% and 12.1% for 24-27 as shown in the table below:

| EPS Growth YoY % | 2024 | 2025 | 2026 | 2027 | CAGR 24-27 | CAGR 19-24 |
|---|---|---|---|---|---|---|
| SL Portfolio | 7.3% | 10.9% | 13.0% | 12.4% | 12.1% | 15.2% |

**2025-27 based on Bloomberg aggregated brokers' estimates.*

This would leave them trading at multiples towards the low-end of their long-term range:

As we said in the aftermath of the US Presidential elections, these businesses are built to deliver value over the long term, regardless of policy changes in any one market and have been able to navigate different regulatory and competitive scenarios thanks to innovation and clients' demand for efficiency. As a group, they now trade at very attractive relative levels.

The Fund ended the year on a sobering note, and, as always, we are very thankful for your continuous support and wish you and your families a healthy and prosperous 2025.

**BUSINESS UPDATE**

Throughout the year, we said goodbye to Andrew Benson, who retired from the field once again, as well as Joel Bird and William Kitchin, who each embarked on fresh journeys.

Additionally, we were pleased to bring on board four new team members: Vaibhav Arya, bolstering our team as Investment Analyst, Sam Livingstone, joining as Head of Quantitative Strategies and Risk, and Lawrence Mayne, stepping in as Risk Associate, further strengthening our growing risk team. In addition to this, Magnus Spence joined as Head of Public Markets, bringing his expertise to improve the strategic positioning of the Ambienta Public Markets Funds.

# Ambienta X Sustainable Leaders Fund

## Annual Depositary Report to Shareholders

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depositary to Ambienta X Sustainable Leaders Fund ("the Fund") a sub-fund of Ambienta X ICAV, provide this report solely in favour of the shareholders of the Fund for the year ended 31 December 2024 ("the Annual Accounting Period"). This report is provided in accordance with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No 352 of 2011), as amended, which implemented Directive 2009/65/EU into Irish Law ("the Regulations"). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligation as provided for under the Regulations, we have enquired into the conduct of the Fund for the Accounting Period and we hereby report thereon to the shareholders of the Fund as follows;

We are of the opinion that the Fund has been managed during the Accounting Period, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the constitutional documents and by the Regulations; and

(ii) otherwise in accordance with the provisions of the constitutional document and the Regulations.

**For and on behalf of**
**Northern Trust Fiduciary Services (Ireland) Limited**

**28 April 2025**

Deloitte.

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMBIENTA X SUSTAINABLE LEADERS FUND, A SUB-FUND OF AMBIENTA X ICAV

## Report on the audit of the annual accounts

### Opinion on the annual accounts of Ambienta X Sustainable Leaders Fund, a sub-fund of Ambienta X ICAV (the 'ICAV')

In our opinion the annual accounts:

- give a true and fair view of the assets, liabilities and financial position of the ICAV as at 31 December 2024 and of the loss for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and the applicable Regulations.

The annual accounts we have audited comprise:

- the Statement of Financial Position;
- the Statement of Comprehensive Income;
- the Statement of Changes in Net Assets attributable to holders of Redeemable Shares;
- the Statement of Cash Flows; and
- the related notes 1 to 17, including material accounting policy information as set out in note 2.

The relevant financial reporting framework that has been applied in their preparation is the Irish Collective Asset-Management Acts 2015-2020 ("the ICAV Act") and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union ("the relevant financial reporting framework").

The applicable regulations that have been applied in their preparation is the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019 ("the applicable Regulations").

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the annual accounts*" section of our report.

We are independent of the ICAV in accordance with the ethical requirements that are relevant to our audit of the annual accounts in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the annual accounts, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the annual accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ICAV's ability to continue as a going concern for a period of at least twelve months from when the annual accounts are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the annual accounts and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Audited Financial Statements. Our opinion on the annual accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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Deloitte.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
AMBIENTA X SUSTAINABLE LEADERS FUND, A SUB-FUND OF AMBIENTA X ICAV

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the annual accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of annual accounts that give a true and fair view and have been properly prepared in accordance with the ICAV Act, and for such internal control as the directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the directors are responsible for assessing the ICAV's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the ICAV or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements. This description forms part of our auditor's report.

### Report on other legal and regulatory requirements

### Matters on which we are required to report by the ICAV Act and the applicable Regulations

In our opinion, the information given in the directors' report is consistent with the annual accounts and the directors' report has been prepared in accordance with the ICAV Act.

### Matters on which we are required to report by exception

Based on the knowledge and understanding of the ICAV and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the ICAV Act which require us to report to you if, in our opinion, the disclosures of directors' remuneration specified by the ICAV Act are not made.

### Opinion on other matters prescribed by the applicable Regulations

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the ICAV were sufficient to permit the annual accounts to be readily and properly audited.

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- The annual accounts are in agreement with the accounting records.

**Use of our report**

This report is made solely to the ICAV's shareholders, as a body, in accordance with Section 120(1) (b) of the ICAV Act. Our audit work has been undertaken so that we might state to the ICAV's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the ICAV and the ICAV's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Brian Forrester
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

30 April 2025

# Ambienta X Sustainable Leaders Fund

## Statement of Financial Position
## as at 31 December 2024

| | Note | 31 December 2024 € | 31 December 2023 € |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Financial assets at fair value through profit or loss | 3 | 109,823,751 | 121,661,491 |
| Due from brokers | | 13,053,161 | 12,891,529 |
| Cash | | 473,289 | 47,672 |
| Interest and dividends receivable | | 41,491 | 46,329 |
| Other assets | | 22,412 | - |
| **Total assets** | | 123,414,104 | 134,647,021 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Financial liabilities at fair value through profit or loss | 3 | 152,905 | 31,263 |
| Management fees payable | 6 | 54,934 | 55,565 |
| Interest and dividends payables | | 17,767 | 1,644 |
| Performance fee payable | 6 | - | 15 |
| Expenses payable | 6 | 363,890 | 383,605 |
| **Liabilities (excluding net assets attributable to holders of redeemable shares)** | | 589,496 | 472,092 |
| **Net assets attributable to holders of redeemable shares** | | **122,824,608** | **134,174,929** |
| **Net asset value per redeemable share** | | | |
| Class C Accumulation (based on 22 (2023: Nil) shares outstanding) | 5 | € 92.79 | € - |
| Class H Accumulation (based on Nil (2023: 10) shares outstanding) | 5 | € - | € 117.09 |
| Class M Accumulation (based on 4,701 (2023: 5,703) shares outstanding) | 5 | € 98.95 | € 99.48 |
| Class F Accumulation (based on 706,206 (2023: 706,206) shares outstanding) | 5 | € 97.63 | € 98.30 |
| Class F2 Accumulation (based on 54,707 (2023: 65,289) shares outstanding) | 5 | € 976.30 | € 983.03 |
| Class R Accumulation (based on Nil (2023: 10) shares outstanding) | 5 | € - | € 115.78 |
| Class T Accumulation (based on Nil (2023: 10) shares outstanding) | 5 | € - | € 116.57 |

Ambienta X Sustainable Leaders Fund

Portfolio of Investments

31 December 2024

| No. of shares/ contracts | Security description | Fair value | % of net assets |
|---|---|---|---|
| **Financial assets at fair value through profit or loss** | | | |
| **Common stock** | | | |
| Canada | | | |
| 90,140 | Canadian Pacific Kansas City | € 6,299,789 | 5.13 % |
| Canada - Total | | 6,299,789 | 5.13 |
| Denmark | | | |
| 127,631 | Orsted A/S | 5,548,685 | 4.52 |
| Denmark - Total | | 5,548,685 | 4.52 |
| France | | | |
| 184,350 | Dassault Systemes Se | 6,175,725 | 5.03 |
| 39,002 | Legrand Sa | 3,667,748 | 2.99 |
| France - Total | | 9,843,473 | 8.02 |
| Germany | | | |
| 250,025 | Infineon Technologies Ag | 7,850,785 | 6.39 |
| 57,617 | Symrise Ag | 5,914,385 | 4.82 |
| Germany - Total | | 13,765,170 | 11.21 |
| Netherlands | | | |
| 9,885 | Asml Holding Nv | 6,708,950 | 5.46 |
| Netherland - Total | | 6,708,950 | 5.46 |
| Sweden | | | |
| 157,140 | Atlas Copco Ab-A Shs | 2,319,022 | 1.89 |
| 292,962 | Epiroc Ab-B | 4,414,339 | 3.59 |
| Sweden - Total | | 6,733,361 | 5.48 |

Ambienta X Sustainable Leaders Fund

Portfolio of Investments (continued)

31 December 2024

| No. of shares/ contracts | Security description | | Fair value | % of net assets |
|---|---|---|---|---|
| **Financial assets at fair value through profit or loss (continued)** | | | | |
| **Common stock (continued)** | | | | |
| Switzerland | | | | |
| 25,055 | Sika Ag-Reg | € | 5,761,661 | 4.69 % |
| Switzerland - Total | | | 5,761,661 | 4.69 |
| United Kingdom | | | | |
| 80,037 | Spirax Group Plc | | 6,635,768 | 5.40 |
| United Kingdom - Total | | | 6,635,768 | 5.40 |
| United States Of America | | | | |
| 26,703 | Advanced Drainage Systems In | | 2,981,040 | 2.43 |
| 37,773 | Agilent Technologies Inc | | 4,900,459 | 3.99 |
| 49,173 | American Water Works Co Inc | | 5,911,682 | 4.81 |
| 36,282 | Amphenol Corp-Cl A | | 2,433,399 | 1.98 |
| 28,073 | California Water Service Grp | | 1,228,922 | 1.00 |
| 9,878 | Clean Harbors Inc | | 2,195,387 | 1.79 |
| 8,531 | Salesforce Inc | | 2,754,388 | 2.24 |
| 11,538 | Schneider Electric Se | | 2,779,504 | 2.26 |
| 2,643 | Teledyne Technologies Inc | | 1,184,641 | 0.96 |
| 185,480 | Tetra Tech Inc | | 7,136,189 | 5.81 |
| 13,848 | Thermo Fisher Scientific Inc | | 6,957,166 | 5.66 |
| 3,204 | Trane Technologies Plc | | 1,142,827 | 0.93 |

Ambienta X Sustainable Leaders Fund

Portfolio of Investments (continued)

