

Ambienta X Alpha Fund

Semi-Annual Report and Unaudited Financial Statements

For the financial period from 1 January 2022 to 30 June 2022

Ambienta X Alpha Fund

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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 Rogerson's Quay
Dublin 2
Ireland

Legal Advisers

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

Independent Auditors

Deloitte Ireland LLP
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

Investment Manager's Report

Market Overview

The first half of 2022 has been tumultuous to say the very least. The first quarter of 2022 was marked by a series of macro headwinds, namely Fed tightening, the Ukraine-Russia conflict, and a persistent commodity-led inflation. The year began with a rapid sell-off in the equity markets, focused on long-duration assets and bonds. In fact, Q1 witnessed one of the sharpest repricing of government and corporate debt in a generation.

Adding fuel to the fire, the 2Y-10Y curve staged the infamous “inversion”, which in many instances (22 out of 29) has been correlated with a recession in the ensuing 12-18 months.

The second quarter of 2022 exacerbated the negative trends witnessed during Q1:

- Federal Reserve officials became increasingly aggressive with their tightening narrative, to the point of almost abandoning the employment goals of their dual mandate to focus solely on price stability;
- Russia's invasion of Ukraine slowed down significantly and became a war of attrition in the east, likely increasing its expected length and human and economic damage;
- China's stubborn zero tolerance policy towards Covid pushed Shanghai into extensive lockdowns, impacting supply chains across the globe;
- Europe's, and specifically Germany's, reliance on Russian gas was laid bare when the flow was reduced by 60% due to “technical issues”, potentially tilting the continent into a recession (an outcome which is now expected by 86% of global fund managers in Bank of America's latest survey).

Equity markets were hence down sharply, with the Eurostoxx 600 down 16.5% in the period, S&P 500 down 20.6% and Nasdaq down 29.5%.

Fund Performance

The strategy was down 16.1% for the first six months of the year. Negative gross contributions from long positions of 26.5% were offset by gains of 11.2% from short positions.

As we have noted previously, we are long companies with resilient business models, strong management, and significant moats that typically weather economic headwinds better than most. These companies tend to have a quality growth bias, and that risk factor was severely punished early in the year. The vast majority of the alpha destruction seen in 2022 came during this period. Many of the names in the long book are still significant holdings as we have only crystallised losses in one name so far this year. That company had a change in management at the end of last year which led to a loss of confidence on our side leading to the closing of the position.

Ambienta X Alpha Fund

Investment Manager's Report (continued)

Fund Performance (continued)

The short portfolio has been performing very well since February/March of 2021. That continued to be the case in the first half of 2022. The disrupted business models that we seek for the short book have seen a worsening environment throughout the year. Many of these have significantly underperformed the market which has led to profit taking and in many cases full closure of positions at profits. We have had few shorts impact the portfolio negatively, but the ones that did have done so mainly on the back of the conflict in the Ukraine. Overall, we have booked around 75% of the profits on the short side through the end of June.

Positioning

The positioning of the portfolio has changed considerably at a stock level as the highest quality names in our long book sold-off drastically at the start of the year, it gave us the opportunity to upgrade the portfolio by increasing the weights to those names while taking profits in the winners we did have. Though June we had crystalized few losses on the long side while booking profits on the short side as names cratered dramatically.

From a high-level exposure perspective this meant that the gross exposure, which started the year in the high 130% range, expanded to 158% by the end of January. This was a function of the previous mentioned upgrading of the long side, but mainly from the reloading of the short book as the exposure moved from 48% at the end of December to 60% at the end of January. Profits were taken on the short side, specifically during March, as we experienced strong alpha capture during that month. Since then, the book has remained stable with the net ranging from 40% to 45% and gross moving from 135% to 142%.

Outlook

As we crossover into the second half of the year, markets are behaving much better, in fact we have seen a dramatic rebound in many of our holdings that started towards the end of June and continued throughout July. Though many of these names are clearly well below their December highs, there is the potential at least that the market is starting to reward the resilience we seek in our longs on the back of a strong reporting season. As the market rebounds it also gives us the potential to reload the short book with disrupted companies that have been caught up in the upswing.

On the business front, we continued our plans to expand the team as we welcome Nick Durack to the investment team. Nick joins us from JB Capital, where he had investment responsibilities and worked for years alongside our COO, Robert Moore. Prior to that, Nick had long-serving relevant experiences at Goldman Sachs and Credit Suisse.

