

Ambienta X Alpha Fund
(a sub-fund of Ambianta X ICAV)
Report and Audited Financial Statements
For the financial year ended 31 December 2022

Ambienta X Alpha Fund
Annual Report and Audited Financial Statements
For the financial year ended 31 December 2022

Contents

Management and Administration.....	1
Directors' Report	2
Investment Manager's Report.....	5
Annual Depositary Report to Shareholders	9
Independent Auditors' Report.....	10
Statement of Financial Position	13
Portfolio of Investments.....	14
Statement of Comprehensive Income	25
Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares	26
Statement of Cash Flows	27
Notes to Financial Statements.....	28
Supplemental Information	
Portfolio Changes (Unaudited)	56
Remuneration Disclosure (Unaudited)	57
Securities Financing Transactions Regulation Disclosure (Unaudited)	58
Sustainable Finance Disclosure Regulation (Unaudited)	59

Ambienta X Alpha Fund

Management and Administration

Directors

Enda Allen* (Irish resident)
Donard McClean* (Irish resident)
Robert Moore (UK resident)
Joel Bird (UK resident - appointed 26 January 2022)

Registered Office of the ICAV

33 Sir John Rogerson's Quay
Dublin 2
Ireland

Manager

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

Depositary

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

Administrator

Morgan Stanley Fund Services (Ireland) Limited
The Observatory
7 – 11 Sir John Rogerson's Quay
Dublin 2
Ireland

Legal Advisers

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

Independent Auditors

Deloitte Ireland LLP
Chartered Accounts and Statutory Audit Firm
29 Earlsfort Terrace
Dublin 2
D02 AY28
Ireland

Secretary

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

*Independent and non-executive Director

Ambienta X Alpha Fund

Directors' Report

The Directors present their annual report and audited financial statements for the financial year ended 31 December 2022.

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 2022, 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 ICAV. To achieve this, the Directors have employed Morgan Stanley Fund Services (Ireland) Limited ("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 2022 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 ICAV.

Ambienta X Alpha 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 2022.

Future developments

The Investment Manager continues in its asset raising efforts with distribution agreements now in place with a number of global distributors. It will look to develop and strengthen these relationships further in order to improve its Assets Under Management. The primary focus is European and Asian investment, but the investment manager is also considering other options in the North American market.

Corporate governance code

The ICAV has voluntarily adopted the corporate governance code as published by Irish Funds. The ICAV 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 2022 had no interest in share capital of the ICAV or associated group companies. The Directors are not aware of any contracts or arrangements of any significance in relation to the business of the ICAV in which the Directors had any interest.

Significant events during the financial year

On 26 January 2022, Joel Bird was appointed to the Board of Directors of the ICAV.

There was no dividend distribution declared on 31 December 2022 for the financial year ended 31 December 2022 (financial year to 31 December 2021:€1,001,010).

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.

Subsequent events

There have not been any other significant events after the Statement of Financial Position date.

Ambienta X Alpha Fund
Directors' Report (continued)

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 ICAV'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/year. 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").

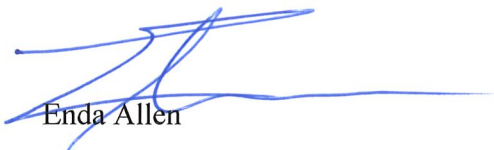
The financial statements are required to give a true and fair view of the assets, liabilities and financial position of the ICAV at the end of the financial year and of the profit or loss of the ICAV for the financial year.


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 ICAV 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 ICAV. 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:


Enda Allen


Donard McClean

Ambienta X Alpha Fund

Investment Manager's Report

Market Overview

We can finally draw a line under a tumultuous year, which has taught the world (and us) quite a bit: central banks are not there to prop up asset prices, international cooperation and peaceful global order are not a given, and favourable Covid-induced trends should not be linearly extrapolated for most industries, both in terms of future growth and margin expansion.

The Fund experienced a -15.7% drawdown over the year. This is not a level of performance we would have anticipated and is regrettably disappointing, even considering the prevailing negative market conditions, leading to a necessary analysis of its key drivers.

Our net exposure averaged ca. 40% during the year and is responsible for market beta losses, with the majority of the 'additional' drawdown arising from a marked underperformance of our long book, after couple of years of significant alpha generation.

As we will discuss later, it was a widespread negative contribution, not led by a specific geography, industry or our internally classified sustainability sub-themes: simply put, high quality secular growth companies had a very tough year. Not in terms of earnings, which finished up double-digit year-on-year and growing during 2022 as compared with analysts' expectations, but in terms of valuations. This is in stark contrast to the once-fashionable parts of the financial markets comprised of unprofitable and speculative businesses, which saw actual earnings contraction and/or increased losses.

Valuation multiples derated during 2022, mostly due to the US Federal Reserve's tightening cycle and impending economic slowdown, with higher-graded stocks suffering the most, regardless of their quality and ultimate earnings power and resilience, leading to little differentiation.

Notwithstanding the complex macro scenario, which was a headwind for our theme, it would be intellectually dishonest not to focus on what we could, and should, have done better: specific macro hedges could have mitigated the negative impact of rate moves, and our stock picking did not support performance as it did in previous years. These are the areas where work has already been ongoing for months and they will remain a key focus for the future.

We have expanded the research team to provide even more insightful and in-depth pre-investment due diligence, and critically also reviews on an ongoing maintenance basis. We have also significantly increased the proportion of long exposure allocated to sustainable infrastructure themes (waste, railroads, and water) and continued our constructive journey of reducing factor risks within the short book, leading to a more balanced portfolio.

As you will know very well, sadly there is no silver bullet to guarantee performance in the short term, but we are continuously and incrementally improving what is within our control, in particular our processes and know-how, to expand a thought leadership position and recover the unrealised losses embedded in the Fund. This is the paramount goal our entire team is firmly focused on.

Ambienta X Alpha Fund

Investment Manager's Report (continued)

Fund Performance

The strategy was down 15.7% net of fees for the full year 2022. Negative gross contributions from long positions of 23% were offset by gains of 8.7% from short positions. Longs significantly underperformed for most of the year, with the majority of negative alpha arising during the first month (January) and also being a reflection of our natural focus on certain sectors (Industrials, Materials and Technology), which experienced notable annual drawdowns (ca. 20-30%). Shorts on the other hand contributed positively, with alpha accelerating in Q2/Q3, before giving back some of it in the last two months of the year.

Core Longs

The long book returned -23% gross, with an average long exposure of ca. 91% of NAV. The long book was the ultimate driver of the negative performance of the Fund and we provide below a summary of the key contributions by name:

<i>Position</i>	<i>Bps</i>	<i>Position</i>	<i>Bps</i>
Ball Corporation (Short)	+113	Salesforce.com, Inc (Long)	-283
Novozymes A/S (Short)	+105	SR Teleperformance S.A. (Long)	-248
Saipem (Short)	+100	Kion Group AG (Long)	-172
Carnival Corporation (Short)	+96	Sika Fin I (Long)	-160
Thyssenkrupp (Short)	+69	Infineon Technologies AG (Long)	-154

When analyzing the drivers of each name's performance, key differences can be highlighted:

Kion, Aptiv and Covestro showed idiosyncratic business models' weaknesses;

Teleperformance was embroiled in a highly-publicized labour controversy which took management attention away from the business and impacted the content moderation area;

Salesforce was caught in the generalized software growth slowdown, but also had important senior management changes in Q4 which led us to put the position on watchlist;

Sika and Kingspan were led down by the slowdown in the construction cycle, but we remain very positive on both names;

Enphase and Solaredge benefited from supportive regulation changes in the USA;

All other names, with particular emphasis on highly weighted companies including ASML, Infineon, Schneider, Spirax, Thermo Fisher, and Cadence continued to deliver outstanding operating results and strong strategic priorities. Their negative share price performances over 2022 were led uniquely by the weakness of the secular growth theme.