31 December 2024

| No. of shares/ contracts | Security description | | Fair value | % of net assets |
|---|---|---|---|---|
| **Financial assets at fair value through profit or loss (continued)** | | | | |
| **Common stock (continued)** | | | | |
| United States Of America (continued) | | | | |
| 17,665 | Veralto Corp | € | 1,737,499 | 1.42 % |
| 26,601 | Waste Management Inc | | 5,183,791 | 4.22 |
| United States Of America - Total | | | 48,526,894 | 39.50 |
| **Total common stock** | | | 109,823,751 | 89.41 |
| **Total investments in securities** | | | **109,823,751** | **89.41** |
| **Financial assets at fair value through profit or loss** | | **€** | **109,823,751** | **89.41 %** |
| **Financial liabilities at fair value through profit or loss** | | | | |
| **Futures Contracts** | | | | |
| Germany | Stoxx Europe 600 Mar25 | € | (152,905) | (0.12) % |
| **Total Futures Contracts** | | | **(152,905)** | **(0.12)** |
| Morgan Stanley are the counterparty to the futures contracts. | | | | |
| **Financial liabilities at fair value through profit or loss** | | **€** | **(152,905)** | **(0.12) %** |
| **Total investments** | | **€** | **109,670,846** | **89.29 %** |
| Net due from broker and other receivables | | | 13,590,353 | 11.06 |
| Other net liabilities | | | (436,591) | (0.35) |
| **Net assets attributable to holders of redeemable shares** | | **€** | **122,824,608** | **100.00 %** |

Ambienta X Sustainable Leaders Fund

Portfolio of Investments

31 December 2023

| No. of shares/ contracts | Security description | Fair value | % of net assets |
|---|---|---|---|
| **Financial assets at fair value through profit or loss** | | | |
| **Common stock** | | | |
| Canada | | | |
| 66,865 | Canadian Pacific Kansas City | € 4,785,541 | 3.57 % |
| Canada - Total | | 4,785,541 | 3.57 |
| Denmark | | | |
| 130,934 | Orsted A/S | 6,574,307 | 4.90 |
| Denmark - Total | | 6,574,307 | 4.90 |
| France | | | |
| 29,050 | Dassault Systemes | 1,285,027 | 0.96 |
| 34,820 | Schneider Electric SE | 6,329,580 | 4.72 |
| France - Total | | 7,614,607 | 5.68 |
| Germany | | | |
| 201,022 | Infineon Technologies AG | 7,598,632 | 5.66 |
| 68,280 | Symrise AG | 6,803,419 | 5.07 |
| Germany - Total | | 14,402,051 | 10.73 |
| Ireland | | | |
| 7,436 | Trane Technologies Plc | 1,641,824 | 1.22 |
| Ireland - Total | | 1,641,824 | 1.22 |
| Netherlands | | | |
| 9,432 | ASML Holding N.V | 6,429,794 | 4.79 |
| Netherland - Total | | 6,429,794 | 4.79 |
| Sweden | | | |
| 253,515 | Atlas Copco Ab-A Shs | 3,952,171 | 2.95 |
| 394,075 | Epiroc Ab-B | 6,244,317 | 4.65 |
| Sweden - Total | | 10,196,488 | 7.60 |

Ambienta X Sustainable Leaders Fund

Portfolio of Investments (continued)

31 December 2023

| No of shares/ contracts | Security description | Fair value | % of net assets |
|---|---|---|---|
| **Financial assets at fair value through profit or loss (continued)** | | | |
| **Common stock (continued)** | | | |
| Switzerland | | | |
| 7,950 | DSM-Firmenich AG | € 731,400 | 0.55 % |
| 21,427 | Siks Fin I | 6,307,830 | 4.70 |
| Switzerland - Total | | 7,039,230 | 5.25 |
| United Kingdom | | | |
| 58,435 | Spirax-Sacro Engineering Plc | 7,084,130 | 5.28 |
| United Kingdom - Total | | 7,084,130 | 5.28 |
| United States Of America | | | |
| 39,583 | Advanced Drainage Systems In | 5,039,563 | 3.76 |
| 68,165 | Agilent Technologies Inc | 8,579,171 | 6.39 |
| 52,758 | American Water Works Co Inc | 6,303,833 | 4.70 |
| 8,505 | Amphenol Corporation | 763,229 | 0.57 |
| 32,407 | Clean Harbors, Inc | 5,119,581 | 3.82 |
| 9,390 | Salesforce.com.Inc | 2,236,803 | 1.67 |
| 9,862 | Teledyne Technologies,Inc | 3,984,350 | 2.97 |
| 32,403 | Tetra Tech,Inc | 4,896,604 | 3.65 |
| 13,350 | Thermo Fisher Scientific,Inc | 6,414,744 | 4.78 |
| 54,019 | Veralto Corporation | 4,022,635 | 2.99 |
| 43,555 | Waste Management, Inc | 7,061,693 | 5.26 |
| United States Of America - Total | | € 54,422,206 | 40.56 |
| **Total common stock** | | 120,190,178 | 89.58 |
| **Total investments in securities** | | **€ 120,190,178** | **89.58** |

The accompanying notes form an integral part of the Financial Statements.

Ambienta X Sustainable Leaders Fund

Portfolio of Investments (continued)

31 December 2023

| No. of shares/ contracts | Security description | | Fair value | % of net assets |
|---|---|---|---|---|
| **Financial assets at fair value through profit or loss (continued)** | | | | |
| **Forward Contracts - short exposure** | | | | |
| Buy EUR, Sell USD | | 19/01/2023 | € 1,236,541 | 0.92 % |
| Buy EUR, Sell GBP | | 19/01/2023 | 52,597 | 0.04 |
| **Total forward contracts - short exposure** | | | **1,289,138** | **0.96** |
| **Future Contracts - long exposure** | | | | |
| 42 STOXX EUROPE 600 FUTURE | | 15/03/2024 | 6,305 | - |
| **Total future contracts - long exposure** | | | **6,305** | - |
| **Option Contracts - long exposure** | | | | |
| Germany | | | | |
| 110 OESX, €4,275, Put, 16/02/2024 | | | 21,780 | 0.02 |
| 123 OESX, €4,300, Put, 15/03/2024 | | | 49,323 | 0.03 |
| Germany - Total | | | 71,103 | 0.05 |
| United States of America | | | | |
| 23 SPXW, €4,525, Put, 15/03/2024 | | | 72,666 | 0.06 |
| 18 SPXW, €4,530, Put, 16/02/2024 | | | 32,101 | 0.02 |
| United States of America - Total | | | 104,767 | 0.08 |
| **Total option contracts - long exposure** | | | **175,870** | **0.13** |
| **Financial assets at fair value through profit or loss** | | | **€ 121,661,491** | **90.67 %** |

Ambienta X Sustainable Leaders Fund

Portfolio of Investments (continued)

31 December 2023

| No. of shares/ contracts | Security description | | Fair value | % of net assets |
|---|---|---|---|---|
| **Financial liabilities at fair value through profit or loss** | | | | |
| **Equity Swaps - long exposure** | | | | |
| Ireland | | | | |
| 98,539 | Kingspan Group Plc | € | (24,135) | (0.01) % |
| United Kingdom | | | | |
| 38,000 | Ashtead Group Plc | | (7,128) | (0.01) |
| **Total equity swap - long exposure** | | | **(31,263)** | **(0.02)** |
| **Financial liabilities at fair value through profit or loss** | | **€** | **(31,263)** | **(0.02) %** |

Morgan Stanley and Bank of America are the counterparties to the equity swaps.
Northern Trust are the counterparty to the forward contracts.

| | | | |
|---|---|---|---|
| **Total investments** | **€** | **121,630,228** | **90.65 %** |
| Net due from broker and other receivables | | 12,985,530 | 9.68 |
| Other net liabilities | | (440,829) | (0.33) |
| **Net assets attributable to holders of redeemable shares** | **€** | **134,174,929** | **100.00 %** |

## Statement of Comprehensive Income
for the financial year ended 31 December 2024

| | Note | For the financial year ended 31 December 2024 € | For the financial year ended 31 December 2023 € |
|---|---|---|---|
| **Investment income** | | | |
| Dividends | | 1,157,864 | 1,284,153 |
| Interest income | | 366,439 | 331,770 |
| Other income | | 84,193 | 649 |
| Net (loss)/gain on financial assets and liabilities at fair value through profit or loss | 8 | (318,733) | 20,741,568 |
| **Total investment income** | | 1,289,763 | 22,358,140 |
| **Expenses** | | | |
| Management fees | 6 | (666,745) | (614,474) |
| Professional fees | 6 | (215,301) | (219,552) |
| Research fees | | (208,065) | (207,900) |
| Administration fees | 6 | (184,669) | (174,779) |
| Depositary fees | 6 | (48,965) | (66,540) |
| Directors' fees | 14 | (20,000) | (20,000) |
| Interest expense | | (8,103) | (10,140) |
| Custody fees | | (1,052) | (55,502) |
| Performance fees | 6 | - | (13) |
| Other expenses | 6 | (28,958) | (42,192) |
| **Total expenses** | | (1,381,858) | (1,411,092) |
| **Profit for the year before tax** | | (92,095) | 20,947,048 |
| Withholding tax on dividends | | (263,742) | (253,214) |
| **(Decrease)/increase in net assets attributable to holders of redeemable shares from operations** | | **(355,837)** | **20,693,834** |

The accompanying notes form an integral part of the Financial Statements.

# Ambienta X Sustainable Leaders Fund

## Audited Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares for the financial year ended 31 December 2024

| | For the financial year ended 31 December 2024 € | For the financial year ended 31 December 2023 € |
|---|---|---|
| **Net assets attributable to holders of redeemable shares at beginning of year** | 134,174,929 | 117,650,336 |
| Issuance of redeemable shares | 1,000 | 5,150,000 |
| Redemption of redeemable shares | (10,995,484) | (9,319,241) |
| (Decrease)/increase in net assets attributable to holders of redeemable shares from operations | (355,837) | 20,693,834 |
| **Net assets attributable to holders of redeemable shares at end of year** | **122,824,608** | **134,174,929** |

The accompanying notes form an integral part of the Financial Statements.