Ambienta X Alpha Fund

Unaudited Statement of Financial Position as at 30 June 2022

	Note	30 June 2022 €	31 December 2021 €
Assets			
Current assets			
Financial assets at fair value through profit or loss	3	214,255,827	250,617,415
Due from brokers		75,621,874	49,102,736
Cash		436,451	267,252
Issuance Receivable		60,174	-
Interest and dividends receivables		28,589	4,146
Other assets		437,286	228,669
Total assets		290,840,201	300,220,218
Liabilities			
Current liabilities			
Financial liabilities at fair value through profit or loss	3	1,612,056	742,051
Management fees payable	6	296,767	312,328
Interest and dividends payables		32,371	8,433
Redemptions payable		6,234	-
Performance fee payable	6	-	5,263,092
Equalisation payable	2	-	357,967
Distribution payable		-	1,001,010
Expenses payable	6	530,531	244,656
Liabilities (excluding net assets attributable to holders of redeemable shares)		2,477,959	7,929,537
Net assets attributable to holders of redeemable shares		288,362,242	292,290,681
Net asset value per redeemable share			
Class F Accumulation (based on 542,561 (2021: 374,814) shares outstanding)	5	€ 98.37	€ 117.27
Class F Distribution (based on 70,000 (2021: 70,000) shares outstanding)	5	€ 87.11	€ 103.84
Class F2 Accumulation (based on 41,376 (2021: 41,357) shares outstanding)	5	€ 983.71	€ 1,172.66
Class H Distribution (based on 1,000 (2021: nil) shares outstanding)	5	€ 94.89	€ -
Class H Accumulation (based on 150,604 (2021: 5,445) shares outstanding)	5	€ 93.78	€ 112.07
Class H Accumulation Hedge (based on 38,970 (2021: 35,102) shares outstanding)	5	£ 94.03	£ 112.23
Class H Accumulation Hedge (based on 2,500 (2021: 2,500) shares outstanding)	5	\$ 94.69	\$ 112.67
Class H2 Accumulation (based on 44,097 (2021: 47,122) shares outstanding)	5	€ 974.28	€ 1,164.30
Class M Accumulation (based on 11,835 (2021: 11,903) shares outstanding)	5	€ 98.67	€ 117.04
Class M Accumulation (based on 4,094 (2021: 4,094) shares outstanding)	5	£ 95.32	£ 110.28
Class M Accumulation Hedge (based on nil (2021: 1,000) shares outstanding)	5	£ -	£ 110.81
Class M Distribution (based on 50,984 (2021: 50,984) shares outstanding)	5	€ 88.24	€ 104.67
Class M0 Accumulation (based on 2,302 (2021: nil) shares outstanding)	5	€ 92.18	€ -
Class R - Accumulation - 05142022 (based on 3,000 (2021: nil) shares outstanding)	5	€ 97.64	€ -
Class R - Accumulation - 05212022 (based on 1,000 (2021: nil) shares outstanding)	5	€ 98.61	€ -
Class R - Accumulation - 05282022 (based on 3,827 (2021: nil) shares outstanding)	5	€ 95.61	€ -
Class T - Accumulation Hedge - 03262022 (based on 307 (2021: nil) shares outstanding)	5	£ 905.35	£ -
Class T - Accumulation Hedge - 04092022 (based on 289 (2021: nil) shares outstanding)	5	£ 911.05	£ -

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Unaudited Statement of Financial Position (continued) as at 30 June 2022

Net asset value per redeemable share (continued)

Class T Accumulation Hedge - 05142022 (based on 4 (2021: nil) shares outstanding)	5	£	977.54	£	-
Class T Accumulation Hedge - 06252022 (based on 52 (2021: nil) shares outstanding)	5	£	980.29	£	-
Class U Accumulation (based on 128,577 (2021: 113,625) shares outstanding)	5	€	921.07	€	1,097.98
Class U2 Accumulation Hedge (based on 40 (2021: nil) shares outstanding)	5	CHF	938.54	CHF	-
Class U2 Accumulation Hedge (based on 311 (2021: nil) shares outstanding)	5	\$	938.29	\$	-

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Unaudited Portfolio of Investments

30 June 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	€	9,545,724	3.31 %
Denmark				
84,162	Orsted A/S		8,396,223	2.91
Germany				
359,853	Covestro AG		11,867,952	4.12
631,866	Infineon Technologies AG		14,589,786	5.06
96,688	Symrise AG		10,041,049	3.48
Germany - Total			<u>36,498,787</u>	<u>12.66</u>
Ireland				
120,531	Trane Technologies Plc		14,972,845	5.19
Italy				
1,497,199	Enel S.p.A.		7,815,379	2.71
Jersey				
114,446	Aptiv Plc		9,750,543	3.38
Netherlands				
33,650	ASML Holding N.V.		15,339,353	5.32
37,688	Koninklijke DSM N.V.		5,167,025	1.79
Netherlands - Total			<u>20,506,378</u>	<u>7.11</u>
Sweden				
675,172	Epiroc		8,709,746	3.02
124,864	Munters Group AB		688,240	0.24
Sweden - Total			<u>9,397,986</u>	<u>3.26</u>

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Unaudited Portfolio of Investments (continued)

30 June 2022

No. of shares/ Face value	Security description	Coupon type/rate	Maturity date	Fair value	% of net assets
Financial assets at fair value through profit or loss (continued)					
Common stock (continued)					
Switzerland					
61,235	Sika Fin I			€ 13,460,103	4.67 %
United States of America					
117,038	Agilent Technologies, Inc			13,296,287	4.61
80,035	Cadence Design Systems, Inc			11,485,629	3.98
103,727	Salesforce.com, Inc			16,374,867	5.68
33,033	Teledyne Technologies, Inc			11,852,321	4.11
26,067	Thermo Fisher Scientific, Inc			13,546,013	4.70
45,689	Waste Management, Inc			6,685,641	2.32
United States of America - Total				73,240,758	25.40
Total common stock				203,584,726	70.60
Government bonds					
France					
10,000,000	Republic of France		22/02/2023	10,000,100	3.47
Total government bonds				10,000,100	3.47
Total investments in securities				€ 213,584,826	74.07 %