Ambienta X Alpha Fund

Investment Manager's Report (continued)

Fund Performance (continued)

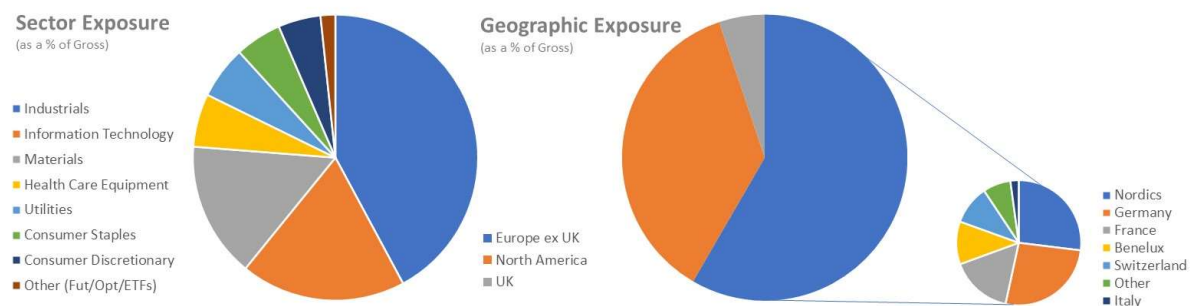
Core Shorts

The short book returned +8.7% gross, with an average short exposure of ca. -51% of NAV. The last two months of the year took some shine off the strong positive contribution experienced by the book particularly in Q2/Q3, partly led by us re-entering single name shorts during the October/early November market rally.

We now see the opportunity set of the long and short books to be finely balanced for the first time in several quarters.

Positioning

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



- 1: Theme: Environmental Themes, as defined by Ambienta
- 2: % NAV invested in single stocks (excluding indexes)

Ambienta X Alpha Fund

Investment Manager's Report (continued)

Positioning (continued)

The following table shows the top 10 single name exposures with relevant theme:

<i>Company</i>	<i>Country</i>	<i>Theme</i>	<i>%NAV</i>
Schneider Electric SE	France	Electrification of the Economy	6.1%
Infineon Technologies AG	Germany	Industry 4.0 & Digitalisation	6.0%
ASML Holdings N.V.	Netherlands	Industry 4.0 & Digitalisation	5.8%
Trane Technologies Plc	United States	Cold Economy	5.3%
Orsted A/S	Denmark	Renewables	4.8%
Thermo Fisher Scientific, Inc	United States	Green Chemistry & Materials	4.8%
Spirax-Sarco Engineering Plc	United Kingdom	Sustainable Buildings	4.7%
Kingspan Group Plc	Ireland	Sustainable Buildings	4.7%
Teledyne Technologies, Inc	United States	Industry 4.0 & Digitalisation	4.6%
Sika Fin I	Switzerland	Sustainable Buildings	4.5%

Outlook

Having been left with many sobering thoughts from the experience in the markets of 2022, it might be easy to lose perspective on key trends which emerge each time we face issues negatively impacting our treasured economic growth and individual well-being. Governments continue to press the sustainable investment agenda – a good example being the Inflation Reduction Act in the US - not only for the greater good, but because it is becoming increasingly apparent to leading nations that the next battleground will be access to technologies and resources to support our fight to make growth more environmentally sustainable. In the midst of bearish global headlines, there is cause for cautious optimism. We enter 2023 with cooling inflation, a reopening of the Chinese economy, and a lessening of the gas imbalance in Europe. These macro factors should provide a backdrop for constructive price action and investment opportunities, with differentiation across equity valuations after the risk-off trends of 2022.

Ambienta X Alpha Fund

Annual Depositary Report to the Shareholders

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depositary to Ambianta X Alpha Fund (“the Fund”) provide this report solely in favour of the shareholders of the Fund for the year ended 31 December 2022 (“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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMBIENTA X ALPHA FUND

Report on the audit of the annual accounts

Opinion on the annual accounts of Ambianta X Alpha Fund (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 2022 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 a summary of significant accounting policies 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 International Financial Reporting Standards as adopted by the European Union ("IFRS") ("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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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMBIENTA X ALPHA FUND

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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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMBIENTA X ALPHA FUND

- 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

28 April 2023

Ambienta X Alpha Fund

Statement of Financial Position as at 31 December 2022

	Note	31 December 2022 €	31 December 2021 €
Assets			
Current assets			
Financial assets at fair value through profit or loss	3	220,127,013	250,617,415
Due from brokers		68,973,068	49,102,736
Cash		181,795	267,252
Interest and dividends receivables		84,351	4,146
Other assets		740,427	228,669
Total assets		290,106,654	300,220,218
Liabilities			
Current liabilities			
Performance fee payable	6	169	5,263,092
Equalisation payable	2	-	357,967
Due to brokers		275	-
Financial liabilities at fair value through profit or loss	3	186,352	742,051
Management fees payable	6	316,330	312,328
Distribution payable	11	-	1,001,010
Interest and dividends payables		4,563	8,433
Expenses payable	6	276,749	244,656
Redemptions payable		1,021,299	-
Liabilities (excluding net assets attributable to holders of redeemable shares)		1,805,737	7,929,537
Net assets attributable to holders of redeemable shares		288,300,917	292,290,681
Net asset value per redeemable share			
Class F Accumulation (based on 535,127 (2021: 374,814) shares outstanding)	5	€ 98.81	€ 117.27
Class F Distribution (based on 70,000 (2021: 70,000) shares outstanding)	5	€ 87.50	€ 103.84
Class F2 Accumulation (based on 41,376 (2021: 41,357) shares outstanding)	5	€ 988.06	€ 1,172.66
Class H Accumulation (based on 156,620 (2021: 5,445) shares outstanding)	5	€ 93.96	€ 112.07
Class H Accumulation Hedge (based on 38,540 (2021: 35,102) shares outstanding)	5	£ 94.25	£ 112.23
Class H Accumulation Hedge (based on 2,500 (2021: 2,500) shares outstanding)	5	\$ 95.97	\$ 112.67
Class H Distribution (based on 1,000 (2021: nil) shares outstanding)	5	€ 95.07	€ -
Class H2 Accumulation (based on 42,092 (2021: 47,122) shares outstanding)	5	€ 976.11	€ 1,164.30
Class M Accumulation (based on 7,834 (2021: 11,903) shares outstanding)	5	€ 99.62	€ 117.04
Class M Accumulation (based on 4,094 (2021: 4,094) shares outstanding)	5	£ 99.18	£ 110.28
Class M Accumulation Hedge (2021: 1,000)	5	£ -	£ 110.81
Class M Distribution (based on 50,984 (2021: 50,984) shares outstanding)	5	€ 89.08	€ 104.67
Class M0 Accumulation (based on 6,596 (2021: nil) shares outstanding)	5	€ 92.59	€ -
Class R Accumulation* (based on 8,827 (2021: nil) shares outstanding)	5	€ 96.36	€ -
Class T Accumulation Hedge* (based on 1,261 (2021: nil) shares outstanding)	5	£ 943.91	£ -
Class U Accumulation (based on 128,577 (2021: 113,625) shares outstanding)	5	€ 925.14	€ 1,097.98
Class U2 Accumulation Hedge (based on 40 (2021: nil) shares outstanding)	5	CHF 933.55	CHF -
Class U2 Accumulation Hedge (based on 707 (2021: nil) shares outstanding)	5	\$ 953.39	\$ -

* Class R Accumulation and T Accumulation shares are combined by Series and shown as consolidated on Financial Statements.

Ambienta X Alpha Fund

Portfolio of Investments

31 December 2022

<u>No. of shares</u>	<u>Security description</u>		<u>Fair value</u>	<u>% of net assets</u>
Financial assets at fair value through profit or loss				
Common stock				
Canada				
142,892	Canadian Pacific Railway Limited	€	9,986,708	3.46 %
Denmark				
165,256	Orsted A/S		14,029,044	4.87
Germany				
605,584	Infineon Technologies AG		17,216,753	5.97
113,599	Symrise AG		11,547,338	4.01
Germany - Total			28,764,091	9.98
Netherlands				
33,093	ASML Holding N.V.		16,672,254	5.79
37,688	Koninklijke DSM N.V.		4,307,738	1.49
Netherlands - Total			20,979,992	7.28
Sweden				
758,518	Epiroc AB		11,435,533	3.97
Switzerland				
58,338	Sika Fin I		13,098,316	4.54
United States of America				
105,939	Advanced Drainage Systems, Inc		8,136,633	2.82
74,921	Agilent Technologies, Inc		10,505,437	3.64
72,149	American Water Works, Inc		10,304,006	3.57
76,388	Cadence Design Systems, Inc		11,497,745	3.99
137,500	Coty, Inc		1,102,834	0.38
92,026	Salesforce.com, Inc		11,432,867	3.97
35,443	Teledyne Technologies, Inc		13,280,872	4.61
27,134	Thermo Fisher Scientific, Inc		14,000,865	4.86
97,460	Trane Technologies Plc		15,349,779	5.32
68,653	Waste Management, Inc		10,091,621	3.50
United States of America - Total			105,702,659	36.66
Total common stock			203,996,343	70.76

Ambienta X Alpha Fund

Portfolio of Investments (continued)