# Ambienta X Sustainable Leaders Fund

## Audited Statement of Cash Flows
## for the financial year ended 31 December 2024

| | For the financial year ended 31 December 2024 € | For the financial year ended 31 December 2023 € |
|---|---|---|
| **Cash flows from operating activities** | | |
| (Decrease)/increase in net assets attributable to holders of redeemable shares from operations | (355,837) | 20,693,834 |
| **Adjustments to reconcile (Decrease)/increase in net assets attributable to holders of redeemable participating shares from operations to net cash provided by operating activities:** | | |
| Purchases of investments in securities | (56,873,009) | (89,205,282) |
| Proceeds from disposal of investments in securities | 72,591,774 | 94,047,381 |
| Purchases of derivative contracts | (394,381) | 382,300 |
| Proceeds from disposal of derivative contracts | 654,281 | 2,445,264 |
| Net realised gain on investments in securities | (13,478,025) | (5,811,942) |
| Net change in unrealised loss/(gain) on investment in securities | 8,125,686 | (12,093,916) |
| Net realised gain on investments in derivative contracts | (12,940) | (3,074,522) |
| Net change in unrealised loss on investments in derivative contract | 1,345,996 | 1,297,646 |
| | | |
| **Changes in assets and liabilities** | | |
| **Changes in assets** | | |
| Due from brokers | (161,632) | (4,726,588) |
| Interest and dividends receivable | 4,838 | (27,338) |
| Other assets | (22,412) | 17,035 |
| **Changes in liabilities** | | |
| Expenses payable | (19,715) | 217,294 |
| Management fees payable | (631) | 4,149 |
| Interest payable | 16,123 | 1,577 |
| Performance fee payable | (15) | 15 |
| **Net cash provided by operating activities** | 11,420,101 | 4,166,907 |
| | | |
| **Cash flows from financing activities** | | |
| Amounts received on issuance of redeemable shares | 1,000 | 5,150,000 |
| Amounts paid on redemptions of redeemable shares | (10,995,484) | (9,319,241) |
| **Net cash used in financing activities** | (10,994,484) | (4,169,241) |
| | | |
| **Net change in cash and cash equivalents** | 425,617 | (2,334) |
| Cash and cash equivalents at beginning of the year | 47,672 | 50,006 |
| **Cash and cash equivalents at end of year** | 473,289 | 47,672 |

The accompanying notes form an integral part of the Financial Statements.

# Notes to Financial Statements

## 1. Organisation

Ambienta X ICAV ("ICAV") was registered in Ireland pursuant to the Irish Collective Asset Management Vehicle Act 2015 on 25 July 2019 under registration number Cl95780. The ICAV is authorised by Central Bank of Ireland (the "Central Bank") as an Undertaking for Collective Investment in Transferable Securities ("UCITS") on 21 April 2020 pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the "UCITS Regulations"). The ICAV is structured as an umbrella type Irish collect asset-management vehicle which may consist of different funds, each comprising one or more classes. As at 31 December 2024, the ICAV has three sub-funds: Ambienta X Alpha Fund, Ambienta X Sustainable Leaders Fund and Ambienta X Environmental Mid Cap Fund.

The ICAV has appointed Ambienta Sgr S.p.A., an Italian company, as its UCITS management company (the "Manager"). The Manager has been appointed to act as discretionary investment manager of the ICAV and distributor of the shares. On 17 January 2024, Ambienta Ltd was approved by the Central Bank to act as Investment Manager.

The investment objective of Ambienta X Sustainable Leaders Fund (the "Fund") is to generate attractive risk-adjusted absolute returns by investing primarily in environmentally sustainable investments.

The Fund commenced operations on 21 January 2022 and the Fund's supplement was last updated on 01 January 2025.

## 2. Material accounting policies

The material accounting policies adopted by the Fund are set out below.

*a) Basis of preparation*
These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, and applied in accordance with the ICAV Act, the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertaking for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations").

The Fund's financial statements have been prepared on a going concern basis.

*b) Basis of measurement*
The financial statements have been prepared on the historical cost basis, except for the financial instruments at fair value through profit or loss, which are measured at fair value.

*c) New accounting standards*
There are no new accounting standards updates effective for the current period that have any impact on the Fund's financial statements.

**2. Material accounting policies (continued)**

*d) Functional and presentation currency*
The trading activities of the Fund are conducted primarily in Euro ("€"); consequently the functional and presentational currency of the Fund is Euro.

*e) Transactions and balances*
Investment securities and other assets and liabilities denominated in foreign currencies are translated into Euro amounts at the date of valuation. Purchases and sales of investment securities and income and expenses denominated in foreign currencies are translated into Euro amounts on the respective dates of such transactions.

The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net (loss)/gain on financial assets and liabilities at fair value through profit or loss.

*f) Use of estimates and judgments*
The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

*g) Distribution policy*
The Directors of the ICAV determine the distribution policy of the ICAV in accordance with details set out in the ICAV's Instrument of Incorporation. In the event of a distribution being paid, the Fund will be obligated to deduct Irish tax if the shareholder concerned is an Irish taxpayer. Any such amounts deducted will be forwarded to the Irish Tax Authorities. Distributions are included in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares as distributions.

*h) Financial assets and liabilities at fair value through profit or loss*
*i) Classification*
The Fund has classified its financial assets and financial liabilities in accordance with IFRS into the following categories:

Financial assets and financial liabilities at fair value through profit or loss comprises financial instruments held for trading which includes common stock, forward contracts and equity swaps. All common stock held long and derivative contracts in net receivable position (positive fair value) are reported as financial assets held for trading. All derivative contracts in a net payable position (negative fair value) are reported as financial liabilities held for trading. The Fund recognises financial assets and financial liabilities held for trading on a trade date basis.

**2. Material accounting policies (continued)**

*h) Financial assets and liabilities at fair value through profit or loss (continued)*
*i) Classification (continued)*
Financial assets that are classified as loans and receivables include balances due from brokers and receivable balances, and cash and cash equivalents.

Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

*ii) Recognition and measurement*
Subsequent to initial recognition, all trading instruments at fair value through profit or loss are measured at fair value, with changes in fair value recognised in the Statement of Comprehensive Income.

Financial assets classified as loans and receivables and financial liabilities that are not at fair value through profit or loss are carried at amortised cost using the effective interest rate method less impairment losses, if any.

*iii) Fair value measurement principles*
'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in the absence of a principal market, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

When applicable, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. An active market is one where the transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The Fund measures such instruments at the closing (bid, offer or mid, as appropriate) or, if no closing price is available, at the last known market prices.

If there is no quoted price in an active market, the Fund uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation techniques incorporate all of the factors that market participants would take into account in pricing a transaction.

**2. Material accounting policies (continued)**

*h) Financial assets and liabilities at fair value through profit or loss (continued)*
*iii) Fair value measurement principles (continued)*
The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Fund determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

*iv) Amortised cost measurement principles*
The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

*v) Derecognition*
A financial asset is derecognised when the Fund loses control over the contractual rights that comprise that asset. This occurs when the rights are discharged, expire or cancelled.

Assets held for trading that are sold are derecognised and corresponding receivables from the buyer for the payment are recognised as of the date the Fund commits to sell the assets. The Fund uses the specific cost method to determine the gain or loss on derecognition.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

*vi) Derivative contracts*
*Swaps*
Generally, a swap contract is an agreement that obligates two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified notional amount of the underlying assets. The payment flows are usually netted against each other, with the difference being paid by one party to the other. Swap contracts which may be entered into by the Fund include interest rate swaps, dividend swaps, currency swaps, credit default swaps, index swaps and total return swaps.

*Forward contracts*
Forward contracts entered into by the Fund represent a firm commitment to buy or sell an underlying asset, or currency at a specified value and point in time based upon an agreed or contracted quantity. Gain and loss on forward contracts are measured by the Fund based upon fair value fluctuations.

**2. Material accounting policies (continued)**

*h) Financial assets and liabilities at fair value through profit or loss (continued)*
*vi) Derivative contracts (continued)*
*Options*
The Fund purchases or sells put and call options through listed exchanges and the over-the-counter ("OTC") markets. Options purchased by the Fund provide the Fund with the opportunity to purchase (call options) or sell (put options) the underlying asset at an agreed upon value either on or before the expiration of the option. The Fund is exposed to credit risk on purchased options only to the extent of their carrying amount, which is their fair value.

Options written by the Fund provide the purchaser of the option the opportunity to purchase from or sell to the Fund the underlying asset at an agreed upon value either on or before the expiration of the option. Premiums received from writing options are marked to market and the resulting gains or losses are recorded in the Statement of Comprehensive Income.

The fair value of an option is the quoted market price at the Statement of Financial Position date. The change in value is recorded in the net (loss)/gain on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income. Realised gains and losses are recognised on the maturity or sale of the option.

*Futures contracts*
A futures contract represents a commitment for the future purchase or sale of an asset or index at a specified price on a specified date. The Fund values futures contracts that are traded on an exchange at their last reported sales price.

*i) Due from brokers*
Due from brokers consist primarily of cash held at brokers and variation margin with the Fund's clearing brokers and various counterparties, and the amounts receivable or payable for securities transactions that have not yet settled at 31 December 2024.

*j) Cash*
Cash represents cash deposits held at financial institutions. Cash held at major financial institutions is subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC) limitations. Bankers to the Fund are currently Northern Trust with a Moody's long term deposit credit rating of A2 (31 December 2023: A2).

*k) Interest income*
Interest income is recognised in the Statement of Comprehensive Income as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing non-derivative financial asset and its amount at maturity calculated on an effective interest rate basis.

**2. Material accounting policies (continued)**

*l) Dividend income*
Dividends are recognised when the shareholders' right to receive payment is established. Dividend income relating to exchange-traded common stock is recognised in the Statement of Comprehensive Income on the ex-dividend date. In some cases, the Fund may receive or choose to receive dividends in the form of additional shares rather than cash. In such cases the Fund recognises as dividend income the amount of the cash dividend alternative with the corresponding debit being treated as an additional investment.

*m) Expenses*
All expenses are recognised in the Statement of Comprehensive Income on an accrual basis.

*n) Income taxes*
The ICAV is an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997. The ICAV will not be liable to Irish tax in respect of its income and gains, other than on the occurrence of a chargeable event with respect to Irish resident shareholders.

Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of shares by an Irish resident shareholder or on the ending of a relevant period. A relevant period ("Relevant Period") is an eight year period beginning with the acquisition of the shares by the Irish resident shareholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

A gain on a chargeable event does not arise in respect of:

(i) a shareholder who is not an Irish resident and not ordinarily resident in Ireland at the time of the chargeable event provided the necessary signed statutory declarations are held by the ICAV; or
(ii) certain exempted Irish resident investors who have provided the ICAV with the necessary signed statutory declaration; or
(iii) any transactions in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
(iv) an exchange of shares representing one Fund for another Fund of the ICAV; or
(v) an exchange of shares arising on a qualifying amalgamation or reconstruction of the ICAV with another ICAV; or
(vi) certain exchanges of shares between spouses and former spouses.