Ambienta X Alpha Fund

Unaudited Portfolio of Investments (continued)

30 June 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)			
Forward contracts			
	Buy CHF, Sell EUR, 21/07/2022	€ 725	- %
	Buy GBP, Sell EUR, 21/07/2022	334	-
	Buy USD, Sell EUR, 14/07/2022	91,768	0.03
	Buy USD, Sell EUR, 21/07/2022	5,135	-
Total forward contracts		97,962	0.03
Equity swaps - Long exposure			
France			
56,500	Compagnie de Saint-Gobain S.A.	368	-
126,866	Schneider Electric SE	2,614	-
55,600	SR Teleperformance S.A.	2,027	-
France - Total		5,009	-
Ireland			
167,315	Kingspan Group Plc	986	-
Total equity swaps - Long exposure		5,995	-
Equity swaps - Short exposure			
Ireland			
74,965	DCC Plc	3,234	-
Norway			
36,647	Yara International ASA	1,046	-
United Kingdom			
195,165	Bunzl Plc	4,319	-
240,105	Johnson Matthey Plc	3,754	-
2,446,937	Vodafone Group Plc	1,861	-
United Kingdom - Total		9,934	-

Ambienta X Alpha Fund

Unaudited Portfolio of Investments (continued)

30 June 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			
Equity swaps - Short exposure (continued)			
United States of America			
74,290	Ball Corporation	€ 3,476	- %
85,872	Dow, Inc	5,132	-
34,082	ExxonMobil Corporation	2,350	-
213,011	Flowserve Corporation	4,545	-
United States of America - Total		15,503	-
Total equity swaps - Short exposure		29,717	-
Futures			
27	DAX, 09/2022	366,834	0.13
52	FTSE MIB Index, 09/2022	106,586	0.04
6	EMINI NASDAQ 100, 09/2022	63,907	0.03
Total futures		537,327	0.20
Financial assets at fair value through profit or loss		€ 214,255,827	74.30 %

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Unaudited Portfolio of Investments (continued)

30 June 2022

<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			
Equity swaps - Long exposure			
United Kingdom			
83,749	Spirax-Sarco Engineering Plc	€ (13,121)	- %
Total equity swaps - Long exposure		<u>(13,121)</u>	<u>-</u>
Equity swaps - Short exposure			
Belgium			
36,959	Melexis N.V.	(2,156)	-
80,906	Umicore N.V.	(4,252)	-
Belgium - Total		<u>(6,408)</u>	<u>-</u>
Denmark			
82,298	Chr. Hansen Holding A/S	(3,428)	-
339,770	ISS A/S	(3,104)	-
100,678	Novozymes A/S	(3,621)	-
Denmark - Total		<u>(10,153)</u>	<u>-</u>
France			
148,753	Alstom S.A.	(1,894)	-
110,917	Danone S.A.	(3,895)	-
79,119	Sodexo S.A.	(3,525)	-
France - Total		<u>(9,314)</u>	<u>-</u>
Germany			
724,989	Deutsche Lufthansa AG	(7,357)	-
200,521	K+S AG	(5,223)	-
Germany - Total		<u>(12,580)</u>	<u>-</u>
Ireland			
12,624	Kerry Group Plc	(781)	-
Italy			
961,310	Leonardo S.p.A.	(7,517)	-

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Unaudited Portfolio of Investments (continued)

30 June 2022

<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 (continued)			
Switzerland			
4,343,229	ARYZTA AG	€ (2,960)	- %
73,026	Landis+Gyr Group AG	(2,647)	-
Switzerland - Total		(5,607)	-
Total equity swaps - Short exposure		(52,360)	-
Forward contracts			
	Buy EUR, Sell USD, 21/07/2022	(9,276)	-
	Buy EUR, Sell USD, 14/07/2022	(1,522,184)	(0.54)
Total forward contracts		(1,531,460)	(0.54)
Futures			
53	EMINI S&P 500, 09/2022	(15,115)	(0.02)
Total futures		(15,115)	(0.02)
Financial liabilities at fair value through profit or loss		€ (1,612,056)	(0.56) %
Morgan Stanley is the counterparty to the forward contracts.			
Morgan Stanley and UBS AG are the counterparty to the equity swaps.			
Total investments		€ 212,643,771	73.74 %
Net due from broker, other receivables and other assets		76,584,374	26.56
Other net liabilities		(865,903)	(0.30)
Net assets attributable to holders of redeemable shares		€ 288,362,242	100.00 %

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

Ambienta X Alpha Fund

Unaudited Statement of Comprehensive Income for the financial period from 1 January 2022 to 30 June 2022