31 December 2022

No. of contracts/ Face value	Security description	Coupon rate	Maturity date	Fair value	% of net assets
Financial assets at fair value through profit or loss (continued)					
Government bonds					
Germany					
€10,000,000	Bundesrepublik Deutschland	0%	13/04/2023	€ 9,948,900	3.45 %
Total government bonds				9,948,900	3.45
Total investments in securities				€ 213,945,243	74.21 %
Forward contracts					
	Buy EUR, Sell GBP		12/01/2023	3,005	-
	Buy EUR, Sell USD		12/01/2023	13	-
	Buy EUR, Sell USD		19/01/2023	5,737,110	1.99
Total forward contracts				5,740,128	1.99
Future contracts					
44	E-MINI DOW JONES IND, 03/2023			226,429	0.08
Total future contracts				226,429	0.08
Equity swaps - long exposure					
Austria					
144,770	Voestalpine AG			3,243	-
Belgium					
153,633	Umicore N.V.			4,704	-
Denmark					
100,315	Chr. Hansen Holding A/S			6,570	-
204,477	FLSmidth & Co. A/S			5,230	-
365,389	ISS A/S			7,938	-
43,353	Novozymes A/S			3,984	-
344,125	Vestas Wind Systems A/S			7,774	-
Denmark - Total				31,496	-

Ambienta X Alpha Fund

Portfolio of Investments (continued)

31 December 2022

No. of contracts	Security description	Fair value	% of net assets
Financial assets at fair value through profit or loss (continued)			
Equity swaps - long exposure (continued)			
France			
314,742	Alstom S.A.	9,196	-
95,805	Danone S.A.	5,639	-
93,561	Sodexo S.A.	10,083	0.01
France - Total		24,918	0.01
Germany			
192,411	Fuchs Petrolub SE	7,517	-
182,955	Gea Group AG	8,360	-
91,256	Henkel AG	7,340	-
5,966	Rational AG	4,154	-
574,475	Schaeffler AG	2,905	-
Germany - Total		30,276	-
Italy			
284,344	Buzzi Unicem S.p.A.	5,920	-
Sweden			
455,144	Hennes & Mauritz AB	3,898	-
184,905	NIBE Industrier AB	3,016	-
Sweden - Total		6,914	-
Switzerland			
4,336,986	ARYZTA AG	860	-
93,618	Landis+Gyr Group AG	2,106	-
Switzerland - Total		2,966	-
United Kingdom			
240,947	Bunzl Plc	17,562	0.01

Ambienta X Alpha Fund

Portfolio of Investments (continued)

31 December 2022

<u>No. of contracts</u>	<u>Security description</u>	<u>Fair value</u>	<u>% of net assets</u>
Financial assets at fair value through profit or loss (continued)			
Equity swaps - long exposure (continued)			
United States of America			
70,403	Ameresco, Inc	12,528	0.01
92,526	Ball Corporation	16,455	0.01
397,164	Carnival Corporation	10,762	0.01
883,619	Coty, Inc	17,640	0.01
206,459	Flowserve Corporation	17,704	0.01
86,233	Stericycle, Inc	12,125	0.01
United States of America - Total		87,214	0.06
Total equity swaps - long exposure		215,213	0.08
Financial assets at fair value through profit or loss		€ 220,127,013	76.36 %
Financial liabilities at fair value through profit or loss			
Equity swaps - short exposure			
France			
135,867	Schneider Electric SE	(27,552)	(0.01)
Germany			
1,012,427	Deutsche Lufthansa AG	(243)	-
Ireland			
266,427	Kingspan Group Plc	(24,138)	(0.01)
United Kingdom			
112,797	Spirax-Sarco Engineering Plc	(39,248)	(0.01)
Total equity swaps - short exposure		(91,181)	(0.03)

Ambienta X Alpha Fund

Portfolio of Investments (continued)

31 December 2022

<u>No. of contracts</u>	<u>Security description</u>	<u>Maturity date</u>	<u>Fair value</u>	<u>% of net assets</u>
Financial liabilities at fair value through profit or loss (continued)				
Forward contracts				
	Buy CHF, Sell EUR	12/01/2023	(460)	-
	Buy GBP, Sell EUR	12/01/2023	(74,764)	(0.03)
	Buy USD, Sell EUR	12/01/2023	(19,947)	(0.01)
Total forward contracts			<u>(95,171)</u>	<u>(0.04)</u>
Financial liabilities at fair value through profit or loss			<u>€ (186,352)</u>	<u>(0.07) %</u>
Morgan Stanley is the counterparty to the forward contracts and futures. Morgan Stanley and UBS AG are the counterparty to the equity swaps.				
Total investments			€ 219,940,661	76.29 %
Net due from broker, other receivables and other assets			69,980,093	24.27
Other net liabilities			(1,619,837)	(0.56)
Net assets attributable to holders of redeemable shares			<u>€ 288,300,917</u>	<u>100.00 %</u>

Ambienta X Alpha Fund

Portfolio of Investments

31 December 2021

<u>No. of shares</u>	<u>Security description</u>		<u>Fair value</u>	<u>% of net assets</u>
Financial assets at fair value through profit or loss				
Common stock				
Bermuda				
100,000	Himalaya Shipping	€	502,883	0.17 %
France				
39,591	SR Teleperformance S.A.		15,519,672	5.31
Germany				
281,024	Covestro AG		15,231,501	5.21
367,318	Infineon Technologies AG		14,971,881	5.12
107,100	Kion Group AG		10,333,008	3.54
487,539	RWE AG		17,414,893	5.96
69,349	Symrise AG		9,036,175	3.09
Germany - Total			<u>66,987,458</u>	<u>22.92</u>
Ireland				
93,004	Trane Technologies Plc		16,522,686	5.65
Italy				
2,163,000	Enel S.p.A.		15,240,498	5.21
Jersey				
93,547	Aptiv Plc		13,568,922	4.64

Ambienta X Alpha Fund

Portfolio of Investments (continued)

31 December 2021

<u>No. of shares</u>	<u>Security description</u>		<u>Fair value</u>	<u>% of net assets</u>
Financial assets at fair value through profit or loss (continued)				
Common stock (continued)				
Netherlands				
20,303	ASML Holding N.V.	€	14,348,130	4.91 %
37,233	Koninklijke DSM N.V.		7,372,134	2.52
Netherlands - Total			<u>21,720,264</u>	<u>7.43</u>
Sweden				
497,787	Epiroc AB		9,268,203	3.17
973,572	Munters Group AB		6,614,326	2.26
Sweden - Total			<u>15,882,529</u>	<u>5.43</u>
Switzerland				
20,227	Sika Fin I		7,421,930	2.54
United States of America				
69,490	Agilent Technologies, Inc		9,755,609	3.35
28,548	Cadence Design Systems, Inc		4,678,086	1.60
67,150	Salesforce.com, Inc		15,006,006	5.13
45,572	Solaredge Technologies, Inc		11,243,525	3.85
35,058	Teledyne Technologies, Inc		13,468,598	4.61
21,331	Thermo Fisher Scientific, Inc		12,515,737	4.28
United States of America - Total			<u>66,667,561</u>	<u>22.82</u>
Total common stock			<u>240,034,403</u>	<u>82.12</u>

Ambienta X Alpha Fund

Portfolio of Investments (continued)

31 December 2021

No. of contracts/ Face value	Security description	Coupon rate	Maturity date	Fair value	% of net assets
Financial assets at fair value through profit or loss (continued)					
Government bonds					
France					
€10,000,000	Banque de France	0%	13/07/2021	€ 10,033,800	3.43 %
Total government bonds				10,033,800	3.43
Total investments in securities				€ 250,068,203	85.55 %
Forward contracts					
	Buy GBP, Sell EUR		28/01/2022	24,186	0.01
	Buy EUR, Sell USD		28/01/2022	13	-
	Buy EUR, Sell USD		11/02/2022	525,013	0.19
Total forward contracts				549,212	0.20
Financial assets at fair value through profit or loss				€ 250,617,415	85.74 %
Financial liabilities at fair value through profit or loss					
Equity swaps - Long exposure					
United Kingdom					
31,825	Spirax-Sarco Engineering Plc			(2,624)	-
Total equity swaps - Long exposure				(2,624)	-

Ambienta X Alpha Fund

Portfolio of Investments (continued)

31 December 2021

<u>No. of contracts</u>	<u>Security description</u>	<u>Fair value</u>	<u>% of net assets</u>
Financial liabilities at fair value through profit or loss (continued)			
Equity swaps - Short exposure			
France			
42,716	Unibail-Rodamco-Westfield	€ (2,241)	- %
Germany			
504,609	K+S AG	(6,608)	-
5,890	Rational AG	(5,662)	-
Germany - Total		(12,270)	-
Italy			
106,900	Buzzi Unicem S.p.A.	(1,771)	-
Sweden			
218,637	Electrolux B	(1,593)	-
United Kingdom			
589	Johnson Matthey Plc	(267)	-
United States of America			
88,688	Dow, Inc*	(1,052)	-
644,761	Coty, Inc	(1,453)	-
41,000	ExxonMobil Corporation*	(541)	-
United States of America - Total		(3,046)	-
Total equity swaps - Short exposure		(21,188)	-

* Name of security updated.