In the absence of an appropriate declaration, the Fund will be liable to Irish tax on the occurrence of a chargeable event.

Capital gains, dividends, and interest received by the Fund may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Fund or its shareholders.

**2. Material accounting policies (continued)**

*o) Transaction costs*
Transaction costs are directly attributable to trade in a financial asset or liability. Transaction costs are incremental as they would not be incurred unless the financial asset or liability was acquired, disposed of or issued. On initial recognition the Fund includes transaction costs in the values of financial assets and financial liabilities. For the Fund, there were transaction costs for the financial year ended 31 December 2024 of €631 and €300 for financial year ended 31 December 2023.

*p) Research expense*
Research fees charged during the financial year ended 31 December 2024 were €208,065 (31 December 2023: €207,900). During the year, research fees of €16,548 (31 December 2023: €20,171) were payable at the financial year end which is included in expenses payable on the Statement of Financial Position.

*q) Redeemable shares*
All redeemable shares issued by the Fund provide the shareholders with the right to require redemption for cash at the value proportionate to the shareholder's share in the Fund's net assets at the redemption date. In accordance with IFRS such instruments give rise to a financial liability for the value of the redemption amount. The redemption price for each redeemable share is equal to the Net Asset Value ("NAV") per redeemable shares on the dealing day.

*r) Equalisation*
Equalisation payable is due to investors who subscribed to share classes of the Fund during the financial year at a NAV higher than the high water mark. It will be paid to investors on the first day of the new financial year by issuing shares to those investors. Equalisation received from investors is accrued for as a liability as equalisation payable in the Statement of Financial Position until such time as under the terms set out in the prospectus, the equalisation is converted into additional shares, at which point the equalisation becomes a capital contribution and is reflected in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares or is no longer due to the investor and is written back to the Fund in the Statement of Comprehensive Income. See note 6 for details of performance fees and equalisation.

*s) Establishment expenses*
The Manager has elected to amortise the establishment and organization expenses of the ICAV over the first five accounting periods as per the ICAV's prospectus.

*t) Dividend income*
Dividend income is accounted for as receivable when the dividend is declared and the underlying asset is quoted ex-dividend. Dividend income is included in the Statement of Comprehensive Income net of applicable overseas withholding income taxes.

## 3. Fair value

In accordance with IFRS, the Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in determining these measurements.

The fair value hierarchy has the following levels:

- Level 1 - Quoted market price in an active market for an identical instrument.
- Level 2 - Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted market prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 - Valuation techniques using significant unobservable inputs. This category includes instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant impact on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following tables below analyse within the fair value hierarchy the Fund's financial assets and liabilities measured at fair value as of 31 December 2024 and as of 31 December 2023:

**Assets at Fair Value as of 31 December 2024**

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Common stock | € 109,823,751 | € - | € - | € 109,823,751 |
| **Total** | **€ 109,823,751** | **€ -** | **€ -** | **€ 109,823,751** |

**Liabilities at Fair Value as of 31 December 2024**

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Future contracts | € 152,905 | € - | € - | € 152,905 |
| **Total** | **€ 152,905** | **€ -** | **€ -** | **€ 152,905** |

## 3. Fair value (continued)

**Assets at Fair Value as of 31 December 2023**

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Common stock | € 120,190,178 | € - | € - | € 120,190,178 |
| Forward contracts | - | 1,289,138 | - | 1,289,138 |
| Future contracts | 6,305 | - | - | 6,305 |
| Option Contracts | 175,870 | - | - | 175,870 |
| **Total** | **€ 120,372,353** | **€ 1,289,138** | **€ -** | **€ 121,661,491** |

**Liabilities at Fair Value as of 31 December 2023**

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Future contracts | € - | € 31,263 | € - | 31,263 |
| **Total** | **€ -** | **€ 31,263** | **€ -** | **€31,263** |

## 4. Commitments and contingent liabilities

There are no significant commitments or contingent liabilities for the financial year ended 31 December 2024 and for the financial year ended 31 December 2023.

## 5. Share capital

The authorised share capital of the ICAV is 10,000,000 ordinary participating shares of no nominal value ("Shares") and two ordinary management shares of no nominal value ("Management Shares"). The Directors may allot shares on such terms as they deem appropriate.

*Voting rights*
On a poll every shareholder present in person or by proxy and entitled to vote shall have one vote in respect of each Share held by him and every holder of Management Shares shall be entitled to one vote in respect of all Management Shares held by him. Each class of Shares may be issued with such voting rights or restrictions on voting rights as the Directors determine in their absolute discretion, including non-voting classes.

*Redeemable shares*
The price of a redeemable share is determined by reference to the NAV attributable to the relevant share being redeemed. Redeemable shares may be redeemed at every dealing day.

## 5. Share capital (continued)

The share activity for the financial year ended 31 December 2024 is as follows:

| | Opening shares | Shares issued | Shares redeemed | Closing shares | Net asset value | NAV per share |
|---|---|---|---|---|---|---|
| Class C Accumulation | - | 22 | - | 22 | € 2,078 | € 92.79 |
| Class H Accumulation | 10 | - | (10) | - | € - | € - |
| Class M Accumulation | 5,703 | - | (1,002) | 4,701 | € 465,112 | € 98.95 |
| Class F Accumulation | 706,206 | - | - | 706,206 | € 68,946,927 | € 97.63 |
| Class F2 Accumulation | 65,289 | - | (10,582) | 54,707 | € 53,410,491 | € 976.30 |
| Class R Accumulation | 10 | - | (10) | - | € - | € - |
| Class T Accumulation | 10 | - | (10) | - | € - | € - |

The share activity for the financial year ended 31 December 2023 is as follows:

| | Opening shares | Shares issued | Shares redeemed | Closing shares | Net asset value | NAVper share |
|---|---|---|---|---|---|---|
| Class H Accumulation | 10 | - | - | 10 | € 1,171 | € 117.09 |
| Class M Accumulation | 4,078 | 1,625 | - | 5,703 | € 567,328 | € 99.48 |
| Class N Accumulation | 806,206 | - | (100,000) | 706,206 | € 69,422,482 | € 98.30 |
| Class N2 Accumulation | 59,780 | 5,509 | - | 65,289 | € 64,181,624 | € 983.03 |
| Class R Accumulation | 10 | - | - | 10 | € 1,158 | € 115.78 |
| Class T Accumulation | 10 | - | - | 10 | € 1,166 | € 116.57 |

Not all share classes have launched yet; investors should refer to the Fund's prospectus for all classes.

## 6. Fees

*Management fees*
Each class pays a management fee to the Manager in consideration for the management of the Fund's portfolio and other services which the Manager and its affiliates provide to the Fund.

The fee rates are as follows:

| Share class | 2024 Fee rate | 2023 Fee rate |
|---|---|---|
| Class C Accumulation | 0.8% of NAV per annum | - |
| Class H Accumulation | 0.75% of NAV per annum | 0.75% of NAV per annum |
| Class M Accumulation | 0.35% of NAV per annum | 0.35% of NAV per annum |
| Class F Accumulation | 0.5% of NAV per annum | 0.5% of NAV per annum |
| Class F2 Accumulation | 0.5% of NAV per annum | 0.5% of NAV per annum |
| Class R Accumulation | 1.5% of NAV per annum | 1.50% of NAV per annum |
| Class T Accumulation | 1.25% of NAV per annum | 1.25% of NAV per annum |

**6. Fees (continued)**

*Management fees (continued)*
The management fee will be calculated and accrued daily and is payable monthly in arrears within ten business days of the last business day of each month end. Management fees charged during the financial year ended 31 December 2024 were €666,745 (31 December 2023: €614,474) with €54,934 (31 December 2023: €55,565) being payable at the relevant financial year end.

*Performance fees*
The Investment Manager is entitled to a performance fee in respect of the performance of all the share classes except class M, N, and N2. A performance fee on Class, H, R and T is charged at 10%. The performance fee is charged on the outperformance of the benchmark performance for the relevant share class, in respect of each performance period after adding back any distributions made and before the accrual of any performance fee. No share will be charged a performance fee until any previous losses are recovered.

The performance fee shall be calculated and accrued as of each valuation day. The performance fee is payable by the Fund to the Investment Manager within ten days after it becomes due. Performance fees accrued during the financial year ended 31 December 2024 were €Nil (31 December 2023: €13) with €Nil (31 December 2023: €15) being payable at the financial year end.

*Administration fees*
The Manager and the ICAV have appointed MUFG Alternative Fund Services (Ireland) Limited (the "Administrator") as the administrator pursuant to the administration agreement. Administration fees charged during the financial year ended 31 December 2024 were €184,669 (31 December 2023: €174,779) with €24,904 (31 December 2023: €40,705) being payable at the financial year end.

*Depositary fees*
The ICAV has appointed Northern Trust Fiduciary Services (Ireland) Limited (the "Depositary") to act as depositary to the ICAV. The Depositary shall be entitled to receive out of the assets of the Fund, an annual fee (plus VAT, if any) not exceeding 0.03% of the net asset value of the Fund, accrued and calculated on each valuation Point and payable monthly in arrears, subject to a minimum annual fee of US$40,000 for the Fund. The Depositary fee for the financial year ended 31 December 2024 amounted to €48,965 (31 December 2023: €66,540) with €2,182 (31 December 2023: €17,092) being payable at the financial year end.

*Professional fees*
Professional fees for the financial year ended 31 December 2024 and 31 December 2023 are detailed in the below table:

| | | 31 December 2024 | | 31 December 2023 |
|---|---|---|---|---|
| Audit fee | | 15,003 | | 15,000 |
| Corporate secretarial fee | | 5,001 | | 5,000 |
| Legal fee | | 115,028 | | 121,400 |
| Other professional fees | | 80,269 | | 78,152 |
| **Total** | **€** | **215,301** | **€** | **219,552** |

## 6. Fees (continued)

*Other expenses*
Other expenses for the financial year ended 31 December 2024 and 31 December 2023 are detailed in the below table:

| | | 31 December 2024 | | 31 December 2023 |
|---|---|---|---|---|
| Bank fees | € | 14,121 | € | 15,541 |
| Regulatory expense | | 13,068 | | 1,744 |
| Insurance fees | | 4,563 | | 5,000 |
| Other expenses | | (3,817) | | 6,416 |
| Transaction fees | | 1,023 | | 300 |
| Establishment expenses | | - | | 17,035 |
| Agent Fees | | - | | 759 |
| Taxes | | - | | (4,603) |
| **Total** | **€** | **28,958** | **€** | **42,192** |

*Expenses payable*
Expenses payable as of 31 December 2024 and 31 December 2023 are detailed in the below table:

| | | 31 December 2024 | | 31 December 2023 |
|---|---|---|---|---|
| Other professional fees | € | 311,002 | € | 202,788 |
| Fund administrative fees | € | 24,904 | | 40,704 |
| Custody fees | € | 20,876 | | 105,655 |
| Insurance fees | € | 3,486 | | 4,128 |
| Depositary fee | € | 2,182 | | 17,092 |
| Bank fees | € | 1,326 | | 2,603 |
| Director's fees | € | 114 | | 10,635 |
| **Total** | **€** | **363,890** | **€** | **383,605** |

## 7. Auditors' remuneration

Fees charged by the auditors in relation to the statutory audit of financial statements of the Fund amounted to €15,003 (31 December 2023: €15,000) (excluding VAT, out of pocket expenses and the technology & admin 2% fee) for the financial year ended 31 December 2024 with €24,158 (31 December 2023: €16,891) being payable at the financial year end. During the financial year, no non-audit services were accrued or paid. The audit fees are included within professional fees in the Statement of Comprehensive Income.