	Note	Six Month financial period ended 30 June 2022 €	Six Month financial period ended 30 June 2021 €
Investment Income			
Dividends		2,339,564	936,361
Interest income		3,963	99,767
Equalisation expense		-	(50,815)
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	7	(50,866,679)	4,660,461
Total investment (loss)/income		<u>(48,523,152)</u>	<u>5,645,774</u>
Expenses			
Performance fees	6	-	(626,840)
Management fees	6	(1,552,818)	(929,704)
Interest expense		(233,152)	(221,411)
Administration fees	6	(187,504)	(102,875)
Professional fees		(99,067)	(97,701)
Research fees		(61,612)	(128,956)
Depository fees	6	(53,444)	(17,179)
Directors' fees	13	(14,877)	(15,406)
Other expenses	6	(81,089)	(98,956)
Total expenses		<u>(2,283,563)</u>	<u>(2,239,028)</u>
(Loss)/profit for the period before tax		(50,806,715)	3,406,746
Withholding tax on dividends		<u>(587,688)</u>	<u>(229,873)</u>
(Decrease)/ increase in net assets attributable to holders of redeemable shares from operations		<u><u>(51,394,403)</u></u>	<u><u>3,176,873</u></u>

Ambienta X Alpha Fund

Unaudited Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares for the financial period from 1 January 2022 to 30 June 2022

	Six Month financial period ended 30 June 2022 €	Six Month financial period ended 30 June 2021 €
Net assets attributable to holders of redeemable shares at beginning of period	292,290,681	142,094,810
Issuance of redeemable shares	62,747,959	124,273,631
Redemption of redeemable shares	(15,281,995)	(9,000,082)
(Decrease)/increase in net assets attributable to holders of redeemable shares from operations	(51,394,403)	3,176,873
Distributions	-	(558,054)
Net assets attributable to holders of redeemable shares at end of period	288,362,242	259,987,178

Ambienta X Alpha Fund

Unaudited Statement of Cash Flows for the financial period from 1 January 2022 to 30 June 2022

	Six Month financial period ended 30 June 2022 €	Six Month financial period ended 30 June 2021 €
Cash flows from operating activities		
Decrease in net assets attributable to holders of redeemable shares from operations	(51,394,403)	3,176,873
Adjustments to reconcile decrease in net assets attributable to holders of redeemable participating shares from operations to net cash used in operating activities:		
Purchases of investments in securities	(150,089,156)	(182,410,102)
Proceeds from disposal of investments in securities	125,792,653	122,836,920
Purchases of derivative contracts	(2,539,868)	(29,534,349)
Proceeds from disposal of derivative contracts	13,135,074	16,115,076
Net realised gain on investments in securities	(5,099,338)	(11,687,317)
Net change in unrealised (loss)/gain on investments in securities	65,879,218	(6,722,750)
Net realised gain/(loss) on investments in derivative contracts	(10,595,206)	13,284,081
Net change in unrealised loss on investments in derivative contracts	748,216	728,901
Changes in assets and liabilities		
Changes in assets		
Due from brokers	(26,519,138)	(40,269,341)
Interest and dividends receivable	(24,443)	383,035
Other assets	(208,617)	26,853
Changes in liabilities		
Performance fee payable	(5,263,092)	(320,990)
Equalisation payable	(357,967)	(553,519)
Management fees payable	(15,561)	102,755
Distribution payable	(1,001,010)	-
Dividends and interest payable	23,938	17,078
Expenses payable and other liabilities	285,875	79,843
Net cash used in operating activities	(47,242,825)	(114,746,953)
Cash flows from financing activities		
Amounts received on issuance of redeemable shares	62,687,785	123,773,631
Amounts paid on redemptions of redeemable shares	(15,275,761)	(9,000,082)
Amounts paid on distribution	-	(609,997)
Net cash provided by financing activities	47,412,024	114,163,552
Net change in cash and cash equivalents	169,199	(583,401)
Cash and cash equivalents at beginning of the period	267,252	605,147
Cash and cash equivalents at end of period	436,451	21,746

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 30 June 2022, the ICAV has three sub funds: Ambienta X Alpha Fund, Ambienta X Sustainable Leaders Fund and Ambienta X Environmental Mid Cap Fund (each a “Fund” and together the “Funds”).

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 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 therefore the portfolio data contained herein is from 5 May 2020, the commencement of operations date and include updates made 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 period 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 gain 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.

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

(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, options 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. 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.

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 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. 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.

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)

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.

(i) Due from brokers

Due from brokers consist primarily of cash held at brokers and variation margin with the Fund's clearing brokers and various counterparties, and the amounts receivable or payable for securities transactions that have not yet settled at 30 June 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 FDIC or SIPC limitations. Bankers to the Fund are currently Northern Trust with a Moody's long term deposit credit rating of 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 no transaction costs for the financial period from 1 January 2022 to 30 June 2022 and for the financial period 1 January 2021 and 30 June 2021.