Ambienta X Alpha Fund

Portfolio of Investments (continued)

31 December 2021

<u>No. of contracts</u>	<u>Security description</u>	<u>Fair value</u>	<u>% of net assets</u>
Financial liabilities at fair value through profit or loss (continued)			
Futures			
23	DAX, 03/2022	€ (201,295)	(0.07) %
11	EMINI NASDAQ 100, 03/2022*	(111,902)	(0.04)
92	EMINI S&P 500, 03/2022	(402,556)	(0.14)
Total futures		<u>(715,753)</u>	<u>(0.25)</u>
Forward contracts			
	Buy USD, Sell EUR, 28/01/2022	(994)	-
	Buy GBP, Sell EUR, 28/01/2022	(1,492)	-
Total forward contracts		<u>(2,486)</u>	<u>-</u>
Financial liabilities at fair value through profit or loss		<u>€ (742,051)</u>	<u>(0.25) %</u>

* Name of security updated.

Morgan Stanley is the counterparty to the forward contracts and options.

Morgan Stanley and UBS AG are the counterparty to the equity swaps.

Ambienta X Alpha Fund

Portfolio of Investments (continued)

31 December 2021

	<u>Fair value</u>	<u>% of net assets</u>
Total investments	€ 249,875,364	85.49 %
Net due from broker, other receivables and other assets	49,504,881	16.94
Other net liabilities	(7,089,564)	(2.43)
Net assets attributable to holders of redeemable shares	<u><u>€ 292,290,681</u></u>	<u><u>100.00 %</u></u>

Ambienta X Alpha Fund

Statement of Comprehensive Income for the financial year ended 31 December 2022

	Note	For the financial year ended 31 December 2022 €	For the financial year ended 31 December 2021 €
Investment income			
Dividends		3,226,608	1,624,431
Interest income		80,479	100,141
Other income		2,934	-
Equalisation expense		-	(357,967)
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	8	<u>(48,406,756)</u>	<u>33,975,008</u>
Total investment (loss)/income		<u>(45,096,735)</u>	<u>35,341,613</u>
Expenses			
Performance fees	6	(169)	(5,278,525)
Management fees	6	(3,192,499)	(2,466,215)
Interest expense		(311,364)	(423,682)
Research fees		(127,942)	(191,630)
Administration fees	6	(384,059)	(292,257)
Professional fees		(217,541)	(276,291)
Directors' fees	14	(30,000)	(30,529)
Depositary fees	6	(116,768)	(113,572)
Other expenses	6	<u>(227,335)</u>	<u>(195,409)</u>
Total expenses		<u>(4,607,677)</u>	<u>(9,268,110)</u>
(Loss)/profit for the year before tax		(49,704,412)	26,073,503
Withholding tax on dividends		<u>(800,562)</u>	<u>(389,129)</u>
(Decrease)/increase in net assets attributable to holders of redeemable shares from operations		<u><u>(50,504,974)</u></u>	<u><u>25,684,374</u></u>

Ambienta X Alpha Fund

Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares for the financial year ended 31 December 2022

	For the financial year ended Note 31 December 2022 €	For the financial year ended 31 December 2021 €
Net assets attributable to holders of redeemable shares at beginning of year	292,290,681	142,094,810
Issuance of redeemable shares	66,953,546	147,887,149
Redemption of redeemable shares	(20,438,336)	(21,816,588)
(Decrease)/increase in net assets attributable to holders of redeemable shares from operations	(50,504,974)	25,684,374
Distributions	11 <u>-</u>	<u>(1,559,064)</u>
Net assets attributable to holders of redeemable shares at end of year	<u>288,300,917</u>	<u>292,290,681</u>

Ambienta X Alpha Fund

Statement of Cash Flows for the financial year ended 31 December 2022

	For the financial year ended 31 December 2022 €	For the financial year ended 31 December 2021 €
Cash flows from operating activities		
(Decrease)/increase in net assets attributable to holders of redeemable shares from operations	(50,504,974)	25,684,374
Adjustments to reconcile (Decrease)/increase in net assets attributable to holders of redeemable participating shares from operations to net cash used in operating activities:		
Purchases of investments in securities	(234,130,668)	(300,792,111)
Proceeds from disposal of investments in securities	222,116,478	216,903,293
Purchases of derivative contracts	(12,629,217)	(12,794,120)
Proceeds from disposal of derivative contracts	5,051,012	1,168,304
Net realised loss/(gain) on investments in securities	3,338,082	(23,617,731)
Net change in unrealised loss/(gain) on investments in securities	44,799,068	(22,396,442)
Net realised loss on investments in derivative contracts	7,578,205	11,625,816
Net change in unrealised (gain)/loss on investments in derivative contracts	(6,188,257)	227,867
Changes in assets and liabilities		
Changes in assets		
Due from brokers	(19,870,332)	(25,970,311)
Interest and dividends receivable	(80,205)	380,066
Other assets	(511,758)	11,567
Changes in liabilities		
Performance fee payable	(5,262,923)	4,330,694
Equalisation payable	(357,967)	(246,367)
Management fees payable	4,002	168,011
Due to brokers	275	-
Distribution payable	(1,001,010)	949,067
Interest and dividends payables	(3,870)	(4,220)
Expenses payable and other liabilities	32,093	22,851
Net cash used in operating activities	(47,621,966)	(124,349,392)
Cash flows from financing activities		
Amounts received on issuance of redeemable shares	66,953,546	147,387,149
Amounts paid on redemptions of redeemable shares	(19,417,037)	(21,816,588)
Amounts paid on distribution	-	-
Net cash provided by financing activities	47,536,509	125,570,561
Net change in cash and cash equivalents	(85,457)	(337,895)
Cash and cash equivalents at beginning of the year	267,252	605,147
Cash and cash equivalents at end of year	181,795	267,252

Ambienta X Alpha Fund

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 C195780. 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 2022, 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.

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

The Fund commenced operations on 5 May 2020 and made updates to the Fund’s supplement on 3 December 2021, 6 December 2021 and 29 June 2022.

2. Significant accounting policies

The significant 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 year that have any impact on the Fund’s financial statements

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

2. Significant 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 on financial assets and liabilities at fair value through profit or loss.

(f) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, 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, government bonds, forward contracts, futures contracts and equity swaps. All common stock and government bonds held long and derivative contracts in net receivable position (positive fair value) are reported as financial assets held for trading.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

2. Significant accounting policies (continued)

(h) Financial assets and liabilities at fair value through profit or loss (continued)

(i) Classification (continued)

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.

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.

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.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

2. Significant accounting policies (continued)

(h) Financial assets and liabilities at fair value through profit or loss (continued)

(iii) Fair value measurement principles (continued)

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.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

2. Significant accounting policies (continued)

(h) Financial assets and liabilities at fair value through profit or loss (continued)

(vi) Derivative contracts (continued)

Future 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/to 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 2022.

(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 credit rating of A2 (31 December 2021 Aa2).

(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.

(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.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

2. Significant accounting policies (continued)

(n) Income taxes (continued)

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.

(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 financial year ended 31 December 2022 of €419 (Nil amount for financial year ended 31 December 2021).

(p) 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.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

2. Significant accounting policies (continued)

(q) Equalisation

Equalisation payable is due to investors who subscribed to share classes of the Fund during the financial year at an 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.

