

Ambienta X Sustainable Leaders Fund
(a sub-fund of Ambienta X ICAV)

Annual Report and Audited Financial Statements

For the financial period from 21 January 2022 (date of commencement) to
31 December 2022

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Ambienta X Sustainable Leaders Fund

Management and Administration

Directors

Enda Allen* (Irish resident)
Donard McClean* (Irish resident)
Robert Moore (UK resident)
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 Accountants 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 Sustainable Leaders Fund

Directors' Report

The Directors present their annual report and audited financial statements for the financial period from 21 January 2022 (date of commencement) to 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 Sustainable Leaders Fund (the "Fund") commenced operations on 21 January 2022 and therefore the portfolio data contained herein is from 21 January 2022, the commencement of operations date, and includes updates made to the Fund's supplement dated 29 June 2022.

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

Directors' statement on accounting records

The Directors are responsible for ensuring that accounting records as outlined in Section 110 of the ICAV Act 2015 are kept by the Fund. To achieve this, the Directors have employed 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 period from 21 January 2022 to 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 Fund.

Ambienta X Sustainable Leaders 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 period from 21 January 2022 (date of commencement) to 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 Fund has voluntarily adopted the corporate governance code as published by Irish Funds. The Fund was in compliance with all elements of the code during the financial period.

Directors

The directors during the financial period 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.

Director Name	Shares	Class Name
Edna Allen	-	
Donard McClean	-	
Robert Moore	10	Class H Accumulation
Robert Moore	10	Class T Accumulation
Joel Bird	-	

Significant events during the financial period

On 30 November 2021, the Fund, was established in accordance with the requirements of the Central Bank of Ireland.

On 2 December 2021 the Supplement for the Fund was amended to create two new share classes, namely Class N EUR Accumulation and Class N2 EUR Accumulation. The Supplement was further updated on 1 February 2022 to include disclosures required pursuant to Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment as may be amended, supplemented or updated from time to time (the "Taxonomy Regulation").

On 27 September 2022 the Supplement for the Fund was amended to create two new share classes, namely Class H EUR Accumulation and Class H2 EUR Accumulation.

Ambienta X Sustainable Leaders Fund

Directors' Report (continued)

Subsequent events

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

Independent Auditors

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

Statement of Directors' Responsibilities

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

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

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

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

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

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

On behalf of the Board of Directors:



Enda Allen



Donard McClean

Ambienta X Sustainable Leaders 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 -16.5% drawdown over the year.

Market beta made up the majority of the absolute losses on the year, with the 'additional' drawdown arising from a marked underperformance of our names.

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: specifically stock picking did not support performance as it did in previous years. This, as always, is a key area where work is constantly being done to improve 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).

Ambienta X Sustainable Leaders Fund

Investment Manager's Report (continued)

Fund Performance

The strategy was down 16.5% net of fees for the full year 2022. It is also a reflection of our natural focus on certain sectors (Industrials, Materials and Technology), which experienced notable annual drawdowns (ca. 20-30%). Below a summary of the key contributions by name:

<i>Position</i>	<i>Bps</i>
Salesforce.com, Inc	-228
SR Teleperformance S.A.	-121
Kion Group AG	-159
Sika Fin I	-130
Infineon Technologies AG	-127

When analysing 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-publicised 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.

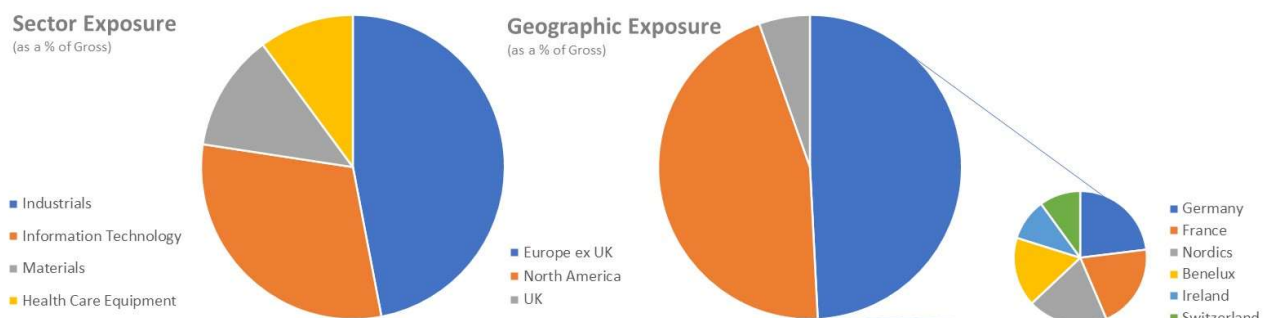
During the year, Teleperformance, Kion, Aptiv, Covestro, Enel, Enphase and Solaredge have been divested, and substituted by Canadian Pacific, Orsted, Waste Management, American Water Works and, recently, Advanced Drainage Systems. The Sustainable Infrastructure theme has hence increased substantially within the portfolio and we envisage this to remain a key area of investment opportunities in the future.