(p) Redeemable shares

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

(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 30 June 2022 and 31 December 2021:

Assets at Fair Value as of 30 June 2022				
	Level 1	Level 2	Level 3	Total
Common stock	€ 203,584,726	€ -	€ -	€ 203,584,726
Government Bonds	10,000,100	-	-	10,000,100
Forward contracts	-	97,962	-	97,962
Equity Swaps	-	35,712	-	35,712
Future contracts	537,327	-	-	537,327
Total	€ 214,122,153	€ 133,674	€ -	€ 214,255,827

Liabilities at Fair Value as of 30 June 2022				
	Level 1	Level 2	Level 3	Total
Equity swaps	€ -	€ 65,481	€ -	€ 65,481
Future contracts	-	1,531,460	-	1,531,460
Forward contracts	15,115	-	-	15,115
Total	€ 15,115	€ 1,596,941	€ -	€ 1,612,056

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
Future contracts	715,753	-	-	715,753
Forward contracts	-	2,486	-	2,486
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 Funds for the financial period from 1 January 2022 to 30 June 2022 and for the financial period from 1 January 2021 to 31 December 2021.

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.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

5. Share capital (continued)

The share activity for the financial period from 1 January 2022 to 30 June 2022 is as follows:

	Opening shares	Shares issued	Shares switched	Shares redeemed	Equalisation shares	Closing shares	NAV per Share
Class F Accumulation	374,814	167,703	-	-	44	542,561	€ 98.37
Class F Distribution*	70,000	-	-	-	-	70,000	€ 87.11
Class F2 Accumulation	41,357	-	-	-	19	41,376	€ 983.71
Class H Distribution	-	1,000	-	-	-	1,000	€ 94.89
Class H Accumulation	5,445	145,544	-	(393)	8	150,604	€ 93.78
Class H Accumulation Hedge	35,102	3,794	-	-	74	38,970	£ 94.03
Class H Accumulation Hedge	2,500	-	-	-	-	2,500	\$ 94.69
Class H2 Accumulation	47,122	6,488	-	(9,632)	119	44,097	€ 974.28
Class M Accumulation	11,903	228	-	(298)	2	11,835	€ 98.67
Class M Accumulation	4,094	-	-	-	-	4,094	£ 95.32
Class M Accumulation Hedge	1,000	-	-	(1,000)	-	-	£ -
Class M Distribution*	50,984	-	-	-	-	50,984	€ 88.24
Class M0 Accumulation	-	2,302	-	-	-	2,302	€ 92.18
Class R Accumulation - 05142022	-	3,000	-	-	-	3,000	€ 97.64
Class R Accumulation - 05212022	-	1,000	-	-	-	1,000	€ 98.61
Class R Accumulation - 05282022	-	3,827	-	-	-	3,827	€ 95.61
Class T Accumulation Hedge	-	598	(598)	-	-	-	£ -
Class T Accumulation Hedge - 03262022	-	-	307	-	-	307	£ 905.35
Class T Accumulation Hedge - 04092022	-	-	289	-	-	289	£ 911.05
Class T Accumulation Hedge - 05142022	-	4	-	-	-	4	£ 977.54
Class T Accumulation Hedge - 06252022	-	52	-	-	-	52	£ 980.29
Class U Accumulation	113,625	19,793	-	(5,000)	159	128,577	€ 921.07
Class U2 Accumulation Hedge	-	40	-	-	-	40	CHF 938.54
Class U2 Accumulation Hedge	-	311	-	-	-	311	\$ 938.29

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

5. Share capital (continued)

The share activity for the financial period from 1 January 2021 to 30 June 2021 is as follows:

	Opening shares	Shares issued	Shares switched	Shares redeemed	Equalisation shares	Closing shares	NAV per Share
Class F Accumulation	402,617	78,562	-	-	2,992	484,171	€ 107.85
Class F Distribution*	70,000	-	-	-	-	70,000	€ 102.80
Class F2 Accumulation	40,474	9,235	-	(8,356)	4	41,357	€ 1,078.50
Class H Accumulation	-	6,000	-	-	-	6,000	€ 103.27
Class H Accumulation Hedge	-	2,500	-	-	-	2,500	\$ 103.50
Class H Accumulation Hedge	14,623	11,323	-	-	4	25,950	£ 103.29
Class H2 Accumulation	37,400	2,779	-	-	259	40,438	€ 1,073.18
Class M Accumulation	9,062	1,732	957	-	17	11,768	€ 107.17
Class M Accumulation Hedge	1,000	-	-	-	-	1,000	£ 101.32
Class M Accumulation	4,083	-	-	-	11	4,094	£ 102.60
Class M Distribution*	51,967	-	(988)	-	5	50,984	€ 103.85
Class U Accumulation	-	100,000	-	-	-	100,000	€ 1,014.49

*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.

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)

6. Fees

Management fees

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

The fee rates are as follows:

Share class	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 H2 Accumulation	1.5% of NAV per annum	1.5% 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 U Accumulation	1% of NAV per annum	1% of NAV per annum
Class U2 Accumulation	1% of NAV per annum	-
Class R Accumulation	1.75% of NAV per annum	-
Class M0 Accumulation	1% of NAV per annum	-
Class T Accumulation	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 period from 1 January 2022 to 30 June 2022 were €1,552,818 (30 June 2021 €929,704) with €296,767 (31 December 2021 €312,328) being payable at the relevant financial period end.

Performance fees

The Manager is entitled to a performance fee in respect of the performance of all the share classes, except for Class M0. The performance fee is equal to the rate of the increase in net asset value per share of the shares outstanding, in respect of each performance period over the high water mark.