(r) Establishment expenses

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

(s) 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.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

3. Fair value (continued)

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 2022 and as of 31 December 2021:

Assets at Fair Value as of 31 December 2022

	Level 1	Level 2	Level 3	Total
Common stock	€ 203,996,343	€ -	€ -	€ 203,996,343
Government bonds	9,948,900	-	-	9,948,900
Equity swaps	-	215,213	-	215,213
Forward contracts	-	5,740,128	-	5,740,128
Future contracts	226,429	-	-	226,429
Total	€ 214,171,672	€ 5,955,341	€ -	€ 220,127,013

Liabilities at Fair Value as of 31 December 2022

	Level 1	Level 2	Level 3	Total
Equity swaps	€ -	€ 91,181	€ -	€ 91,181
Forward contracts	-	95,171	-	95,171
Total	€ -	€ 186,352	€ -	€ 186,352

Assets at Fair Value as of 31 December 2021

	Level 1	Level 2	Level 3	Total
Common stock	€ 240,034,403	€ -	€ -	€ 240,034,403
Government bonds	10,033,800	-	-	10,033,800
Forward contracts	-	549,212	-	549,212
Total	€ 250,068,203	€ 549,212	€ -	€ 250,617,415

Liabilities at Fair Value as of 31 December 2021

	Level 1	Level 2	Level 3	Total
Equity swaps	€ -	€ 23,812	€ -	€ 23,812
Forward contracts	-	2,486	-	2,486
Future contracts	715,753	-	-	715,753
Total	€ 715,753	€ 26,298	€ -	€ 742,051

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

4. Commitments and contingent liabilities

There are no significant commitments or contingent liabilities for the financial year ended 31 December 2022.

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.

Series accounting Methodology

Both Class R and T have been combined for purposes of these financial statements. Due to the different times and prices at which Class R and Class T Shares are subscribed by investors and in order to ensure that a relevant shareholder bears performance fees as outlined according to the actual performance of Class R and Class T Shares, a new series of shares in respect of these share Classes will be issued as of each Valuation Day. Therefore, different series of shares within Class R and Class T shares may be issued. Shares of a relevant series have the same features as shares of another series of the same Class except that the time of issuing is different. From an accounting point of view, a series of Shares is treated as a sub-class of shares, i.e. each Share of a relevant series will have the same Net Asset Value which will be different from the Net Asset Value of another series of Shares of the same Class. After each Accounting Period, all series of Shares that are subject to the performance fees within a Class of Shares will roll up into the lead series of Shares for the Class.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

5. Share capital (continued)

The share activity for the financial year ended 31 December 2022 is as follows:

	Opening shares	Shares issued	Shares switched	Shares redeemed	Closing shares	Net asset value	NAV per share*
Class F Accumulation	374,814	170,634	-	(10,321)	535,127	€ 52,873,801	€ 98.81
Class F Distribution	70,000	-	-	-	70,000	€ 6,124,706	€ 87.50
Class F2 Accumulation	41,357	19	-	-	41,376	€ 40,881,923	€ 988.06
Class H Accumulation	5,445	157,581	-	(6,406)	156,620	€ 14,715,872	€ 93.96
Class H Accumulation Hedge	35,102	4,915	-	(1,477)	38,540	£ 3,632,561	£ 94.25
Class H Accumulation Hedge	2,500	-	-	-	2,500	\$ 239,920	\$ 95.97
Class H Distribution	-	1,000	-	-	1,000	€ 95,067	€ 95.07
Class H2 Accumulation	47,122	8,004	-	(13,034)	42,092	€ 41,086,479	€ 976.11
Class M Accumulation	11,903	230	(4,000)	(299)	7,834	€ 780,388	€ 99.62
Class M Accumulation	4,094	-	-	-	4,094	£ 405,998	£ 99.18
Class M Accumulation Hedge	1,000	-	-	(1,000)	-	£ -	£ -
Class M Distribution	50,984	-	-	-	50,984	€ 4,541,685	€ 89.08
Class MO Accumulation	-	2,302	4,294	-	6,596	€ 610,725	€ 92.59
Class R Accumulation	-	8,827	-	-	8,827	€ 850,532	€ 96.36
Class T Accumulation Hedge	-	1,275	(2)	(12)	1,261	£ 1,190,486	£ 943.91
Class U Accumulation	113,625	19,952	-	(5,000)	128,577	€118,951,773	€ 925.14
Class U2 Accumulation Hedge	-	40	-	-	40	CHf 37,342	CHf 933.55
Class U2 Accumulation Hedge	-	707	-	-	707	\$ 674,157	\$ 953.39

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

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

5. Share capital (continued)

The share activity for the financial year ended 31 December 2021 is as follows:

	Opening shares	Shares issued	Shares switched	Shares redeemed	Closing shares	Net asset value	NAV per Share*
Class F Accumulation	402,617	81,996	-	(109,799)	374,814	€ 43,952,869	€ 117.27
Class F Distribution*	70,000	-	-	-	70,000	€ 7,268,981	€ 103.84
Class F2 Accumulation	40,474	9,239	-	(8,356)	41,357	€ 48,497,337	€ 1,172.66
Class H Accumulation	-	6,445	-	(1,000)	5,445	€ 610,250	€ 112.07
Class H Accumulation Hedge	14,623	20,479	-	-	35,102	£ 3,939,496	£ 112.23
Class H Accumulation Hedge	-	2,500	-	-	2,500	\$ 281,683	\$ 112.67
Class H2 Accumulation	37,400	9,722	-	-	47,122	€ 54,864,051	€ 1,164.30
Class M Accumulation	9,062	1,884	957	-	11,903	€ 1,393,217	€ 117.04
Class M Accumulation	4,083	11	-	-	4,094	£ 451,436	£ 110.28
Class M Accumulation Hedge	1,000	-	-	-	1,000	£ 110,807	£ 110.81
Class M Distribution*	51,967	5	(988)	-	50,984	€ 5,336,557	€ 104.67
Class U Accumulation	-	113,625	-	-	113,625	€ 124,757,971	€ 1,097.98

*The NAV as per financial statements and the NAV calculated for dealing purposes differs to the extent of the dividend distribution made for the Distribution Classes.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

5. Share capital (continued)

The share activity for the financial period from 25 July 2019 (date of registration) to 31 December 2020 is as follows:

	<u>Opening shares</u>	<u>Shares issued</u>	<u>Shares switched</u>	<u>Shares redeemed</u>	<u>Closing shares</u>	<u>Net asset value</u>	<u>NAV per Share*</u>
Class F Accumulation	-	402,617	-	-	402,617	€ 42,943,840	€ 106.66
Class F Distribution *	-	70,000	-	-	70,000	€ 7,436,438	€ 106.23
Class F2 Accumulation	-	40,474	-	-	40,474	€ 43,169,802	€ 1,066.62
Class H Accumulation Hedge	-	14,623	-	-	14,623	£ 1,492,636	£ 102.07
Class H2 Accumulation	-	37,400	-	-	37,400	€ 39,777,992	€ 1,063.60
Class M Accumulation	-	9,062	-	-	9,062	€ 956,436	€ 105.54
Class M Accumulation	-	4,083	-	-	4,083	£ 428,991	£ 105.08
Class M Accumulation Hedge	-	1,000	-	-	1,000	£ 99,401	£ 99.40
Class M Distribution *	-	51,967	-	-	51,967	€ 5,552,408	€ 106.84

*The NAV as per financial statements and the NAV calculated for dealing purposes differs to the extent of the dividend distribution made for the Distribution Classes.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

6. Fees

Management fees

Each class, except for Class M, pays a management fee to the Manager in consideration for the management of the ICAV's portfolio and other services which the Manager and its affiliates provide to the Fund.

The fee rates for 2022 and 2021 are as follows:

Share class	2022 Fee rate	2021 Fee rate
Class F Accumulation	1% of NAV per annum	1% of NAV per annum
Class F Distribution	1% of NAV per annum	1% of NAV per annum
Class F2 Accumulation	1% of NAV per annum	1% of NAV per annum
Class H Accumulation	1.5% of NAV per annum	1.5% of NAV per annum
Class H Accumulation Hedge	1.5% of NAV per annum	1.5% of NAV per annum
Class H Distribution	1.5% of NAV per annum	-
Class H2 Accumulation	1.5% of NAV per annum	1.5% of NAV per annum
Class M0 Accumulation	1% of NAV per annum	-
Class R Accumulation	1.75% of NAV per annum	-
Class T Accumulation Hedge	1% of NAV per annum	-
Class U Accumulation	1% of NAV per annum	1% of NAV per annum
Class U2 Accumulation Hedge	1% of NAV per annum	-

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 2022 were €3,192,499 (31 December 2021:€2,466,215) with €316,330 (31 December 2021:€312,328) being payable at the relevant financial year end.