Ambienta X Sustainable Leaders Fund

Investment Manager’s Report (continued)

Positioning

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



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

Company	Country	Theme	%NAV
Schneider Electric SE	France	Electrification of the Economy	6.8%
Infineon Technologies AG	Germany	Industry 4.0 & Digitalization	6.5%
ASML Holdings N.V.	Netherlands	Industry 4.0 & Digitalization	6.3%
Trane Technologies Plc	United States	Cold Economy	5.9%
Thermo Fisher Scientific, Inc	United States	Green Chemistry & Materials	5.4%
Spirax-Sarco Engineering Plc	United Kingdom	Sustainable Buildings	5.3%
Orsted A/S	Denmark	Renewables	4.9%
Teledyne Technologies, Inc	United States	Industry 4.0 & Digitalization	4.8%
Kingspan Group Plc	Ireland	Sustainable Buildings	4.8%
Sika Fin I	Switzerland	Sustainable Buildings	4.8%

Ambienta X Sustainable Leaders Fund

Investment Manager's Report (continued)

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 Sustainable Leaders Fund

Annual Depository Report to Shareholders

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depository to Ambienta X Sustainable Leaders Fund (“the Fund”) provide this report solely in favour of the shareholders of the Fund for the period 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 Depository 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 SUSTAINABLE LEADERS FUND

Report on the audit of the annual accounts

Opinion on the annual accounts of Ambianta X Sustainable Leaders 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 period 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 SUSTAINABLE LEADERS 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 SUSTAINABLE LEADERS 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 Sustainable Leaders Fund

Statement of Financial Position as at 31 December 2022

	Note	31 December 2022
		€
Assets		
Current assets		
Financial assets at fair value through profit or loss	3	109,629,383
Due from brokers		8,164,941
Cash		50,006
Interest and dividends receivables		18,991
Other assets		17,035
Total assets		<u>117,880,356</u>
Liabilities		
Current liabilities		
Expenses payable	6	166,311
Management fees payable	6	51,416
Financial liabilities at fair value through profit or loss	3	12,226
Interest and dividends payables		67
Liabilities (excluding net assets attributable to holders of redeemable shares)		<u>230,020</u>
Net assets attributable to holders of redeemable shares		<u><u>117,650,336</u></u>
Net asset value per redeemable share		
Class H Accumulation (based on 10 shares outstanding)	5	€ 100.16
Class M Accumulation (based on 4,078 shares outstanding)	5	€ 84.42
Class N Accumulation (based on 806,206 shares outstanding)	5	€ 83.55
Class N2 Accumulation (based on 59,780 shares outstanding)	5	€ 835.49
Class R Accumulation (based on 10 shares outstanding)	5	€ 99.59
Class T Accumulation (based on 10 shares outstanding)	5	€ 100.15

Ambienta X Sustainable Leaders 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			
65,009	Canadian Pacific Railway Limited	€ 4,543,473	3.86 %
Denmark			
67,238	Orsted A/S	5,708,022	4.85
France			
60,800	Schneider Electric SE	7,947,776	6.76
38,032	Vinci S.A.	3,548,005	3.02
France - Total		<u>11,495,781</u>	<u>9.78</u>
Germany			
269,739	Infineon Technologies AG	7,668,680	6.52
51,612	Symrise AG	5,246,360	4.46
Germany - Total		<u>12,915,040</u>	<u>10.98</u>
Netherlands			
14,798	ASML Holding N.V.	7,455,232	6.34
17,221	Koninklijke DSM N.V.	1,968,360	1.67
Netherlands - Total		<u>9,423,592</u>	<u>8.01</u>
Sweden			
345,515	Epiroc AB	5,209,037	4.43
Switzerland			
24,964	Sika Fin I	5,605,032	4.76
United Kingdom			
42,600	Spirax-Sarco Engineering Plc	5,096,746	4.33

Ambienta X Sustainable Leaders Fund

Portfolio of Investments (continued)