## 8. Net gains/(losses) on financial assets and liabilities at fair value through profit or loss

| | | 31 December 2024 | | 31 December 2023 |
|---|---|---|---|---|
| Net realized gains on investments in securities | € | 13,478,025 | € | 5,811,942 |
| Net realized gains on derivative contracts | | 12,940 | | 3,074,522 |
| Net change in unrealized (losses)/gains on investments in securities | | (8,125,686) | | 12,093,916 |
| Net change in unrealized losses on derivative contracts | | (1,345,996) | | (1,297,646) |
| Net (losses)/gains on foreign exchange | | (4,338,016) | | 1,058,834 |
| **Net (losses)/gains on financial assets and liabilities at fair value through profit or loss** | **€** | **(318,733)** | **€** | **20,741,568** |

## 9. Efficient portfolio management

Subject to the conditions and limits set out by the Central Bank, and except as otherwise stated in the investment objective and policies of the Fund, the Manager may employ investment techniques and instruments including derivative contracts for efficient portfolio management of the assets of the Fund.

UCITS are required to disclose revenues arising from efficient portfolio management techniques for the reporting period together with direct and indirect operational costs and fees incurred, if there are repurchase agreements, reverse repurchase agreements and stock lending. The Fund did not engage in repurchase agreements, reverse repurchase agreement or stock lending for the financial year ended 31 December 2024 and 31 December 2023. The Fund had €Nil collateral received as of 31 December 2024 and €458,406 as of 31 December 2023.

## 10. Financial risk management

In pursuing its investment objective the Fund is exposed to a variety of financial risks as described by IFRS. The Fund is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The main risks arising from the Fund's financial instruments are market risk, currency risk, liquidity risk and credit risk.

**10. Financial risk management (continued)**

*Market risk*
Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Manager manages the market risk by holding a diversified portfolio of securities to reduce the risk that a price change of a particular investment will have a material impact on the Fund.

On 21 November 2022, the Central Bank of Ireland approved a change to the risk management methodology for global exposure calculation from absolute VaR to commitment approach. Therefore for the year ending 31 December 2024 the Fund has produced the data pertaining to the commitment approach.

The table below shows the minimum, maximum and average global exposure using the commitment approach for the financial year ended 31 December 2024 and 31 December 2023.

| | Minimum | Maximum | Average |
|---|---|---|---|
| **1 January 2024 to 31 December 2024** | 10.22% | 74.74% | 61.55% |
| **1 January 2023 to 31 December 2023** | 51.81% | 65.09% | 58.52% |

For a more comprehensive explanation of the market risk, please refer to the Fund's Supplement.

*Interest rate risk*
Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises when the Fund invests in interest bearing financial instruments. During the financial year ended 31 December 2024 and 31 December 2023, the Fund had no interest bearing financial instruments.

The interest rate risk in relation to cash and cash equivalents is not regarded as a material risk.

For a more comprehensive explanation of the interest rate risk, please refer to the Fund's Supplement.

*Currency risk*
Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates.

**10. Financial risk management (continued)**

*Currency risk (continued)*
The following tables details the currency risk of the Fund as at 31 December 2024:

| 31 December 2024 | CHF | EUR | GBP | SEK |
|---|---|---|---|---|
| **Assets** | | | | |
| Financial assets at fair value through profit or loss | € 5,769,694 | € 32,990,123 | € 6,645,020 | € 6,742,749 |
| Due from brokers | 11,355 | 12,043,810 | 458,352 | 990 |
| Cash | 412 | 436,692 | 16,619 | 35 |
| Interest and dividends receivable | - | - | - | - |
| Other assets | - | 22,412 | - | - |
| | **€ 5,781,461** | **€ 45,493,037** | **€ 7,119,991** | **€ 6,743,774** |
| **Liabilities** | | | | |
| Expenses payable | 336,511 | - | - | - |
| Management fees payable | - | 54,934 | - | - |
| Financial liabilities at fair value through profit or loss | 8,033 | 45,931 | 9,252 | 9,388 |
| Interest payable | - | 17,767 | - | - |
| | **€ 344,544** | **€ 118,632** | **€ 9,252** | **€ 9,388** |

| 31 December 2024 | USD | DKK | Total |
|---|---|---|---|
| **Assets** | | | |
| Financial assets at fair value through profit or loss | € 52,119,744 | € 5,556,421 | € 109,823,751 |
| Due from brokers | 538,654 | - | 13,053,161 |
| Cash | 19,531 | - | 473,289 |
| Interest and dividends receivable | 41,491 | - | 41,491 |
| Other assets | - | - | 22,412 |
| | **€ 52,719,420** | **€ 5,556,421** | **€ 123,414,104** |
| **Liabilities** | | | |
| Expenses payable | 27,379 | - | 363,890 |
| Management fees payable | - | - | 54,934 |
| Financial liabilities at fair value through profit or loss | 72,565 | 7,736 | 152,905 |
| Interest payable | - | - | 17,767 |
| | **€ 99,944** | **€ 7,736** | **€ 589,496** |

## 10. Financial risk management (continued)

*Currency risk (continued)*
The following tables details the currency risk of the Fund as at 31 December 2023:

| 31 December 2023 | CAD | CHF | DKK | EUR | GBP |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Financial assets at fair value through profit or loss | € - | € 6,307,830 | € 6,574,307 | € 29,255,260 | € 7,136,727 |
| Due from brokers | - | 4,547 | 287,681 | 11,608,552 | 404,073 |
| Cash | - | 9,358 | - | 9,475 | 13,848 |
| Interest and dividends receivable | 7,414 | - | 274 | 19,875 | 524 |
| | **€ 7,414** | **€ 6,321,735** | **€ 6,862,262** | **€ 40,893,162** | **€ 7,555,172** |
| **Liabilities** | | | | | |
| Performance fee payable | € - | € - | € - | € 15 | € - |
| Management fees payable | - | - | - | 55,565 | - |
| Expenses payable | - | - | - | 217,550 | - |
| Interest and dividends payable | - | - | - | 1,152 | - |
| Financial liabilities at fair value through profit or loss | - | - | - | 24,135 | 7,128 |
| | **€ -** | **€ -** | **€ -** | **€ 298,417** | **€ 7,128** |

| 31 December 2023 | NOK | SEK | USD | Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Financial assets at fair value through profit or loss | € - | € 10,196,488 | € 62,190,879 | € 121,661,491 |
| Due from brokers | 14 | 218 | 586,444 | 12,891,529 |
| Cash | - | - | 14,991 | 47,672 |
| Interest and dividends receivable | - | - | 18,242 | 46,329 |
| | **€ 14** | **€ 10,196,706** | **€ 62,810,556** | **€ 134,647,021** |
| **Liabilities** | | | | |
| Performance fee payable | € - | € - | € - | € 15 |
| Management fees payable | - | - | - | 55,565 |
| Expenses payable | - | - | 166,055 | 383,605 |
| Interest and dividends payable | - | 286 | 206 | 1,644 |
| Financial liabilities at fair value through profit or loss | - | - | - | 31,263 |
| | **€ -** | **€ 286** | **€ 166,261** | **€ 472,092** |

**10. Financial risk management (continued)**

*Currency risk (continued)*
If the Euro exchange rate at 31 December 2024 had increased by 2% with all other variables held constant, this would have decreased net assets attributable to holders of redeemable shares of the Fund by approximately €1,549,004 (31 December 2023: €1,871,603). Conversely, if the Euro exchange rate had decreased by 2%, this would have increased net assets attributable to holders of redeemable shares of the Fund by an equal and opposite amount, all other variables remaining constant.

For a more comprehensive explanation of currency risk, please refer to the Fund's Supplement.

*Credit risk*
Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation or commitment it has entered into with the Fund. The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations.

Credit risk arising from exchange traded derivative contracts is mitigated by margin requirements. Over the counter ("OTC") derivative contracts expose the Fund to the risk that the counterparties to the derivative financial instruments might default on their obligations to the Fund. All OTC derivative contracts are entered into by the Fund under an International Swaps and Derivatives Associations, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement. The parties exposure under the ISDA Master Agreement are netted and collaterised together. The carrying value of financial assets together with cash held with counterparties best represents the Fund's gross maximum exposure to counterparty risk at the reporting date, before including the effect of the ISDA Master Agreement and netting, which would reduce the overall counterparty credit risk exposure.

The Fund is exposed to counterparty risk, which is managed through the use of approved counterparties. Credit spreads and credit ratings of all counterparties are regularly reviewed by the Manager.

The long term credit ratings of counterparties are:

| Counterparty | Credit Rating 31 December 2024 | Credit Rating 31 December 2023 |
|---|---|---|
| Morgan Stanley & Co. International plc | Aa3 (Moody's) | Aa3 (Moody's) |
| Northern Trust | A2 (Moody's) | A2 (Moody's) |
| Bank of America | A1 (Moody's) | Al (Moody's) |

**10. Financial risk management (continued)**

*Credit risk (continued)*
The Depositary is responsible for the safe-keeping of assets. The Depositary has appointed The Northern Trust Company ("TNTC") as its global sub-custodian. Both the Depositary and TNTC are wholly owned subsidiaries of Northern Trust Corporation ("NTC"). As at 31 December 2024, NTC had a long term credit rating from Standard & Poor's of A+ (31 December 2023: A+).