Performance fees

The Manager is entitled to a performance fee in respect of the performance of all the share classes except class M0. The performance fee is equal to the percentage of the increase in the net asset value per share of the relevant shares outstanding in respect of each performance period over the high water mark. The use of a high water mark ensures that no shares will be charged a performance fee until any previous losses are recovered.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

6. Fees (continued)

Performance fees(continued)

The fee rates are as follows:

Share class	2022 Fee rate	2021 Fee rate
Class F and F2	15% of NAV per share	15% of NAV per share
Class H and H2	15% of NAV per share	15% of NAV per share
Class M	15% of NAV per share	15% of NAV per share
Class U	20% of NAV per share	20% of NAV per share
Class U2	20% of NAV per share	-
Class R	20% of NAV per share	-
Class T	20% of NAV per share	-

The performance fee shall be calculated and accrued as of each valuation day and shall crystallise on the last day of the performance period. The performance fee is payable by the Fund to the Manager within ten days after it becomes due. Performance fees accrued during the financial year ended 31 December 2022 were €169 (31 December 2021:€5,278,525) with €169 (31 December 2021:€5,263,092) being accrued at the financial year end.

Administration fees

The Manager and the ICAV have appointed Morgan Stanley Fund Services (Ireland) Limited (the “Administrator”) as the administrator pursuant to the administration agreement. Administration fees charged during the financial year ended 31 December 2022 were €384,059 (31 December 2021:€292,257) with €75,778 (31 December 2021:€50,007) 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 fee is entitled to receive 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 2022 amounted to €116,768 (31 December 2021:€113,572) with €27,807 (31 December 2021:€10,288) being payable at the financial year end.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

6. Fees (continued)

Other expenses

Other expenses for the financial year ended 31 December 2022 and 31 December 2021 are detailed in the below tables:

	31 December 2022	31 December 2021
Establishment expenses	€ 36,206	€ 39,172
Custody fees	15,000	15,917
Registration fee	40,000	56,270
Bank fees	15,930	12,354
Other professional fees	17,059	11,341
Insurance fees	15,000	16,500
Taxes	21,423	17,671
Brokerage commission expense	5,556	10,754
Transaction fees	419	-
Other expenses	60,742	15,430
Total	€ 227,335	€ 195,409

Expenses payable

Expenses payable as of 31 December 2022 and 31 December 2021 are detailed in the below tables:

	31 December 2022	31 December 2021
Research expense	€ -	€ 32,805
Fund administrative fees	75,778	50,007
Custody fees	53,837	38,837
Director's fees	32,822	17,144
Registration fee	8,293	41,121
Depositary fees	27,807	10,251
Bank fees	2,624	1,231
Other professional fees	75,707	44,393
Insurance fees	333	4,443
Establishment expenses	-	4,424
Total	€ 277,201	€ 244,656

7. Auditors' remuneration

Fees charged by the auditors in relation to the statutory audit of financial statements of the Fund amounted to €17,250 (31 December 2021: €27,024) (excluding VAT, out of pocket expenses and the technology & admin 2% fee) for the financial year ended 31 December 2022 with €17,250 (31 December 2021: €18,450) 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.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

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

	31 December 2022	31 December 2021
Net realised (losses)/gains on investments in securities	€ (3,338,082)	€ 23,617,731
Net realised losses on derivative contracts	(7,578,205)	(11,625,816)
Net change in unrealised (losses)/gains on investments in securities	(44,799,068)	22,396,442
Net change in unrealised gains/(losses) on derivative contracts	6,188,257	(227,867)
Net gains/(losses) on foreign exchange	1,120,342	(185,482)
Net (losses)/gains on financial assets and liabilities at fair value through profit or loss	€ (48,406,756)	€ 33,975,008

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 2022 and for the financial year ended December 2021. The Fund had no collateral received as of 31 December 2022,

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.

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.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

10. Financial risk management

Market risk (continued)

The investment risk of the Fund is assessed by the Manager using absolute Value at Risk (“VaR”) analysis. VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market movements in an ordinary environment. VaR analysis reflects the interdependencies between risk variables, unlike traditional sensitivity analysis. The VaR model uses a minimum of one year of historic market data to drive the historical simulation. VaR is computed on a one month holding basis and is one-tailed.

VaR uses historical market data as a basis for estimating future events that does not encompass all possible scenarios. Also, the use of a specified confidence level (e.g. 99%) does not take account of losses beyond this level where there is some probability that the loss could be greater than the VaR amounts.

The table below shows the minimum, maximum and average absolute VaR for the year. VaR is calculated over a one month (20 days) period at a 99% confidence level.

	<u>Minimum VaR</u>	<u>Maximum VaR</u>	<u>Average VaR</u>
31 December 2022	7.60%	14.84%	10.43%
31 December 2021	7.60%	15.77%	10.50%

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 year, the Fund invested in three interest bearing financial instrument.

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.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

10. Financial risk management (continued)

Currency risk

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

The following table details the currency risk of the Fund as at 31 December 2022:

31 December 2022	CAD	CHF	DKK	EUR
Assets				
Financial assets at fair value through profit or loss	€ -	€ 13,101,282	€ 14,060,540	€ 59,762,044
Due from brokers	-	286,642	(2,039,157)	68,649,257
Cash	-	-	-	181,795
Interest and dividends receivables	14,081	155	3,395	47,684
Other assets	-	-	-	740,879
	€ 14,081	€ 13,388,079	€ 12,024,778	€ 129,381,659
Liabilities				
Performance fee payable	€ -	€ -	€ -	€ 169
Management fees payable	-	-	-	316,330
Expenses payable	-	-	-	170,540
Interest and dividends payable	-	97	66	1,059
Due to brokers	-	-	-	-
Redemptions payable	-	-	-	1,021,299
Financial liabilities at fair value through profit or loss	-	460	-	51,933
	€ -	€ 557	€ 66	€ 1,561,330

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

10. Financial risk management (continued)

Currency risk (continued)

31 December 2022	GBP	NOK	SEK	USD
Assets				
Financial assets at fair value through profit or loss	€ 20,566	€ -	€ 11,442,447	€ 121,740,134
Due from brokers	144,349	2,752	378,897	1,550,328
Cash	-	-	-	-
Interest and dividends receivables	673	9	362	17,992
Other assets	-	-	-	(452)
	€ 165,588	€ 2,761	€ 11,821,706	€ 123,308,002
Liabilities				
Performance fee payable	€ -	€ -	€ -	€ -
Management fees payable	-	-	-	-
Expenses payable	-	-	-	106,209
Interest and dividends payable	49	-	-	3,292
Due to brokers	275	-	-	-
Redemptions payable	-	-	-	-
Financial liabilities at fair value through profit or loss	114,012	-	-	19,947
	€ 114,336	€ -	€ -	€ 129,448

31 December 2022	TOTAL
Assets	
Financial assets at fair value through profit or loss	€ 220,127,013
Due from brokers	68,973,068
Cash	181,795
Interest and dividends receivables	84,351
Other assets	740,427
	€ 290,106,654
Liabilities	
Performance fee payable	€ 169
Management fees payable	316,330
Expenses payable	276,749
Interest and dividends payable	4,563
Due to brokers	275
Redemptions payable	1,021,299
Financial liabilities at fair value through profit or loss	186,352
	€ 1,805,737

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

10. Financial risk management (continued)

Currency risk (continued)

The following table details the currency risk of the Fund as at 31 December 2021:

31 December 2021	CHF	DKK	EUR	GBP
Assets				
Financial assets at fair value through profit or loss	€ 7,421,930	€ -	€ 129,501,693	€ 24,186
Due from brokers	87,129	(713,192)	49,754,889	677,205
Cash	-	-	168,271	9,885
Interest and dividends receivables	-	-	-	-
Other assets	-	-	229,137	-
	€ 7,509,059	€ (713,192)	€ 179,653,990	€ 711,276
Liabilities				
Performance fee payable	€ -	€ -	€ 5,263,092	€ -
Management fees payable	-	-	312,328	-
Expenses payable	-	-	178,742	-
Interest and dividends payable	522	188	7,026	210
Distribution payable	-	-	1,001,010	-
Equalisation payable	-	-	357,967	-
Financial liabilities at fair value through profit or loss	-	-	217,576	4,383
	€ 522	€ 188	€ 7,337,741	€ 4,593

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

10. Financial risk management (continued)

Currency risk (continued)

31 December 2021	NOK	SEK	USD	TOTAL
Assets				
Financial assets at fair value through profit or loss	€ 502,883	€ 15,882,529	€ 97,284,194	€ 250,617,415
Due from brokers	7,624	(645,115)	(65,804)	49,102,736
Cash	-	-	89,096	267,252
Interest and dividends receivables	-	-	4,146	4,146
Other assets	-	-	(468)	228,669
	€ 510,507	€ 15,237,414	€ 97,311,164	€ 300,220,218
Liabilities				
Performance fee payable	€ -	€ -	€ -	€ 5,263,092
Management fees payable	-	-	-	312,328
Expenses payable	-	-	65,914	244,656
Interest and dividends payable	(24)	98	413	8,433
Distribution payable	-	-	-	1,001,010
Equalisation payable	-	-	-	357,967
Financial liabilities at fair value through profit or loss	-	1,593	518,499	742,051
	€ (24)	€ 1,691	€ 584,826	€ 7,929,537

If the Euro exchange rate at 31 December 2022 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 €3,211,749 (31 December 2021:€2,399,043). 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 the 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.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

10. Financial risk management (continued)

Credit risk (continued)

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 collateralised 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 2022	Credit Rating 31 December 2021
Morgan Stanley & Co. International plc	Aa3 (Moody’s)	Aa3 (Moody’s)
Northern Trust	A2 (Moody’s)	Aa2 (Moody’s)
UBS	Aa3 (Moody’s)	Aa3 (Moody’s)

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 2022, NTC had a long term credit rating from Standard & Poor’s of A+ (31 December 2021 (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.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

10. Financial risk management (continued)

Credit risk (continued)

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.