31 December 2022

No. of shares	Security description	Maturity Date	Fair value	% of net assets
Financial assets at fair value through profit or loss (continued)				
Common stock (continued)				
United States of America				
47,184	Advanced Draining Systems, Inc		€ 3,623,961	3.08 %
34,051	Agilent Technologies, Inc		4,774,638	4.06
32,831	Americian Water Works, Inc		4,688,781	3.99
34,747	Cadence Design Systems, Inc		5,230,038	4.45
41,887	Salesforce.com, Inc		5,203,839	4.42
15,200	Teledyne Technologies, Inc		5,695,603	4.84
12,299	Thermo Fisher Scientific, Inc		6,346,157	5.39
44,318	Trane Technologies Plc		6,980,007	5.93
31,203	Waste Management, Inc		4,586,673	3.90
United States of America - Total			47,129,697	40.06
Total common stock			107,126,420	91.06
Total investments in securities			€ 107,126,420	91.06 %
Forward contracts				
	Buy EUR, Sell USD	19/01/2023	2,427,500	2.06 %
	Buy EUR, Sell GBP	19/01/2023	75,463	0.06
Total forward contracts			2,502,963	2.12
Financial assets at fair value through profit or loss			€ 109,629,383	93.18 %

Nothern Trust is the counterparty to the forward contracts.

Ambienta X Sustainable Leaders 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 liabilities at fair value through profit or loss			
Equity swaps - Long exposure			
Ireland			
112,418	Kingspan Group Plc	€ (10,011)	(0.01) %
9,000	Spirax-Sarco Engineering Plc	(2,215)	-
Ireland - Total		<u>(12,226)</u>	<u>(0.01)</u>
Total equity swaps - Long exposure		<u>(12,226)</u>	<u>(0.01)</u>
Financial liabilities at fair value through profit or loss		<u>€ (12,226)</u>	<u>(0.01) %</u>
Morgan Stanley and Bank of America are counterparties to the equity swaps.			
Total investments		€ 109,617,157	93.17 %
Net due from broker and other receivables		8,250,973	7.01
Other net liabilities		(217,794)	(0.18)
Net assets attributable to holders of redeemable shares		<u>€ 117,650,336</u>	<u>100.00 %</u>

Ambienta X Sustainable Leaders Fund

Statement of Comprehensive Income for the financial period from 21 January 2022 to 31 December 2022

	Note	For the financial period from 21 January 2022 to 31 December 2022 €
Investment Income		
Dividends		1,132,831
Interest income		3,968
Net loss on financial assets and liabilities at fair value through profit or loss	8	<u>(11,636,989)</u>
Total investment loss		(10,500,190)
Expenses		
Management fees	6	(446,696)
Administration fees	6	(133,005)
Research fees		(104,567)
Professional fees		(76,880)
Depositary fees	6	(64,359)
Custody fees		(54,167)
Interest expense		(31,005)
Directors' fees	14	(18,904)
Other expenses	6	<u>(56,275)</u>
Total expenses		(985,858)
Loss for the period before tax		(11,486,048)
Withholding tax on dividends		<u>(256,616)</u>
Decrease in net assets attributable to holders of redeemable shares from operations		<u><u>(11,742,664)</u></u>

Ambienta X Sustainable Leaders Fund

Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares for the financial period from 21 January 2022 to 31 December 2022

	For the financial period from 21 January 2022 to 31 December 2022 €
Net assets attributable to holders of redeemable shares at beginning of period	-
Issuance of redeemable shares	129,393,000
Decrease in net assets attributable to holders of redeemable shares from operations	<u>(11,742,664)</u>
Net assets attributable to holders of redeemable shares at end of period	<u>117,650,336</u>

Ambienta X Sustainable Leaders Fund

Statement of Cash Flows for the financial period from 21 January 2022 to 31 December 2022

For the financial
period from 21
January 2022 to
31 December 2022
€

Cash flows from operating activities

Decrease in net assets attributable to holders of redeemable shares from operations	(11,742,664)
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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	(176,825,019)
Proceeds from disposal of investments in securities	61,154,994
Purchases of derivative contracts	(6,439,451)
Net realised loss on investments in securities	5,400,359
Net unrealised loss on investments in securities	3,143,246
Net realised loss on investments in derivative contracts	6,439,451
Net unrealised gain on investments in derivative contracts	(2,490,737)

Changes in assets and liabilities

Changes in assets

Due from brokers	(8,164,941)
Interest and dividends receivable	(18,991)
Other assets	(17,035)

Changes in liabilities

Expenses payable	166,311
Management fees payable	51,416
Interest and dividends payables	67

Net cash used in operating activities	<u>(129,342,994)</u>
--	----------------------

Cash flows from financing activities

Amounts received on issuance of redeemable shares	129,393,000
Net cash provided by financing activities	<u>129,393,000</u>

Net change in cash and cash equivalents

Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of period	<u><u>50,006</u></u>

Ambienta X Sustainable Leaders 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 Sustainable Leaders Fund (the “Fund”) is to generate attractive risk-adjusted absolute returns by investing primarily in environmentally sustainable investments.