TNTC, as global sub-custodian of the Depositary, does not appoint external sub-custodians within the U.S., the U.K., Ireland, Canada, Belgium, France, Germany, Netherlands and Saudi Arabia. However, in all other markets, TNTC appoints local external sub-custodians.

The Depositary, in the discharge of its depositary duties, verifies the Fund's ownership of other assets, (as defined under Other Assets, Art 22(5) of UCITS V Directive 2014/91/EU), by assessing whether the Fund holds the ownership based on information or documents provided by the Fund or where available, on external evidence.

TNTC, in the discharge of its delegated depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of TNTC and (ii) all financial instruments that can be physically delivered to TNTC. TNTC ensures all financial instruments, held in a financial instruments account on the books of TNTC, are held in segregated accounts in the name of the Fund, clearly identifiable as belonging to the Fund, and distinct and separately from the proprietary assets of TNTC, the Depositary and NTC.

In addition, TNTC, as banker, holds cash of the Fund on deposit. Such cash is held on the Statement of Financial Position of TNTC. In the event of insolvency of TNTC, in accordance with standard banking practice, the Fund will rank as an unsecured creditor of TNTC in respect of any cash deposits.

Where relevant please note the following currencies, Jordanian Dinar, Saudi Riyal, cash in the onshore China market (principally the currency of Chinese Yuan Renminbi, and any other currencies remitted into accounts in the onshore China market), are no longer held on the Balance Sheet of TNTC. For these off-book currencies, clients' cash exposure is directly to the relevant local sub-custodian/financial institution in the market.

Insolvency of the Depositary and or one of its agents or affiliates may cause the Fund's rights with respect to its assets to be delayed.

The responsible party manages risk by monitoring the credit quality and financial position of the Depositary and such risk is further managed by the Depositary monitoring the credit quality and financial positions of sub-custodian appointments.

## 10. Financial risk management (continued)

*Credit risk (continued)*
At the reporting date, the Fund's financial assets exposed to credit risk are as follows:

| | | 31 December 2024 | | 31 December 2023 |
|---|---|---|---|---|
| Common Stock | € | 109,823,751 | € | 120,190,178 |
| Due from brokers | | 13,053,161 | | 12,891,529 |
| Cash | | 473,289 | | 47,672 |
| Interest and dividends receivable | | 41,491 | | 46,329 |
| Other assets | | 22,412 | | - |
| Forward contracts | | - | | 1,289,138 |
| Future Contracts | | - | | 6,305 |
| Option Contracts | | - | | 175,870 |
| **Total assets** | **€** | **123,414,104** | **€** | **134,647,021** |

For a more comprehensive explanation of credit risk, please refer to the Fund's Supplement.

*Liquidity risk*
Liquidity risk is defined as the risk that the Fund may not be able to settle or meet their obligations on time or at a reasonable price. The Fund's policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests. The Manager monitors the Fund's liquidity position on a daily basis.

Liquidity risk is mitigated by the Fund primarily investing in readily realisable securities listed or traded on recognised markets. The ability to sell on demand ensures that the Manager can efficiently alter the investment strategy as required.

Certain securities may be difficult to sell at the time and price wanted. The Fund may have to reduce the price to effect a secondary market sale, sell other securities or forego an investment opportunity, any of which could have a negative effect on fund management or performance.

For a more comprehensive explanation of liquidity risk, please refer to the Fund's Supplement.

## 10. Financial risk management (continued)

*Liquidity risk (continued)*

The table below summarises the Fund's financial liabilities into the maturity profile based on the remaining period at the reporting date to the contractual maturity date.

| 31 December 2024 | Less than 1 Month | 1 -3 months | Contractual Maturity | Total |
|---|---|---|---|---|
| **Financial Liabilities** | | | | |
| Future contracts | € - | € 152,905 | € - | € 152,905 |
| Expenses payable | - | - | 363,890 | 363,890 |
| Management fees payable | 54,934 | - | - | 54,934 |
| Interest payable | - | - | 17,767 | 17,767 |
| Net assets attributable to holders of redeemable shares | 122,824,608 | - | - | 122,824,608 |
| **Total Liabilities** | **€ 122,879,542** | **€ 152,905** | **€ 381,657** | **€ 123,414,104** |

| 31 December 2023 | Less than 1 Month | 1 -3 months | Contractual Maturity | Total |
|---|---|---|---|---|
| **Financial Liabilities** | | | | |
| Equity Swaps | € - | € - | € 31,263 | € 31,263 |
| Expenses payable | - | - | 383,605 | 383,605 |
| Performance fee payable | 15 | - | - | 15 |
| Management fees payable | 55,565 | - | - | 55,565 |
| Interest and dividends payable | - | 1,644 | - | 1,644 |
| Net assets attributable to holders of redeemable shares | 134,174,929 | - | - | 134,174,929 |
| **Total Liabilities** | **€ 134,230,509** | **€ 1,644** | **€ 414,868** | **€ 134,647,021** |

*Offsetting*

The Fund has not offset any financial assets and financial liabilities in the Statement of Financial Position. Financial assets and financial liabilities which are subject to enforceable master netting arrangements or similar agreements are detailed below:

| 31 December 2024 | Gross amount of financial liabilities presented in the Statement of Financial Position | Financial Instruments | Cash collateral received | Net amounts |
|---|---|---|---|---|
| Future contracts | € 152,905 | € - | € - | € 152,905 |
| **Total** | **€ 152,905** | **€ -** | **€ -** | **€ 152,905** |

## 10. Financial risk management (continued)

*Offsetting (continued)*

| 31 December 2023 | Gross amount of financial assets presented in the Statement of Financial Position | Financial Instruments | Cash collateral received | Net amounts |
|---|---|---|---|---|
| Forward contracts | € 1,289,138 | € - | € - | € 1,289,138 |
| **Total** | **€ 1,289,138** | **€ -** | **€ -** | **€ 1,289,138** |

| 31 December 2023 | Gross amount of financial liabilities presented in the Statement of Financial Position | Financial Instruments | Cash collateral received | Net amounts |
|---|---|---|---|---|
| Equity Swaps | € 31,263 | € - | € - | € 31,263 |
| **Total** | **€ 31,263** | **€ -** | **€ -** | **€ 31,263** |

## 11. Distributions

The Fund can issue accumulating classes and distributing classes. Distributing classes may pay a dividend to the relevant shareholders on an annual basis as of the last business day in December in each year. In such case, dividends shall be paid out of realised and unrealised gains net of realised and unrealised losses but, at the discretion of the Directors, gross of the fees payable by the Fund. Please note as at 31 December 2024, the Fund had only issued accumulating classes.

## 12. Soft commissions

There was no soft commission arrangement affecting the Fund during the financial year ended 31 December 2024 and 31 December 2023. Further, the Manager did not receive any payments under directed brokerage services or similar arrangements.

## 13. Exchange rates

The following exchange rates were used to translate assets and liabilities into the functional currency Euro for the Fund:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| British Pound | 0.8268 | 0.8665 |
| Canadian Dollar | - | 1.4566 |
| Danish Krone | 7.4573 | 7.4546 |
| Norwegian Krone | - | 11.2185 |
| Swedish Krona | 11.4415 | 11.1325 |
| Swiss Franc | 0.9384 | 0.9297 |
| United States Dollar | 1.0355 | 1.1046 |

## 14. Related party transactions

Under IFRS, IAS 24 "Related Party Transactions", parties are related if any one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Regulation 43(1) of the Central Bank UCITS Regulations states that "a responsible person shall ensure that any transaction between a UCITS and a connected person is conducted (a) at aim's length; and (b) in the best interest of the unit-holders of the UCITS". As required under Regulation 81(4) of the Central Bank UCITS Regulations, the Directors are satisfied that there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 43(1) are applied to all transactions with a connected party; and all transactions with connected parties that were entered into during the financial year to which the report relates complied with the obligations that are prescribed by Regulation 43(1).

Robert Moore and Andrea Panzeri are employees of the Investment Manager and Directors of the Fund. On 28 April 2025, Robert Moore resigned from the board of Ambienta X ICAV.

The aggregate directors' fees for the financial year ended 31 December 2024 amounted to €20,000 (31 December 2023: €20,000), of which €114 (31 December 2023: €10,635) was outstanding at the financial year end.

The Investment Manager is a related party and is entitled to a management fee and a performance fee. See note 6 for details on management fee and performance fee for the financial year ended 31 December 2024 and 31 December 2023.

## 15. Significant events during the financial year

On 31 July 2024, Joel Bird resigned from the board of Ambienta X ICAV. As of 02 October 2024, Andrea Panzeri has been appointed to the board of Ambienta X ICAV.

On 01 December 2024, the Fund changed Fund Administrator from Morgan Stanley Fund Services (Ireland) Limited to MUFG Alternative Fund Services (Ireland) Limited.

On 01 December 2024, a class rationalization took place with Classes N and N2 being renamed Classes F and F2 respectively, Class C being renamed Class I and Classes H, R and T being closed.

## 16. Events after the balance sheet date

From 01 January 2025, the benchmark index for the Ambienta X Sustainable Leaders Fund was changed to the MSCI World Net Total Return Index (EUR).

On 28 April 2025, Robert Moore resigned from the board of Ambienta X ICAV.

There have been no other significant events after the Statement of Financial Position date.

## 17. Approval of financial statements

The financial statements were approved and signed by the Board of Directors on 28 April 2025.