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.

At the reporting date, the Fund's financial assets exposed to credit risk are as follows:

	31 December 2022	31 December 2021
Common stock	€ 203,996,343	€ 240,034,403
Government bonds	9,948,900	10,033,800
Forward contracts	5,740,128	549,212
Future contracts	226,429	-
Equity swaps	215,213	-
Due from brokers	68,973,068	49,102,736
Cash	181,795	267,252
Interest and dividends receivables	84,351	4,146
Other assets	740,427	228,669
Total assets	€ 290,106,654	€ 300,220,218

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

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

10. Financial risk management (continued)

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 the liquidity risk, please refer to the Fund's Supplement.

The tables 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 2022	Less than 1 month	1-3 Months	No contractual maturity	Total
Financial liabilities				
Equity swaps	€ -	€ -	€ 91,181	€ 91,181
Forward contracts	95,171	-	-	95,171
Due to brokers	-	275	-	275
Performance fee payable	169	-	-	169
Management fees payable	316,330	-	-	316,330
Interest and dividends payable	-	4,563	-	4,563
Expenses payable and other liabilities	-	-	276,749	276,749
Redemptions payable	1,021,299	-	-	1,021,299
Net assets attributable to holders of redeemable shares	288,300,917	-	-	288,300,917
Total liabilities	€ 289,733,886	€ 4,838	€ 367,930	€ 290,106,654

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

10. Financial risk management (continued)

Liquidity risk (continued)

31 December 2021	Less than 1 month	1-3 Months	No contractual maturity	Total
Financial liabilities				
Equity swaps	€ -	€ -	€ 23,812	€ 23,812
Future contracts	-	715,753	-	715,753
Forward contracts	2,486	-	-	2,486
Performance fee payable	5,263,092	-	-	5,263,092
Management fees payable	312,328	-	-	312,328
Distribution payable	1,001,010	-	-	1,001,010
Expenses payable and other liabilities	-	-	611,056	611,056
Net assets attributable to holders of redeemable shares	292,290,681	-	-	292,290,681
Total liabilities	€ 298,869,597	€ 715,753	€ 634,868	€ 300,220,218

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 2022	Gross Amounts of financial assets presented in the Statement of Financial Position	Financial instruments	Cash collateral received	Net amounts
Equity swaps	€ 215,213	€ (91,181)	€ -	€ 124,032
Forward contracts	5,740,128	(95,171)	-	5,644,957
Future contracts	226,429	-	-	226,429
Total	€ 6,181,770	€ (95,171)	€ -	€ 5,995,418

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

10. Financial risk management (continued)

Offsetting (continued)

31 December 2022	Gross Amounts of financial liabilities presented in the Statement of Financial Position	Financial instruments	Cash collateral pledged	Net amounts
Equity swaps	€ 91,181	€ (91,181)	€ -	€ -
Forward contracts	95,171	(95,171)	-	-
Total	€ 186,352	€ (186,352)	€ -	€ -

31 December 2021	Gross Amounts of financial assets presented in the Statement of Financial Position	Financial instruments	Cash collateral received	Net amounts
Forward contracts	€ 549,212	€ (2,486)	€ -	€ 546,726
Total	€ 549,212	€ (2,486)	€ -	€ 546,726

31 December 2021	Gross Amounts of financial liabilities presented in the Statement of Financial Position	Financial instruments	Cash collateral pledged	Net amounts
Equity swaps	€ 23,812	€ (23,812)	€ -	€ -
Forward contracts	2,486	(2,486)	-	-
Future contracts	715,753	-	-	715,753
Total	€ 742,051	€ (2,486)	€ -	€ 715,753

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

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. There were no dividend distributions related to the financial year ended 31 December 2022 (31 December 2021:€1,001,010).

The NAV as per financial statements and the NAV calculated for dealing purposes differs to the extent of the dividend distribution. The tables below reflect the dividend distribution per class and per share. There were no dividend distributions related to the financial year ended 31 December 2022.

At 31 December 2022, the dealing NAV is equal to the NAV per share as per the financials and there are no dividends payable.

31 December 2021 (dividend distribution declared in relation to year ended 31 December 2021)	Class F Distribution	Class M Distribution
Dealing NAV per share	€ 111.77	€ 113.42
Dividend distribution per share	(7.93)	(8.75)
NAV per share per financials	€ 103.84	€ 104.67
Total dividend distribution per class	€ 555,123	€ 445,887

12. Soft commissions

There was no soft commission arrangement affecting the Fund during the financial year ended 31 December 2022 and for the financial year ended 31 December 2021. Further, the Manager did not receive any payments under directed brokerage services or similar arrangement.

13. Exchange rates

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

	31 December 2022	31 December 2021
British Pound	0.8872	0.8396
Canadian Dollar	1.4461	-
Danish Krone	7.4364	7.4376
Norwegian Krone	10.5135	10.0282
Polish Zloty	-	4.5834
Swedish Krona	11.1202	10.2960
Swiss Franc	0.9874	1.0362
United States Dollar	1.0672	1.1372

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

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 arm’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 Joel Bird are employees of the Manager and Directors of the Fund.

The aggregate directors’ fees for the financial year ended 31 December 2022 amounted to €30,000 (31 December 2021:€30,529) of which €32,822 (31 December 2021:€17,144) was outstanding at the financial year end.

The 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 2022 and for the financial year to 31 December 2021.

15. Significant events during the financial year

On 26 January 2022, Joel Bird was appointed to the Board of Directors of the ICAV.

There was no dividend distribution declared on 31 December 2022 for the financial year ended 31 December 2022 (financial year ended 31 December 2021: €1,001,010).

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.

16. Events after the balance sheet date

Subsequent to 31 December 2022 and through 27 April 2023, the Fund received subscriptions of €46.6m and paid redemptions of €8.4m.

There have not been any 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 27 April 2023.

Ambienta X Alpha 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 (€)
Orsted A/S	23,076,195	Covestro AG	19,902,296
Cadence Design Systems, Inc	16,893,042	Enel S.p.A.	18,036,575
Sika Fin I	13,877,843	RWE AG	17,692,577
Bundesrepublik Deutschland 0% 22/03/2023	11,939,469	SolarEdge Technologies, Inc	11,939,469
Salesforce.com, Inc	11,787,904	Aptiv Plc	14,817,205
ASML Holding N.V.	11,020,697	SR Teleperformance S.A.	14,592,684
		Bundesrepublik Deutschland 0% 22/03/2023	11,928,395
Waste Management, Inc	10,607,763	Cadence Design Systems, Inc	11,133,366
Canadian Pacific Railway Limited	10,575,454	Enphase Energy, Inc.	10,617,917
Banque de France 0% 22/02/2023	10,042,053	Banque de France 0% 13/07/2023	10,032,550
Bundesrepublik Deutschland 0% 13/04/2023	9,952,617	Banque de France 0% 22/02/2023	9,957,300
American Water Works, Inc	9,603,889	Kion Group AG	8,912,375
Infineon Technologies AG	9,342,818	Orsted A/S	8,847,869
Covestro AG	9,190,017	Salesforce.com, Inc	6,415,511
Advanced Drainage Systems, Inc	8,936,304	Agilent Technologies, Inc	5,662,158
Enphase Energy, Inc	8,585,230	Atlas Copco AB	5,598,291
Enel S.p.A.	6,945,502	Munters Group AB	5,559,838
Atlas Copco AB	6,317,197	ASML Holding N.V.	4,325,811
Symrise AG	5,912,952	Trane Technologies Plc	3,791,912
Agilent Technologies, Inc	5,795,798	Sika Fin I	2,871,784
Aptiv Plc	5,091,611		

Ambienta X Alpha 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 ICAV.