On 30 November 2021, the Fund, was established in accordance with the requirements of the Central Bank.

On 2 December 2021 the Supplement for the Fund was amended to create two new share classes, namely Class N EUR Accumulation and Class N2 EUR Accumulation. The Supplement was further updated on 1 February 2022 to include disclosures required pursuant to Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment as may be amended, supplemented or updated from time to time (the “Taxonomy Regulation”).

The Fund commenced operations on 21 January 2022 and therefore the portfolio data contained herein is from 21 January 2022, the commencement of operations date and includes updates made to the Fund’s supplement dated 29 June 2022 and 27 September 2022.

On 27 September 2022 the Supplement for the Fund was amended to create two new share classes, namely Class H EUR Accumulation and Class H2 EUR Accumulation.

Ambienta X Sustainable Leaders Fund

Notes to Financial Statements (continued)

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.

(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 judgments

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

Ambienta X Sustainable Leaders Fund

Notes to Financial Statements (continued)

2. Significant accounting policies (continued)

(f) Use of estimates and judgments (continued)

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

(g) Distribution policy

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

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

(i) Classification

The Fund has classified its financial assets and financial liabilities in accordance with IFRS into the following categories:

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

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.

Ambienta X Sustainable Leaders 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

'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. 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.

Ambienta X Sustainable Leaders Fund

Notes to Financial Statements (continued)

2. Significant accounting policies (continued)

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

(v) Derecognition (continued)

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.

(i) Due from brokers

Due from brokers consist primarily of cash held at brokers and variation margin with the Fund's clearing brokers and various counterparties, and the amounts receivable or payable for securities transactions that have not yet settled at 31 December 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 long term deposit credit rating of A2.

(k) Interest income

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

Ambienta X Sustainable Leaders Fund

Notes to Financial Statements (continued)

2. Significant accounting policies (continued)

(l) Dividend income

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

(m) Expenses

All expenses are recognised in the Statement of Comprehensive Income on an accrual basis.

(n) Income taxes

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

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

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

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

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

Ambienta X Sustainable Leaders Fund

Notes to Financial Statements (continued)

2. Significant accounting policies (continued)

(n) Income taxes (continued)

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 21 January 2022 to 31 December 2022.

(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.

(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 organization 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.

Ambienta X Sustainable Leaders Fund

Notes to Financial Statements (continued)

3. Fair value

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

The fair value hierarchy has the following levels:

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

The following tables below analyse within the fair value hierarchy the Fund's financial assets and liabilities measured at fair value as of 31 December 2022:

Assets at Fair Value as of 31 December 2022

	Level 1	Level 2	Level 3	Total
Common stock	€ 107,126,420	€ -	€ -	€ 107,126,420
Forward contracts	-	2,502,963	-	2,502,963
Total	€ 107,126,420	€ 2,502,963	€ -	€ 109,629,383

Liabilities at Fair Value as of 31 December 2022

	Level 1	Level 2	Level 3	Total
Forward contracts	€ -	€ 12,226	€ -	€ 12,226
Total	€ -	€ 12,226	€ -	€ 12,226

Ambienta X Sustainable Leaders Fund

Notes to Financial Statements (continued)

4. Commitments and contingent liabilities

There are no significant commitments or contingent liabilities for the financial period from 21 January 2022 to 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.

The share activity for the financial period from 21 January 2022 to 31 December 2022 is as follows:

	<u>Opening shares</u>	<u>Shares issued</u>	<u>Closing shares</u>	<u>NAV per share</u>	<u>Net asset value</u>
Class H Accumulation	-	10	10	€ 100.16	€ 1,002
Class M Accumulation	-	4,078	4,078	€ 84.42	€ 344,256
Class N Accumulation	-	806,206	806,206	€ 83.55	€ 67,357,431
Class N2 Accumulation	-	59,780	59,780	€ 835.49	€ 49,945,649
Class R Accumulation	-	10	10	€ 99.59	€ 996
Class T Accumulation	-	10	10	€ 100.15	€ 1,002

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

Ambienta X Sustainable Leaders Fund

Notes to Financial Statements (continued)

6. Fees

Management fees

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

The fee rates for 2022 are as follows:

Class H Accumulation	0.75% of NAV per annum
Class M Accumulation	0.35% of NAV per annum
Class N Accumulation	0.5% of NAV per annum
Class N2 Accumulation	0.5% of NAV per annum
Class R Accumulation	1.25% of NAV per annum
Class T Accumulation	1.25% 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. The Management fees for the financial period from 21 January 2022 to 31 December 2022 were €446,696 with €51,416 being payable at the financial period end.