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 and U2	20% of NAV per share	20% of NAV per share
Class R	20% of NAV per share	-
Class T	20% of NAV per share	-

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

6. Fees (continued)

Performance fees (continued)

The performance fee shall be calculated and accrued as of each valuation day. The performance fee is payable by the Fund to the Manager within ten days after it becomes due. Performance fees accrued during the financial period from 1 January 2022 to 30 June 2022 were €nil (30 June 2021 €626,840) with €nil (31 December 2021 €5,263,092) being payable at the financial period 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 period from 1 January 2022 to 30 June 2022 were €187,504 (30 June 2021 €102,875) with €251,025 (31 December 2021 €50,007) being payable at the financial period end.

Depositary fees

The ICAV has appointed Northern Trust Fiduciary Services (Ireland) Limited (the “Depositary”) to act as depositary to the ICAV. The Depositary fees for the financial period from 1 January 2022 to 30 June 2022 amounted to €53,444 (30 June 2021 €17,179) with €63,732 (31 December 2021 €10,288) being payable at the financial period end.

Expenses payable

Expenses payable as of 30 June 2022 and 31 December 2021 are detailed in the below table:

	<u>30 June 2022</u>	<u>31 December 2021</u>
Fund administrative fees	€ 251,025	€ 50,007
Depositary fees	66,999	10,251
Registration fee	64,249	41,121
Other professional fees	63,557	44,393
Custody fees	46,275	38,837
Directors’ fees	28,430	17,144
Bank fees	9,996	1,231
Research expense	-	32,805
Insurance fees	-	4,443
Establishment expenses	-	4,424
Total	<u>€ 530,531</u>	<u>€ 244,656</u>

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

6. Fees (continued)

Other expenses

Other expenses for the financial period ended 30 June 2022 and 30 June 2021 are detailed in the below table:

	<u>30 June 2022</u>	<u>30 June 2021</u>
Registration fee	€ 19,836	€ 36,105
Establishment costs	17,954	19,288
Other professional fees	15,148	8,846
Bank fees	8,288	4,382
Custody fees	7,438	8,355
Insurance fees	7,438	7,690
Brokerage commission expense	4,128	7,572
Taxes	790	6,710
Other Expenses	69	8
Total	€ 81,089	€ 98,956

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

	<u>30 June 2022</u>	<u>30 June 2021</u>
Net realised gains on investments in securities	€ 5,099,338	€ 11,687,317
Net realised gains/(losses) on derivative contracts	10,595,206	(13,284,081)
Net change in unrealised (losses)/gains on investments in securities	(65,879,218)	6,722,750
Net change in unrealised losses on derivative contracts	(748,216)	(728,901)
Net gains on foreign exchange	66,211	263,376
Net (losses)/ gains on financial assets and liabilities at fair value through profit or loss	€ (50,866,679)	€ 4,660,461

8. 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 period ended 30 June 2022. The Fund had no collateral received as of 30 June 2022 and as of 31 December 2021.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

9. 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.

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 period. 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>
30 June 2022	9.00%	14.84%	11.15%
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 financial period, from 1 January 2022 to 30 June 2022, the Fund invested in one interest bearing financial instrument.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

9. Financial risk management (continued)

Interest rate risk (continued)

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

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

Currency risk

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

The following table details the currency risk of the Fund as at 30 June 2022:

30 June 2022	CAD	CHF	DKK	EUR	GBP
Assets					
Financial assets at fair value through profit or loss	€ -	€ 13,460,828	€ 8,396,223	€ 75,300,058	€ 13,502
Due from brokers	-	1,848,338	1,221,432	62,814,030	826,898
Cash	-	-	-	330,735	8,771
Issuance receivable	-	-	-	-	60,174
Interest and dividends receivables	15,099	(734)	-	3,906	561
Other assets	-	-	-	444,910	-
	15,099	€ 15,308,432	€ 9,617,655	€ 138,893,639	€ 909,906
Liabilities					
Management fees payable	€ -	€ -	€ -	€ 296,767	€ -
Expenses payable	-	-	-	202,512	-
Interest and dividends payable	-	212	344	30,736	345
Redemptions payable	-	-	-	6,234	-
Financial liabilities at fair value through profit or loss	-	5,607	10,154	36,600	22,396
	€ -	€ 5,819	€ 10,498	€ 572,849	€ 22,741

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

9. Financial risk management (continued)

Currency risk (continued)

The following table details the currency risk of the Fund as at 30 June 2022 (continued):

30 June 2022	NOK	SEK	USD	TOTAL
Assets				
Financial assets at fair value through profit or loss	€ 1,046	€ 9,397,987	€107,686,183	€214,255,827
Due from brokers	339,684	332,685	8,238,807	75,621,874
Cash	-	-	96,945	436,451
Issuance receivable	-	-	-	60,174
Interest and dividends receivables	-	-	9,757	28,589
Other assets	-	-	(7,624)	437,286
	€ 340,730	€ 9,730,672	€116,024,068	€290,840,201
Liabilities				
Management fees payable	€ -	€ -	€ -	€ 296,767
Expenses payable	-	-	328,019	530,531
Interest and dividends payable	414	195	125	32,371
Redemptions payable	-	-	-	6,234
Financial liabilities at fair value through profit or loss	-	-	1,537,299	1,612,056
	€ 414	€ 195	€ 1,865,443	€ 2,477,959