# Ambienta X Sustainable Leaders Fund

## Portfolio Changes (Unaudited)

The Central Bank requires:

- All purchases and sales exceeding 1% of the total value of purchases or sales to be disclosed.
- At a minimum, the largest 20 purchases and 20 sales must be disclosed.
- If there are fewer than 20 purchases and 20 sales, the Fund must disclose all purchases and sales.

| Purchases | Cost(€) | Sales | Proceeds(€) |
|---|---|---|---|
| Dassault Systemes Corporation | 6,866,714 | Schneider Electric SE | 5,960,563 |
| ASML Holding N.V. | 4,802,955 | Clean Harbors, Inc | 4,959,426 |
| Infineon Technologies AG | 3,929,854 | Agilent Technologies, Inc | 4,750,400 |
| Legrand SA | 3,903,796 | ASML Holding N.V. | 4,713,796 |
| Spirax Group Plc | 3,275,357 | Waste Management, Inc | 4,594,866 |
| Tetra Tech, Inc | 3,244,877 | Salesforce.com, Inc | 4,416,947 |
| Salesforce.com, Inc | 3,112,613 | Symrise AG | 4,260,387 |
| Symrise AG | 2,970,869 | Teledyne Technologies, Inc | 4,145,997 |
| Canadian Pacific Kansas City Ltd | 2,954,110 | American Water Works, Inc | 3,731,154 |
| American Water Works, Inc | 2,952,592 | Veralto Corp | 3,610,940 |
| Thermo Fisher Scientific, Inc | 2,198,363 | Advanced Drainage Systems, Inc | 2,664,060 |
| Vertiv Holdings Co | 2,090,114 | Tetra Tech, Inc. | 2,658,484 |
| Amphenol Corporation | 1,504,433 | Epiroc AB | 2,564,288 |
| Waste Management, Inc | 1,449,236 | Atlas Copco AB | 2,547,476 |
| California Water Service Group | 1,399,774 | Infineon Technologies AG | 2,451,992 |
| Sika Fin I | 1,295,360 | Vertiv Holdings Co | 2,275,303 |
| Cadence Design Systems, Inc | 1,207,249 | Thermo Fisher Scientific, Inc | 1,872,911 |
| Orsted A/S | 1,040,487 | Trane Technologies Plc | 1,517,309 |
| Atlas Copco AB | 971,479 | Dassault Systemes Corporation | 1,495,831 |
| Teledyne Technologies, Inc | 961,127 | Cadence Design Systems, Inc | 1,442,999 |
| Agilent Technologies, Inc | 939,357 | Spirax Group Plc | 1,427,083 |
| Epiroc AB | 922,631 | Orsted A/S | 1,383,187 |
| Advanced Drainage Systems, Inc | 871,378 | Canadian Pacific Kansas City Ltd | 1,154,503 |
| Schneider Electric SE | 789,730 | DSM-Firmenich AG | 857,142 |

## Ambienta X Sustainable Leaders Fund

## Remuneration Disclosure (Unaudited)

The Independent members of the Board of Directors receive a fixed fee only and do not receive performance-based remuneration therefore avoiding a potential conflict of interest. The basic fee of a Board member is set at a level on par with the rest of the market. The non-independent director received no fees.

The Manager has adopted a remuneration policy in accordance with the requirements of the European Securities & Markets Authority guidelines on sound remuneration policies under UCITS V (the "Guidelines"). The Investment Manager has also adopted a remuneration policy commensurate with the requirements of the Guidelines for the proportion of the Investment Manager's business represented by the Fund.

The Manager's policy complies with the remuneration principles in a way which is proportionate and to the extent that is appropriate to the overall size of the Manager's business, considering the nature, scope, and complexities of the business. The Manager's policy is reviewed on an annual basis and there were no material changes in the last year. The Directors of the Manager have decided to disapply the remuneration committee requirement of the Guidelines and they are satisfied that this disapplication is reconcilable with the risk profile of the Manager and the funds under its management.

The Manager's remuneration policy includes measures to avoid conflicts of interest. The remuneration details are disclosed below:

- The total remuneration paid by the Fund to the Manager during the year was €666,745 (31 December 2023: €614,487) divided into €666,745 (31 December 2023: €614,474) in management fees and €Nil (31 December 2023: €13) in performance fees in relation to the Fund.
- The total remuneration of the entire staff of the Manager during the year was €25,420,609 (31 December 2023: €21,670,960) divided into €17,303,594 fixed remuneration (31 December 2023: €15,262,394) and €8,117,015 variable remuneration (31 December 2023: €6,408,566). There were 80 beneficiaries.
- The aggregate amount of remuneration of senior management and members of staff of the Manager whose actions have a material impact on the risk profile of the Fund during the year was €3,895,970 (31 December 2023: €3,077,147). There were 12 beneficiaries.

## Ambienta X Sustainable Leaders Fund

### Securities Financing Transactions Regulation Disclosure (Unaudited)

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) will be required on all reports and accounts published after 13 January 2017. During the year ended 31 December 2024, Ambienta X ICAV - Ambienta X Sustainable Leaders Fund did not enter into any Securities Financing Transactions.

*ANNEX V*

**Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Product name: Ambienta X Sustainable Leaders Fund** **Legal entity identifier: 213800LKSN8IR7DWOT55**

# Sustainable investment objective

**Did this financial product have a sustainable investment objective?**

| ☒ **Yes** | ☐ **No** |
|---|---|
| ☒ It made **sustainable investments with an environmental objective: 94%** | ☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% 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 made **sustainable investments with a social objective:** ___% | ☐ It promoted E/S characteristics, but **did not make any sustainable investments** |

**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.

## To what extent was the sustainable investment objective of this financial product met?

The investment objective of the Fund is to generate attractive risk-adjusted absolute returns by investing primarily in environmentally sustainable (ES) investments.

The ES investments relate to resource efficiency, encompassing the entire spectrum of natural resources, and/or the pollution control, including all types of pollution affecting water, air, soil and human health.

The investment strategy involved the Fund investing primarily in equities and equity-related securities of companies worldwide which are exposed to environmental trends and are considered, based on the Manager's proprietary methodology, sustainable investments.
Such investments can also contribute to the environmental objectives set out by Regulation (EU) 2020/852 (the "Taxonomy"): climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems.

ES investments contribute to the Fund's sustainable investment objective on the basis that they are assessed against the criteria used by the Manager to determine that an investment meets the definition of sustainable investment in the question "How did the sustainability indicators perform?".

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

- ***How did the sustainability indicators perform?***

  To measure the attainment of the sustainable investment objective of the Fund the Manager uses the ASI, the Manager's single holding sustainability indicator, which represents in one figure, between -100% and +100%, the contribution to resource efficiency and/or pollution control of each individual company and therefore the correlation of the value of a listed company to environmental sustainability and related trends. It is calculated as the average of the positive or negative environmental contribution of each division of the company, weighted by its enterprise value. The Fund invests in target issuers that meet the ASI threshold (≥+25%), representing investments in companies that attain a positive environmental impact based on assessment of the company's single divisions. All sustainable investments in the Fund as at 31.12.2024 respected the aforementioned ASI threshold.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

- ***…and compared to previous periods?***

  The Fund's sustainability indicators remained consistent with the previous period, ending on 29.12.2023. Compliance with position-level conditions was maintained throughout both periods.

- ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

  A business of an investee company can present both negative and positive environmental impact contributions. The ASI analysis allows to assess whether the prevailing contribution is positive or negative and therefore represents the first test applied by the Manager in the context of examining an equity or equity-related security to ensure that it does no significant harm to the environmental objectives of the sustainable investments.

  Beyond the ASI analysis the Manager verified that investments do not cause significant harm through the environmental, social and governance ("ESG") assessment, an integral part of the investment process that contributes to the identification and control of the potential negative effects associated with investments, including in the area of social and governance matters. The Manager considered the main negative impacts of investment decisions on sustainability factors deemed relevant for the investee companies through a combination of proprietary and external market research analysis.

The Manager applied its *ESG in Action* programme (a proprietary approach to the integration of non-financial factors into portfolio management) that is structured in two main phases:

- prior to investment, due diligence was carried out by the Manager to analyse the main impacts on environmental and social objectives and, in so doing, to ensure the absence of negative impacts in accordance with the DNSH, minimum safeguards and good governance principles;
- during the holding period the Investment Manager monitored negative impacts through a combination of proprietary tools, external research, and the Manager's own analysis as described below. Findings deriving from the monitoring activities are integrated into the Manager's engagement and active ownership practices to ensure the mitigation of any risks of negative impacts (i.e. on DNSH principles) that may have arisen post-investment.

*How were the indicators for adverse impacts on sustainability factors taken into account?*

**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.

ESG analysis is an integral part of the Fund's investment process and contributes to the identification and control of the principal adverse impacts (PAIs) associated with investments. Through the ESG in Action programme, the Manager considered the main negative impacts of investment decisions on sustainability factors. The applicable mandatory PAIs outlined in Table 1 of Annex I to the Commission Delegated Regulation (EU) 2022/1288 (the "Level 2 Measures") and the relevant additional "environmental" and/or "social" indicators (as set out in Table 2 and 3 of Annex I of the Level 2 Measures) were considered. The Manager integrated these factors within its investment process, starting from the due diligence phase, and thereafter throughout the holding period. The PAIs were integrated in the form of tests applied both prior to investment and in monitoring to verify the DNSH, minimum safeguards and good governance principles.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Manager is a signatory to the Principles for Responsible Investment defined by the United Nations; as such it promotes alignment with the internationally recognized fundamental principles regarding business conduct and respect for human rights.

During the due diligence phase the Manager assessed proposed investments using external data regarding controversies and minimum safeguards to ensure the proposed investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

Afterwards, during the monitoring of the investment the Manager verified that the investments continued to align with the aforementioned principles, by regular monitoring through external data analysis and annual engagement.

## How did this financial product consider principal adverse impacts on sustainability factors?

The Manager considered all the applicable mandatory and relevant additional PAI indicators for equity investments, as outlined in Annex I to the Commission Delegated Regulation (EU) 2022/1288 (the "Level 2 Measures"), in its investment process, as part of its due diligence process and, during the holding period of the investment, through the Manager's monitoring process. In both phases, the PAIs were considered through a qualitative and quantitative approach by looking both at the performance of the PAI indicators for ESG topics relevant (material) for the industry of operation of the company and at the relative management approach. Based on results of this process either an exclusionary approach or an engagement approach was adopted.

During the reference period the Manager considered the PAIs, as grouped and categorised by the Manager, following the approach detailed below.

For:

- PAI 1, 2 & 3: 'GHG emissions impacts'
- PAI 4: 'Exposure to Companies Active in the Fossil Fuel Sector'
- PAI 5 & 6: 'Share of Non-Renewable Energy Consumption and Production' & 'Energy consumption intensity per high impact Climate sector'

the Manager analysed performances, targets and transition plans, related to the aforementioned indicators, and engaged with companies that seemed to lack solid strategies to manage such ESG topics. Through the ASI analysis and the ≥+25% threshold applied, as referenced above, the Manager excluded target issuers significantly involved in certain activities such as coal / fossil fuels.

For:

- PAI 7: 'Activities Negatively Affecting Biodiversity-Sensitive Areas'
- PAI 8: 'Emissions to Water'
- PAI 9: 'Hazardous Waste Ratio'
- Optional Environmental PAI 13: 'Non-recycled waste ratio'
- PAI 11: 'Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises'
- Optional Social PAI 9: Lack of a human rights policy'
- Optional Social PAI 10: 'Lack of due diligence'
- PAI 12: 'Unadjusted Gender Pay Gap'
- PAI 13: 'Board Gender Diversity'

the Manager requires all its positions to implement adequate actions to manage relevant environmental impacts, implement policies, processes and mechanisms to manage social and human rights issues and promote diversity at all seniority levels. The management approach of investee companies and issuers and the performance of investee companies and issuers were analysed and engagement was undertaken by the Manager where relevant improvement areas are identified.