Performance fees

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

The performance fee shall be calculated and accrued as of each valuation day. The performance fee is payable by the Fund to the Manager within ten days after it becomes due. Performance fees accrued during the financial period from 21 January 2022 to 31 December 2022 were €nil with €nil being accrued 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. The Administration fees charged during the financial period from 21 January 2022 to 31 December 2022 were €133,005 with €39,090 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 shall be entitled to receive out of the assets of the Fund, an annual fee (plus VAT, if any) not exceeding 0.03% of the net asset value of the Fund, accrued and calculated on each valuation Point and payable monthly in arrears, subject to a minimum annual fee of US\$40,000 for the Fund. The Depositary fee for the financial period from

Ambienta X Sustainable Leaders Fund

Notes to Financial Statements (continued)

6. Fees (continued)

Depositary fees (continued)

21 January 2022 to 31 December 2022 were €64,359 with €14,211 being payable at the financial period end.

Other expenses

Other expenses for the financial period from 21 January 2022 to 31 December 2022 are detailed in the below table:

	31 December 2022
Establishment expenses	€ 18,904
Bank fees	16,346
Other expenses	9,094
Taxes	7,180
Insurance fees	4,726
Transaction fees	25
Total	€ 56,275

Expenses payable

Expenses payable as of 31 December 2022 are detailed in the below table:

	31 December 2022
Custody fees	€ 53,139
Other professional fees	40,175
Fund administrative fees	39,090
Depositary fee	14,211
Director's fees	12,276
Insurance fees	4,726
Bank fees	2,694
Total	€ 166,311

7. Auditors' remuneration

Fees charged by the auditors in relation to the statutory audit of financial statements of the Fund amounted to €17,250 (excluding VAT, out of pocket expenses and the technology & admin 2% fee) for the financial period ended 31 December 2022 with €17,250 being payable at the financial period end. During the financial period, no non-audit services were accrued or paid. The audit fees are included within professional fees in the Statement of Comprehensive Income.

Ambienta X Sustainable Leaders 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
Net realised losses on investments in securities	€ (5,400,359)
Net realised losses on derivative contracts	(6,439,451)
Net change in unrealised losses on investments in securities	(3,143,246)
Net change in unrealised gains on derivative contracts	2,490,737
Net gains on foreign exchange	855,330
Net losses on financial assets and liabilities at fair value through profit or loss	€ (11,636,989)

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 period 21 January 2022 to 31 December 2022. 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 Sustainable Leaders Fund

Notes to Financial Statements (continued)

10. Financial risk management (continued)

Market risk (continued)

Up until 21 November 2022, 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>
21 January to 31 December 2022	14.34%	19.54%	16.10%

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

The table below shows the minimum, maximum and average global exposure using the commitment approach for the period.

	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>
22 November 2022 to 31 December 2022	47.75%	55.31%	51.07%

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 21 January 2022 to 31 December 2022, the Fund had no interest bearing financial instrument.

Ambienta X Sustainable Leaders Fund

Notes to Financial Statements (continued)

10. 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 31 December 2022:

31 December 2022	CAD	CHF	DKK	EUR	GBP
Assets					
Financial assets at fair value through profit or loss	€ -	€ 5,605,032	€ 5,708,022	€ 33,834,413	€ 5,172,209
Due from brokers	-	67	1,017	8,172,316	(31,095)
Cash	-	12,153	-	4,706	13,526
Interest and dividends receivables	6,406	-	-	5,059	55
Other assets	-	-	-	17,035	-
	€ 6,406	€ 5,617,252	€ 5,709,039	€ 42,033,529	€ 5,154,695
Liabilities					
Management fees payable	€ -	€ -	€ -	€ 51,416	€ -
Expenses payable	-	-	-	57,179	-
Interest and dividends payable	-	25	42	-	-
Financial liabilities at fair value through profit or loss	-	-	-	10,011	2,215
	€ -	€ 25	€ 41	€ 118,606	€ 2,215

Ambienta X Sustainable Leaders Fund

Notes to Financial Statements (continued)

10. Financial risk management (continued)

Currency risk (continued)