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

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

9. Financial risk management (continued)

Currency risk (continued)

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

31 December 2021	CHF	DKK	EUR	GBP
Liabilities				
Performance fee payable	€ -	€ -	€ 5,263,092	€ -
Management fees payable	-	-	312,328	-
Expenses payable	-	-	178,742	-
Distribution payable	-	-	357,967	-
Interest and dividends payable	522	188	7,026	210
Equalisation payable	-	-	1,001,010	-
Financial liabilities at fair value through profit or loss	-	-	217,576	4,383
	€ 522	€ 188	€ 7,337,741	€ 4,593
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	-	-	-	357,967
Equalisation payable	-	-	-	1,001,010
Financial liabilities at fair value through profit or loss	-	1,593	518,499	742,051
	€ (24)	€ 1,691	€ 584,826	€ 7,929,537

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

9. Financial risk management (continued)

Currency risk (continued)

If the Euro exchange rate at 30 June 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 €3,000,860 (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.

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 30 June 2022	Credit Rating 31 December 2021
Morgan Stanley & Co. International plc	Aa3 (Moody's)	Aa3 (Moody's)
Northern Trust	Aa2 (Moody's)	Aa2 (Moody's)
UBS AG	Aa2 (Moody's)	Aa3 (Moody's)

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

9. Financial risk management (continued)

Credit risk (continued)

The Depositary is responsible for the safe-keeping of assets. The Depositary has appointed The Northern Trust Company (“TNTC”) as its global sub-custodian. Both the Depositary and TNTC are wholly owned subsidiaries of Northern Trust Corporation (“NTC”). As at 30 June 2022, NTC had a long term credit rating from Standard & Poor’s of A2 (31 December 2021 Aa2).

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

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

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

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

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.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

9. Financial risk management (continued)

Credit risk (continued)

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

	30 June 2022	31 December 2021
Common stock	€ 203,584,726	€ 240,034,403
Government bonds	10,000,100	10,033,800
Forward contracts	97,962	549,212
Equity swaps	35,712	-
Future contracts	537,327	-
Due from brokers	75,621,874	49,102,736
Cash	436,451	267,252
Issuance of shares	60,174	-
Interest and dividends receivables	28,589	4,146
Other assets	437,286	228,669
Total assets	€ 290,840,201	€ 300,220,218

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

Liquidity risk

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

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

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

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

9. Financial risk management (continued)

Liquidity risk (continued)

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

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

30 June 2022	Less than 1 month	1-3 Months	No contractual maturity	Total
Financial liabilities				
Equity swaps	€ -	€ -	€ 65,481	€ 65,481
Future contracts	-	15,115	-	15,115
Forward contracts	1,531,460	-	-	1,531,460
Management fees payable	296,767	-	-	296,767
Expenses payable and other liabilities	-	-	530,531	530,531
Interest and dividends payables	-	-	32,371	32,371
Redemptions payable	6,234	-	-	6,234
Net assets attributable to holders of redeemable shares	288,362,242	-	-	288,362,242
Total liabilities	€ 290,196,703	€ 15,115	€ 628,383	€ 290,840,201

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

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

9. Financial risk management (continued)

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:

30 June 2022	Gross amounts of financial assets presented in the Statement of Financial Position	Financial instruments	Cash collateral received	Net amounts
Equity swaps	€ 35,712	€ (35,712)	€ -	€ -
Forward contracts	97,962	(97,962)	-	-
Futures	537,327	-	-	537,327
Total	€ 671,001	€ (133,674)	€ -	€ 537,327

30 June 2022	Gross amounts of financial liabilities presented in the Statement of Financial Position	Financial instruments	Cash collateral pledged	Net amounts
Equity swaps	€ 65,481	€ (35,712)	€ -	€ 29,769
Forward contracts	1,531,460	(97,962)	-	1,433,498
Future contracts	15,115	-	-	15,115
Total	€ 1,612,056	€ (133,674)	€ -	€ 1,478,382

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

9. Financial risk management (continued)

Offsetting (continued)

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)	€ -	€ 739,565

10. 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 was no dividend distribution during the financial period from 1 January 2022 to 30 June 2022 (31 December 2021 €1,001,010) related to the year ended 31 December 2021 which was declared on 31 January 2022 and paid in February 2022.

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

10. Distributions (continued)

The tables below reflect the dividend distribution per class and per share.

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

31 December 2021 (additional dividend distribution declared in relation to period ended 31 December 2020)	Class F Distribution	Class M Distribution
Dividend distribution per share	€ 4.57	€ 4.67
Total dividend distribution per class	€ 320,115	€ 237,939

At 30 June 2022 the dealing NAV is equal to the NAV per share as per the financials. There are no dividends payable as of 30 June 2022.