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 €3,192,668 (31 December 2021 €7,744,740) divided into €3,192,499 (31 December 2021 €2,466,215) in management fees and €169 (31 December 2021 €5,278,525) in performance fees in relation to the Fund.
- The total remuneration of the entire staff of the Manager during the year was €8,596,929 (31 December 2021 €12,117,409) divided into €5,997,491 fixed remuneration (31 December 2021 €8,619,395) and €2,599,438 variable remuneration (31 December 2021 €3,498,014). There were 51 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 €2,255,265 (31 December 2021 €2,518,379). There were 9 beneficiaries.

Ambienta X Alpha 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 to 31 December 2022, the Fund did not enter into any Securities Financing Transactions.

Ambienta X Alpha Fund

Securities Finance Disclosure Regulation (Unaudited)

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 Alpha Fund

Legal entity identifier: 213800SFNX3U92NSEK89

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.

Sustainable investment objective

Did this financial product have a sustainable investment objective?



Yes



It made **sustainable investments with an environmental objective: 85%**



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



It made **sustainable investments with a social objective: ____%**



No



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



with an environmental objective in economic activities that 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 promoted E/S characteristics, but **did not make any sustainable investments**



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.

Securities Finance Disclosure Regulation (Unaudited)(continued)

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 as outlined 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 two types of indicators.

At Fund level, the Fund's net exposure to sustainability (Sustainable Notional Value, or "SNV") must be greater than the Fund's net exposure to the market (Delta Notional Value, or "DNV"). The SNV is calculated as the weighted average of the individual Ambienta Sustainability Index ("ASIs") of each holding in the portfolio, described below. It provides the net sustainable value of the portfolio as an indication of its contribution to resource efficiency and/or pollution control.

As at 30.12.2022 SNV was 43% and DNV was 30%. The fund therefore satisfied its sustainable investment objective.

At position level, target issuers are analysed using 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. Among the long positions, the Fund invested in target issuers that met the ASI threshold ($\geq +25\%$), representing investments in companies that attain a positive environmental impact based on the assessment of the company's single divisions.

● ***...and compared to previous periods?***

The current document is the first periodic disclosure of the Fund.

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

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

Securities Finance Disclosure Regulation (Unaudited)(continued)

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 its 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 is 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 Manager monitors negative impacts through a combination of proprietary tools 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. Based on internal research combined with data sourced from the data providers, company reporting or engagement, PAIs were taken into account and influenced investment decisions.

Securities Finance Disclosure Regulation (Unaudited)(continued)

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 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 $\geq 25\%$ threshold applied, as referenced above, the Manager excluded target issuers significantly involved in certain activities such as coal / fossil fuels.

Ambienta X Alpha Fund

Securities Finance Disclosure Regulation (Unaudited)(continued)

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.

Ambienta X Alpha Fund

Securities Finance Disclosure Regulation (Unaudited)(continued)

Furthermore, the Fund does not invest in long positions with exposure to controversial weapons. These companies are blocked on a pre-trade basis.



What were the top investments of this financial product?

Largest investments ¹	Sector	% Assets	Country
<i>SCHNEIDER ELECTRIC SE</i>	Industrial	6.1%	FR
<i>INFINEON TECHNOLOGIES AG</i>	Technology	6.0%	DE
<i>ASML HOLDING NV</i>	Technology	5.8%	NL
<i>TRANE TECHNOLOGIES PLC</i>	Industrial	5.3%	US
<i>ORSTED A/S</i>	Utilities	4.8%	DK
<i>THERMO FISHER SCIENTIFIC INC</i>	Consumer, Non-cyclical	4.8%	US
<i>SPIRAX-SARCO ENGINEERING PLC</i>	Industrial	4.7%	GB
<i>KINGSPAN GROUP PLC</i>	Industrial	4.7%	IE
<i>TELEDYNE TECHNOLOGIES INC</i>	Industrial	4.6%	US
<i>SIKA AG-REG</i>	Industrial	4.5%	CH

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 51.3%



What was the proportion of sustainability-related investments?

● **What was the asset allocation?**

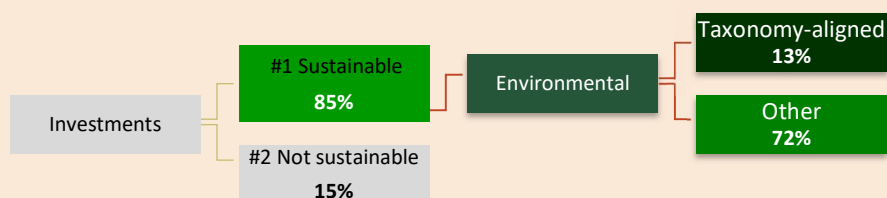
¹ The largest investments of this Sub-fund, as of December 30th, 2022, calculated as exposure gained through direct investments and financial derivative instruments, and not including cash and cash equivalents held for liquidity purposes and/or financial derivative instruments used for hedging purposes, are listed in the following table.

Ambienta X Alpha Fund

Securities Finance Disclosure Regulation (Unaudited)(continued)



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



#1 Sustainable covers sustainable investments with environmental objectives. At year end, the Fund has a share of sustainable investments of 85% of its Net Asset Value. 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.

In which economic sectors were the investments made?

As of December 30th, 2022, the Sub-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.

Industrials	42.9%
Information Technology	19.1%
Materials	15.6%
Health Care	6.1%
Utilities	6.1%
Consumer Staples	5.4%
Consumer Discretionary	4.9%

Asset allocation describes the share of investments in specific assets.



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

In 2022 Taxonomy alignment was equal to 13%, based on revenues, and answering to objective "climate change mitigation"(1). CapEx and OpEx alignment is at 2% and 4% respectively due to a lower availability of data with the desired level of quality.

Securities Finance Disclosure Regulation (Unaudited)(continued)

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.

Taxonomy-aligned activities are expressed as a share of:

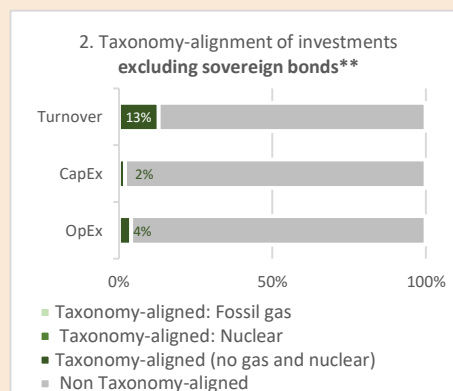
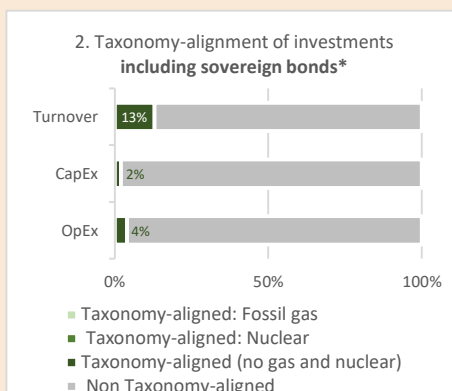
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

(1) 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.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy²?**

☐ Yes:
☐ In fossil gas ☐ In nuclear energy
☒ No

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

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

Considering that 2023 on the 2022 reporting year is the first reporting period for companies subject to the EU Taxonomy, break down of total alignment is not always available, impairing the consistency of data.

² Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do 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.

Securities Finance Disclosure Regulation (Unaudited)(continued)

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

The current document is the first periodic disclosure of the Fund.



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

72%. 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.

Securities Finance Disclosure Regulation (Unaudited)(continued)



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. The methodology is based on a detailed fundamental analysis of a company which includes as follows:
 - o at position level, 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. Among the long positions, the Fund invested in target issuers that met the ASI threshold ($\geq +25\%$), representing investments in companies that attain a positive environmental impact based on assessment of the company's single divisions.
 - o at Fund level, the SNV of the Fund needs to be greater than the DNV, ensuring a net exposure to sustainability larger than the net exposure to the market. The SNV is calculated as the weighted average of the individual scores (ASIs) of each holding in the portfolio. It provides the net sustainable value of the portfolio as an indication of its contribution to resource efficiency and/or pollution control. As described above as at 30.12.2022 SNV was 43% and DNV was 30% and the Fund therefore satisfied its sustainable investment objective.

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. In 2022 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 governance practices of the investee companies.

Securities Finance Disclosure Regulation (Unaudited)(continued)



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.