31 December 2022	NOK	SEK	USD	TOTAL
Assets				
Financial assets at fair value through profit or loss	€ -	€ 5,209,037	€ 54,100,670	€ 109,629,383
Due from brokers	14	1,335	21,287	8,164,941
Cash	-	-	19,621	50,006
Interest and dividends receivables	-	-	7,471	18,991
Other assets	-	-	-	17,035
	€ 14	€ 5,210,372	€ 54,149,048	€ 117,880,356
Liabilities				
Management fees payable	€ -	€ -	€ -	€ 51,416
Expenses payable	-	-	109,132	166,311
Interest and dividends payable	-	-	-	67
Financial liabilities at fair value through profit or loss	-	-	-	12,226
	€ -	€ -	€ 109,133	€ 230,020

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 €2,352,762. 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

Ambienta X Sustainable Leaders Fund

Notes to Financial Statements (continued)

10. Financial risk management (continued)

Credit risk (continued)

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
Morgan Stanley & Co. International plc	Aa3 (Moody's)
Northern Trust	Aa2 (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+).

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.

Ambienta X Sustainable Leaders Fund

Notes to Financial Statements (continued)

10. Financial risk management (continued)

Credit risk (continued)

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 Depository 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 Depository and such risk is further managed by the Depository 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
Common stock	€ 107,126,240
Forward contracts	2,502,963
Due from brokers	8,164,941
Cash	50,006
Interest and dividends receivables	18,991
Other assets	17,035
Total assets	€ 117,861,204

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.

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

Ambienta X Sustainable Leaders Fund

Notes to Financial Statements (continued)

10. Financial risk management (continued)

Liquidity risk (continued)

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

31 December 2022	Less than 1 month	1-3 Months	No contractual maturity	Total
Financial liabilities				
Equity swaps	€ -	€ -	€ 12,226	€ 12,226
Management fees payable	51,416	-	-	51,416
Expenses payable and other liabilities	-	-	166,311	166,311
Interest and dividends payables	-	67	-	67
Net assets attributable to holders of redeemable shares	117,650,336	-	-	117,650,336
Total liabilities	€ 117,701,752	€ 67	€ 178,537	€ 117,880,356

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
Forward contracts	€ 2,502,963	€ -	€ -	€ 2,502,963
Total	€ 2,502,963	€ -	€ -	€ 2,502,963

Ambienta X Sustainable Leaders 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	€ 12,226	€ -	€ -	€ 12,226
Total	€ 12,226	€ -	€ -	€ 12,226

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 was no distributions for the financial period 21 January 2022 to 31 December 2022.

12. Soft commissions

There was no soft commission arrangement affecting the Fund during the financial period from 21 January 2022 to 31 December 2022. 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
British Pound	0.8872
Canadian Dollar	1.4491
Danish Krone	7.4361
Norwegian Krone	10.5142
Swedish Krona	11.1202
Swiss Franc	1.0127
United States Dollar	1.0672

Ambienta X Sustainable Leaders 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 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 Fund.

The aggregative directors’ fees for the financial period from 21 January 2022 to 31 December 2022 amounted to €18,904, of which €12,276 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 21 January 2022 to 31 December 2022.

15. Significant events during the financial year

The Fund commenced operations on 21 January 2022 and therefore the portfolio data contained herein is from 21 January 2022, the commencement of operations date and includes updates made to the Fund’s supplement 29 June 2022.

On 30 November 2021, the Fund, was established in accordance with the requirements of the Central Bank.

On 2 December 2021 the Supplement for the Fund was amended to create two new share classes, namely Class N EUR Accumulation and Class N2 EUR Accumulation. The Supplement was further updated on 1 February 2022 to include disclosures required pursuant to Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment as may be amended, supplemented or updated from time to time (the “Taxonomy Regulation”).

On 27 September 2022 the Supplement for the Fund was amended to create two new share classes, namely Class H EUR Accumulation and Class H2 EUR Accumulation.

Ambienta X Sustainable Leaders Fund

Notes to Financial Statements (continued)

16. Events after the balance sheet date

Subsequent to 31 December 2022 and through 27 April 2023, the Fund had redemptions of approximately €9.3m. 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 Sustainable Leaders Fund

Portfolio Changes (Unaudited)

The Central Bank requires:

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

Purchases	Cost (€)	Sales	Proceeds (€)
ASML Holding N.V.	9,441,365	SR Teleperformance S.A.	6,662,818
Salesforce.com, Inc	9,303,436	Enel S.p.A.	6,499,667
Schneider Electric SE	9,114,206	Covestro AG	6,331,234
SR Teleperformance S.A.	9,101,744	Aptiv Plc	4,936,585
Infineon Technologies AG	8,977,221	Cadence Design Systems, Inc	4,107,014
Sika Fin I	8,742,830	Agilent Technologies, Inc	2,881,124
Cadence Design Systems, Inc	8,446,021	SolarEdge Technologies, Inc	2,726,241
Thermo Fisher Scientific, Inc	8,278,006	Trane Technologies Plc	2,289,343
Trane Technologies Plc	8,214,167	Sika Fin I	2,101,419
Orsted A/S	7,985,415	Thermo Fisher Scientific, Inc	1,985,828
Enel S.p.A.	7,613,910	Orsted A/S	1,869,669
Covestro AG	7,403,117	Kion Group AG	1,838,077
Teledyne Technologies, Inc	6,926,827	Salesforce.com, Inc	1,833,513
Agilent Technologies, Inc	6,765,740	Getlink SE	1,531,076
Symrise AG	6,572,271	Enphase Energy, Inc.	1,522,535
Spirax-Sarco Engineering Plc	6,432,165	ASML Holding N.V.	1,384,191
Epiroc AB	6,056,225	Waste Management, Inc.	1,356,978
Waste Management, Inc	5,896,019	RWE AG	1,196,732
Canadian Pacific Railway Limited	5,428,371	Teledyne Technologies, Inc	1,183,373
Aptiv Plc	5,053,257	Symrise AG	1,178,930

Ambienta X Sustainable Leaders Fund

Remuneration Disclosure (Unaudited)

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

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

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

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

- The total remuneration paid by the Fund to the Manager during the year was €446,696 divided into €446,696 in management fees and €Nil 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 divided into €5,997,491 fixed remuneration and €2,599,438 variable remuneration. 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. There were 9 beneficiaries.

Ambienta X Sustainable Leaders Fund

Securities Financing Transactions Regulation Disclosure (Unaudited)

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) will be required on all reports and accounts published after 13 January 2017. During the period from 21 January 2022 (date of approval) to 31 December 2022, Ambienta X ICAV – Ambienta X Sustainable Leaders Fund did not enter into any Securities Financing Transactions.

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

Product name: Ambienta X Sustainable Leaders Fund Legal entity identifier: 213800LKS81R7DWOT55

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: 97%**

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.

Ambienta X Sustainable Leaders Fund

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 in the question "How did the sustainability indicators perform?".

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

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

To measure the attainment of the sustainable investment objective of the Fund the Manager uses the ASI, the Manager's single holding sustainability indicator, which represents in one figure, between -100% and +100%, the contribution to resource efficiency and/or pollution control of each individual company and therefore the correlation of the value of a listed company to environmental sustainability and related trends. It is calculated as the average of the positive or negative environmental contribution of each division of the company, weighted by its enterprise value. The Fund invests in target issuers that meet the ASI threshold ($\geq +25\%$), representing investments in companies that attain a positive environmental impact based on assessment of the company's single divisions. All sustainable investments in the Fund as at 30.12.2022 respected the aforementioned ASI threshold.

● ***...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?***

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

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

Ambienta X Sustainable Leaders Fund

Securities Finance Disclosure Regulation (Unaudited)(continued)

investment decisions on sustainability factors deemed relevant for the investee companies through a combination of proprietary and external market research analysis.

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

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

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

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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

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

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

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

Securities Finance Disclosure Regulation (Unaudited)(continued)

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



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

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

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

For:

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

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

For:

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

Ambienta X Sustainable Leaders Fund

Securities Finance Disclosure Regulation (Unaudited)(continued)

- PAI 12: 'Unadjusted Gender Pay Gap'
- PAI 13: 'Board Gender Diversity'

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

For:

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

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

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

The list includes the investments constituting the greatest proportion

of investments of the financial product during the reference period which is: 51.3%



What were the top investments of this financial product?