For:

- PAI 10: 'Violations of UN Global Compact (UNGC) Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises'
- PAI 14: 'Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)'.

the Manager requires its positions in investee companies and issuers to act in accordance with international standards and guidelines including those of the UNGC and OECD. Where an alleged violation is detected, the Manager investigates the case, the company's/issuer's response and action plan(s) are considered and, based on this investigation, the Manager decides whether to proceed with divestment where the Manager has in respect of the Fund already invested in the company/issuer. Where an alleged violation is detected prior to investment by the Manager in respect of the Fund, and based on the Managers analysis of the case, the company's/issuer's response and action plan(s), it may be decided to not go ahead with the potential investment, excluding the target issuers/companies subject to these alleged violations.

Furthermore, the Fund does not invest in companies with exposure to activities that are listed in the exclusions required by Paris Aligned Benchmarks (PABs) regulation (EU) 2020/1818. These companies are blocked on a pre-trade basis.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 53.4%

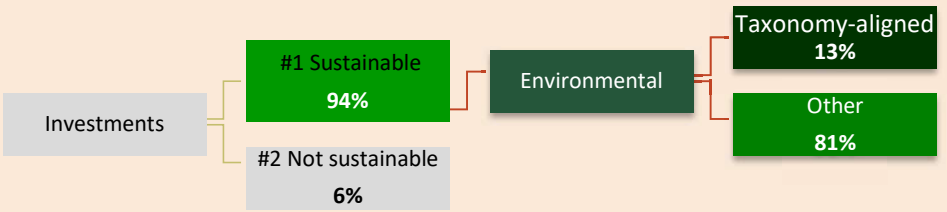
## What were the top investments of this financial product?

| Largest investments[1] | Sector | Industry | % Assets | Country |
|---|---|---|---|---|
| INFINEON TECHNOLOGIES AG | Information Technology | Semiconductors & Semiconductor | 6% | GE |
| TETRA TECH INC | Industrials | Commercial Services & Supplies | 6% | US |
| THERMO FISHER SCIENTIFIC INC | Health Care | Life Sciences Tools & Services | 6% | US |
| ASML HOLDING NV | Information Technology | Semiconductors & Semiconductor | 5% | NE |
| SPIRAX GROUP PLC | Industrials | Machinery | 5% | GB |
| CANADIAN PACIFIC KANSAS CITY | Industrials | Ground Transportation | 5% | CA |
| DASSAULT SYSTEMES SE | Information Technology | Software | 5% | FR |
| SYMRISE AG | Materials | Chemicals | 5% | GE |
| AMERICAN WATER WORKS CO INC | Utilities | Water Utilities | 5% | US |
| KINGSPAN GROUP PLC | Industrials | Building Products | 5% | IR |

[1] The largest investments of this Sub-fund, as of 31.12.2024, calculated as exposure gained through direct investments and financial derivative instruments, and not including cash and cash equivalents held for liquidity purposes and/or financial derivative instruments used for hedging purposes, are listed in the following table.

## What was the proportion of sustainability-related investments?

### *What was the asset allocation?*




**#1 Sustainable** covers sustainable investments with environmental objectives. These sustainable investments consist of equities and equity-related securities of companies.

**#2 Not sustainable** includes investments which do not qualify as sustainable investments. These investments will be used for hedging or liquidity management purposes subject to minimum environmental safeguards. These investments consist of cash deposits, money market instruments, debt securities and derivatives.

**Asset allocation** describes the share of investments in specific assets.

### *In which economic sectors were the investments made?*

As of 31.12.2024, the Fund was invested in the following economic sectors. The percentage allocation is calculated as the exposure gained on each sector through direct investments and financial derivative instruments, excluding cash and cash equivalents held for liquidity purposes and/or financial derivative instruments used for hedging purposes.

| Sector | Industry | % Assets |
|---|---|---|
| **Health Care** | Life Sciences Tools & Services | 10% |
| **Industrials** | Building Products | 8% |
| **Industrials** | Commercial Services & Supplies | 13% |
| **Industrials** | Electrical Equipment | 5% |
| **Industrials** | Ground Transportation | 5% |
| **Industrials** | Machinery | 11% |
| **Information Technology** | Electronic Equipment, Instrume | 3% |
| **Information Technology** | Semiconductors & Semiconductor | 12% |
| **Information Technology** | Software | 7% |
| **Materials** | Chemicals | 10% |
| **Utilities** | Independent Power and Renewabl | 5% |
| **Utilities** | Water Utilities | 6% |

## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

In 2024 Taxonomy alignment was equal to 13%, based on revenues, and answering to objective "climate change mitigation"[3]. CapEx and OpEx alignment was 7% and 5% respectively.

- ***Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[4]?***

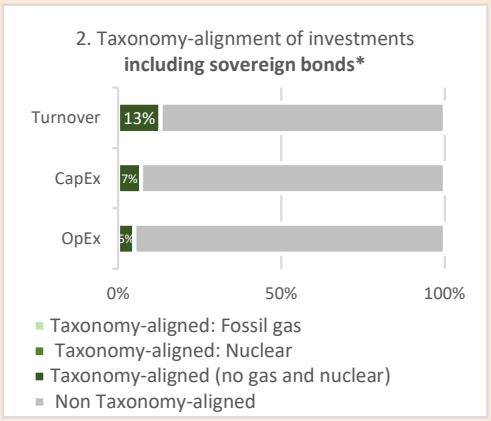
  ☐ Yes:

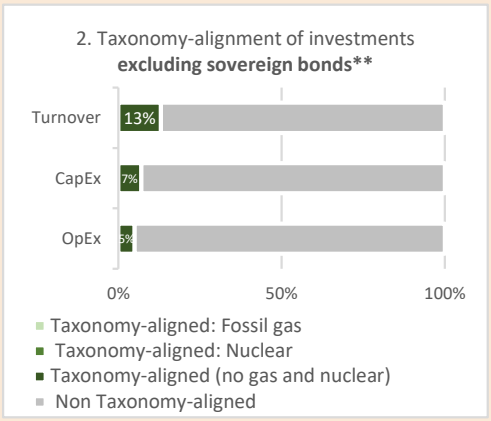
  ☐ In fossil gas ☐ In nuclear energy

  X No

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.

***The graphs below show in green the percentage of investments that were 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.***




** 'Sovereign bonds' consist of all sovereign exposures*
***This graph may not represent 100% of total investments*

[3] Alignment has been estimated using only reported data for companies subject to EU Taxonomy regulation and third-party provider / researcher data for companies that are not reporting according to that regulation.

[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 no significant harm to 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.

***What was the share of investments made in transitional and enabling activities?***

Turnover based alignment 12.5%

- Of which enabling activities 3.3%
- Of which transitional activities 0.0%

CapEx based alignment 7.4%

- Of which enabling activities 0.6%
- Of which transitional activities 0.0%

OpEx based alignment 4.9%

- Of which enabling activities 1.2%
- Of which transitional activities 0.0%

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

***How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?***

Percentage of investments aligned with the EU Taxonomy is in line with the previous period, ending on 29.12.2023. In 2023 Taxonomy was equal to 13%, based on revenues. CapEx and OpEx alignment was 11% and 6% respectively.

## What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

81%. Such investments may result aligned with EU Taxonomy objectives whose Technical Screening Criteria have not been published at the moment of the current disclosure.

## What was the share of socially sustainable investments?

0%. The Fund does not invest in sustainable investments with a social objective.

## What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

The Fund's "not sustainable" investments included cash deposits, money market instruments, debt securities and derivatives used for hedging and liquidity management purposes.

For these investments, as applicable, compliance with the minimum safeguards principles and specifically with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights, is part of the Manager's investment analysis to ensure the delivery of its overall sustainable investment objective.

This compliance analysis is performed through the Manager's *ESG in Action* programme: prior to investment, during due diligence, and during the holding period the Manager verifies the presence of minimum safeguards through a combination of data collection and analysis. Findings deriving from these activities are integrated into the Manager's engagement and active ownership practices.

Escalation process may be required consisting of additional company engagement activities and progress analysis in respect of mitigation of negative impacts. The escalation process may ultimately result, based on severity of the negative impacts by an investee company, in disinvestment.

Such investments do not constitute a threat to the Fund's sustainable investment objective.

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 actions have been taken to attain the sustainable investment objective during the reference period?

The Manager used its proprietary ESG analysis and sustainable investments assessment that relies on internal research activity complemented with external research and data from specialized external providers to select target issuers:

- To identify ES investments the Manager employed a disciplined fundamental investment research process driven by an extensive meetings program with company management and the use of the Manager's proprietary analytical assessment process;

- To monitor the sustainable exposure of each position, the Manager used its proprietary methodology to quantify the exposure of an investment in a company which can be attributed to activities exposed to sustainability trends. During the due diligence phase and annually following investment, target issuers are analysed by the Manager using the ASI, which represents in one figure, between -100% and +100%, the contribution to resource efficiency and pollution control of each individual company and therefore the correlation of the value of a listed company to environmental sustainability and related trends. It is calculated as the average of the positive or negative environmental contribution of each company division, weighted by the company's enterprise value. The Fund invests in target issuers that meet the ASI threshold (≥+25%), representing investments in companies that attain a positive environmental impact based on assessment of the company's single divisions. During the due diligence phase for selecting investments and afterwards as part of the ongoing monitoring of a holding, as per the Manager's *ESG in Action* program, the Manager ensured that (i) investee companies operate in compliance with do no significant harm, minimum safeguards and good governance principles (with particular reference to sound management structures, relations with employees, staff remuneration and compliance with tax obligations) and (ii) that no significant ESG risks present themselves. These findings are considered in the investment decision making process and are then factored in the engagement and active ownership practices. The Manager engaged with portfolio companies both as part of the due diligence process and afterwards during the holding period, based on the findings of the ESG questionnaire sent out annually to the entire portfolio.

Through the support of a third party, the Manager also engaged in proxy voting which allows the Manager to assess the sustainability practices of the investee companies.

## How did this financial product perform compared to the reference sustainable benchmark?

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

- ***How did the reference benchmark differ from a broad market index?***
  Not applicable.
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***
  Not applicable.
- ***How did this financial product perform compared with the reference benchmark?***
  Not applicable.
- ***How did this financial product perform compared with the broad market index?***
  Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.