11. Soft commissions

There was no soft commission arrangement affecting the Fund during the financial period from 1 January 2022 to 30 June 2022 and for the financial period from 1 January 2021 to 30 June 2021. Further the Manager did not receive any payments under directed brokerage services or similar arrangement.

12. Exchange rates

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

	30 June 2022	31 December 2021
British Pound	0.8608	0.8396
Danish Krone	7.4367	7.4376
Norwegian Krone	10.3288	10.0282
Polish Zloty	4.7002	4.5834
Swedish Krona	10.7131	10.2960
Swiss Franc	1.0009	1.0362
United States Dollar	1.0455	1.1372

Ambienta X Alpha Fund

Notes to Financial Statements (continued)

13. 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 period 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 ICAV.

The aggregative directors’ fees for the financial period from 1 January 2022 to 30 June 2022 amounted to €14,877 (30 June 2021 €15,406), of which €28,430 (31 December 2021 €17,144) was outstanding at the financial period 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 period from 1 January 2022 to 30 June 2022 and for the period from 1 January 2021 to 31 December 2021.

14. Events after the balance sheet

Subsequent to 30 June 2022 and through 24 August 2022, the Fund received subscriptions of €1,266,237 and paid redemptions of €810,008. There have not been any other significant events after the Statement of Financial Position date.

15. Approval of financial statements

The financial statements were approved and signed by the Board of Directors on 24 August 2022.

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	13,592,077	RWE AG	17,692,577
Sika Fin I	11,866,163	SolarEdge Technologies, Inc	17,023,111
Canadian Pacific Railway Limited	10,575,454	SR Teleperformance S.A.	14,592,684
Republic of France, 22/02/23	10,042,053	Enphase Energy, Inc	10,617,917
ASML Holdings N.V.	9,567,373	Republic of France, 13/07/22	10,032,550
Infineon Technologies AG	8,752,466	Kion Group AG	8,912,375
Cadence Design Systems, Inc	8,607,482	Enel S.p.A.	8,008,929
Enphase Energy, Inc	8,585,230	Orsted A/S	6,854,700
Salesforce.com, Inc	8,194,917	Covestro AG	5,696,592
Covestro AG	7,695,968	Atlas Copco AB	5,598,291
Waste Management, Inc	6,920,568	Munters Group AB	4,769,397
Atlas Copco AB	6,317,197	Aptiv Plc	3,493,544
Agilent Technologies, Inc	5,795,798	Mowi ASA	2,843,307
Aptiv Plc	5,091,611	ASML Holdings N.V.	2,102,805
		ODAX, 03/2022, 14,000	
SolarEdge Technologies, Inc	4,071,493	PUT	1,927,841
Enel S.p.A.	3,973,288	Salesforce.com, Inc	1,443,582
Kion Group AG	3,938,343	Canadian Pacific Railway Limited	1,437,000
		Cadence Design Systems, Inc	1,397,697
Trane Technologies Plc	3,830,948	Infineon Technologies AG	
Epiroc	3,511,311		868,213
Mowi ASA	2,845,187	Teledyne Technologies, Inc	854,780
Symrise AG	2,842,992		
Thermo Fisher Scientific, Inc	2,383,621		

Ambienta X Alpha Fund

Securities Financing Transaction 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.

Ambienta X Alpha Fund

Sustainable Finance Disclosure Regulation (Unaudited)

Ambienta X Alpha has an investment objective of environmental sustainability and is considered an Article 9 fund under the Sustainable Finance Disclosure Regulation (“SFDR”).

SFDR is Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector as may be amended, supplemented or updated from time to time.

The fund will seek to achieve its objective by investing primarily (but not exclusively) in equities and equity-related or linked securities of companies worldwide which are exposed to environmental trends, in particular trends relating to Resource Efficiency and Pollution Control, and are considered sustainable investments. Environmentally sustainable (“ES”) investments are those investments which contribute to an environmental sustainable objective, including climate change mitigation and climate change adaptation, as per the Taxonomy Regulation (EU) 2020/852, provided that such investments do not significantly harm any of those objectives and that investee companies follow good governance practices. As a result, the Manager seeks to invest in the securities of companies or issuers exposed to ES trends which have a commercial purpose of solving environmental problems.

Ambienta considers the key sustainability metric at portfolio level to be the Sustainable Notional Value (“SNV”). This is based on an assessment of the environmental sustainability characteristics of each underlying company as described above.

Ambienta X Alpha has a sustainable investment objective and employs a long/short equity strategy, such that the SNV is expected to exceed the net delta-adjusted notional value (“DNV”) of the portfolio.

As at 30 June 2022, the sustainability objective of the Fund is met because:

SNV: 63.3%

DNV: 99.5%

The Manager considers the principal adverse impacts of its investment decisions on sustainability factors through a combination of proprietary tools and external market research. The regulatory technical standards supplementing SFDR which will set out the content, methodology and information required in the principal adverse sustainability impact statement remain in draft form. As a result, the Manager does not currently systematically integrate proposed principal adverse impacts into its analysis and decision-making as envisaged under the SFDR. Once the regulatory technical standards come into force, it is the intention of the Manager to voluntarily integrate such analysis consistent with the regulatory technical standards.