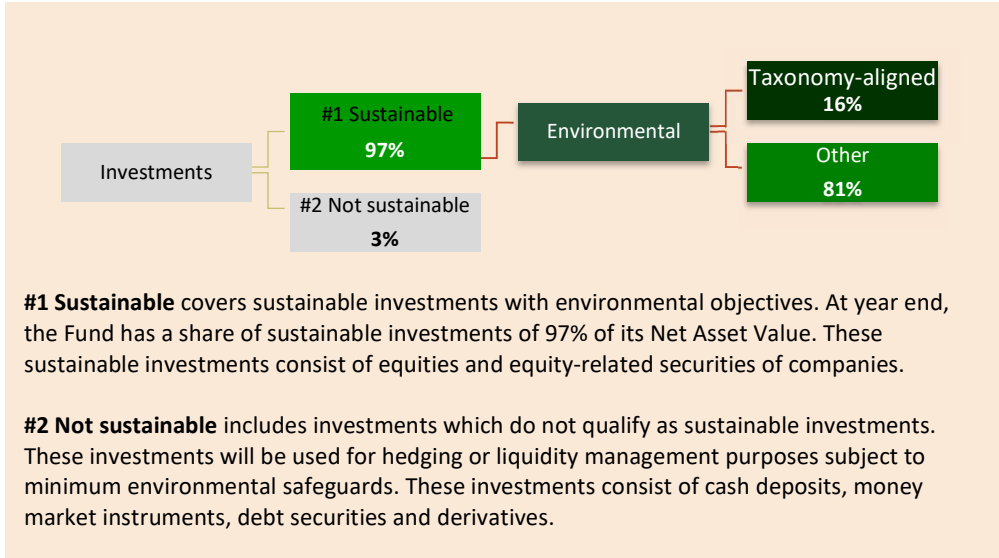
Top investments ¹	Sector	% Assets	Country
SCHNEIDER ELECTRIC SE	Industrial	6.8%	FR
INFINEON TECHNOLOGIES AG	Technology	6.5%	DE
ASML HOLDING NV	Technology	6.3%	NL
TRANE TECHNOLOGIES PLC	Industrial	5.9%	US
THERMO FISHER SCIENTIFIC INC	Consumer, Non-cyclical	5.4%	US
SPIRAX-SARCO ENGINEERING PLC	Industrial	5.3%	GB
ORSTED A/S	Utilities	4.9%	DK
TELEDYNE TECHNOLOGIES INC	Industrial	4.8%	US
KINGSPAN GROUP PLC	Industrial	4.8%	IE

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.



What was the proportion of sustainability-related investments?

● **What was the asset allocation?**



Asset allocation describes the share of investments in specific assets.

● **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	42.4%
Information Technology	27.4%
Materials	11.3%
Health Care	9.8%
Utilities	9.1%



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

In 2022 Taxonomy alignment was equal to 16%, based on revenues, and answering to objective "climate change mitigation"(1). CapEx and OpEx alignment is 7% for both due to a lower availability of data with the desired level of quality.

Securities Finance Disclosure Regulation (Unaudited)(continued)

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.

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

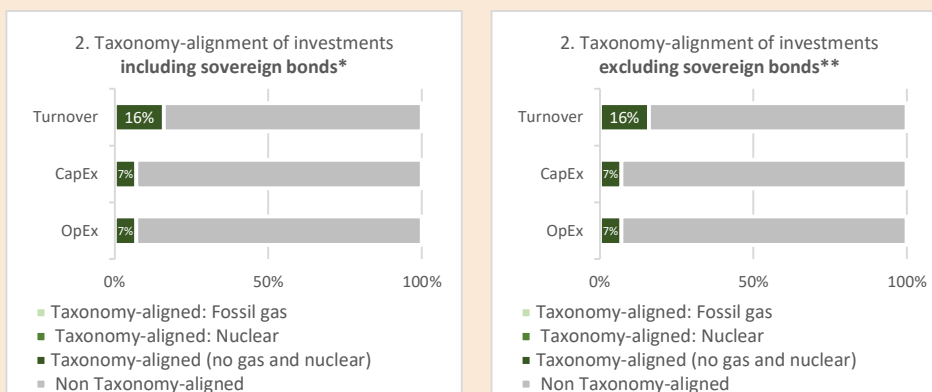
Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

(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 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)

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

 **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?

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



What was the share of socially sustainable investments?

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



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

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

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

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

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

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



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:

Securities Finance Disclosure Regulation (Unaudited)(continued)

- To identify ES investments the Manager employed a disciplined fundamental investment research process driven by an extensive meetings program with company management and the use of the Manager’s proprietary analytical assessment process;
- To monitor the sustainable exposure of each position, the Manager used its proprietary methodology to quantify the exposure of an investment in a company which can be attributed to activities exposed to sustainability trends. During the due diligence phase and annually following investment, target issuers are analysed by the Manager using the ASI, which represents in one figure, between -100% and +100%, the contribution to resource efficiency and pollution control of each individual company and therefore the correlation of the value of a listed company to environmental sustainability and related trends. It is calculated as the average of the positive or negative environmental contribution of each company division, weighted by the company’s enterprise value. The Fund invests in target issuers that meet the ASI threshold ($\geq +25\%$), representing investments in companies that attain a positive environmental impact based on assessment of the company’s single divisions. As described above as at 30.12.2022 the Fund respected the aforementioned ASI threshold.

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.

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



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

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.