

Alken Capital Fund, FCP-FIS

*Fonds Commun de Placement - Fonds
d'Investissement Spécialisé* Luxembourg (FCP-FIS)

Annual report, including audited financial statements,
as at December 31, 2022

Alken Capital Fund, FCP-FIS

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ALKEN CAPITAL FUND, FCP-FIS

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ALKEN CAPITAL FUND, FCP-FIS

Organisation of the Fund

Alternative
Investment Fund
Manager ("AIFM")
and Risk
Management Agent

AFFM S.A., 3, boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg

Members of the
Board of Directors of
the AIFM

Mr Philipp GREGOR, Managing Director, 3, boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg

Mr Nicolaus P. BOCKLANDT, Independent Certified Director, 6B, route de Trèves, L-2633 Luxembourg, Grand Duchy of Luxembourg (until January 1, 2022)

Mrs Amélie GUITTET-GARREAU, Independent Director, ICFO S.A., 3, rue Belle-Vue, L-1227 Luxembourg, Grand Duchy of Luxembourg (since October 19, 2021)

Mr Jean-Christoph ARNTZ, Independent Certified Director, 6B, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg

Mr Randall DUX, Director, Bannatyne Plantation House, 17030 Christ Church, Barbados (since May 19, 2022)

Central
Administrative,
Registrar, Transfer
and Domiciliation
Agent

FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Depositary Bank

Pictet & Cie (Europe) S.A., 15A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (until May 25, 2023)

Bank Pictet & Cie (Europe) AG, succursale de Luxembourg, 15A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since May 26, 2023)

Delegated
Investment Manager

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

Cabinet de Révision
Agrée / Auditor

Deloitte Audit, *Société à responsabilité limitée*, 20, boulevard de Kockelscheuer, L-1821 Luxembourg, Grand Duchy of Luxembourg

Counterparties on
Contracts for
Difference (note 8)

UBS AG London
Merrill Lynch International London

ALKEN CAPITAL FUND, FCP-FIS

General information

The financial year of Alken Capital Fund, FCP-FIS (the "Fund") begins on January, 1 of each year and ends on December, 31 of the same year. The accounts of the Fund are maintained in EUR.

Annual reports, including audited financial statements, are mailed free of charge by the Alternative Investment Fund Manager ("AIFM") to the Unitholders at their request. In addition, such reports are available at the registered office of the AIFM.

Any other financial information concerning the Fund or the AIFM, including the periodic calculation of the Net Asset Value ("NAV") per Unit, the issue and the redemption prices, are made available at the registered office of the AIFM and the Depositary Bank. Any other substantial information concerning the Fund may be published in such newspaper(s) and notified to Unitholders in such manner as may be specified from time to time by the AIFM.

A detailed schedule of changes in the investments of the Fund for the financial year ended December 31, 2022 is available free of charge upon request at the registered office of the AIFM and the Depositary Bank.

ALKEN CAPITAL FUND, FCP-FIS

Management report

Equity Market Review and outlook

Financial markets have been particularly volatile during the first quarter of the year 2022, which started with an acceleration of the trade rotation from growth to value. The escalation of the conflict in Eastern Europe intensified sector movements given the implications for energy and food supply.

Also during the second quarter of the year Equity markets were under significant pressure, especially in June, as sentiment deteriorated considerably reflecting rising recessionary risks. Economic indicators missed expectations and pointed to slowing economic activity, however central banks remained committed to address inflationary pressures. All sectors were under pressure, notably cyclical areas.

Equity markets remained volatile during the third quarter of 2022 driven by persistent pricing pressures and monetary tightening as central banks continued to prioritise inflation control even if that triggers economic pain. Leading indicators had softened reflecting the impact of the ongoing economic headwinds.

During the fourth quarter equity markets rebounded due to growing expectation of smaller interest rate increases and rolling inflation data in the US. Central banks, however, maintained their restrictive policies as there was clear evidence that pricing pressures are under control.

As of end of 2022 the market outlook remained fragile as investors adjusted for negative earnings revisions reflecting the impact of the economic slowdown on companies' results. In an environment where inflationary pressures were moderating and interest rates normalized, the fund managers continued to see attractive opportunities in value names where there is significant upside as the rotation out of growth had yet to materialise.

PERFORMANCE REVIEW 2022

Investment Objective

The ALKEN CAPITAL FUND, FCP-FIS - One Sub-Fund aims to provide capital gains for investors by investing in the European equity market through a concentrated portfolio and a three-to-five-year investment horizon. The fund can take both long and short positions but will retain a long bias in most situations. The fund can make use of moderate leverage.

Investment Universe

The sub-fund will invest mainly in European equities. The fund may also when called for invest in other products such as international equities, fixed income, commodities, and ETFs.

ALKEN CAPITAL FUND, FCP-FIS

Management report (continued)

Investment Process

ALKEN CAPITAL FUND, FCP-FIS - One Sub-Fund's investment policy concentrates on the following philosophies:

- Undervalued companies over intrinsic value
- High profitability and growth potential
- Focus investments on the stocks with the most potential
- The avoidance of market excesses
- Humble, focused, and motivated management with a good track record

Risk control is an integral part of the investment process. The performance and risk profile of the ALKEN CAPITAL FUND, FCP-FIS - One Sub-Fund is reviewed continuously.

Performance Review 2022

In 2022 ALKEN CAPITAL FUND, FCP-FIS - One Sub-Fund (Class J, ISIN: LU0360936099) was up 21.3%. Since inception in July 2008 the fund increased by 415.9%.

Performance since inception compared to benchmark



Past performance is not an indicator of current or future returns.

ALKEN CAPITAL FUND, FCP-FIS

Management report (continued)

Key Statistics Q4 2022

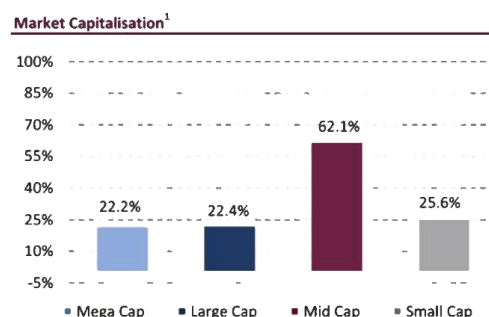
Key Contributors	Exposure	Contribution
Energy (Single Stock)	5.7%	1.0%
Financials (Single Stock)	3.7%	0.9%
C. Services (Single Stock)	3.9%	0.9%

Key Detractors	Exposure	Contribution
Materials (Single Stock)	5.2%	-0.8%
Consumer Staples (Single Stock)	1.9%	-0.6%
Energy (Single Stock)	0.0%	-0.3%

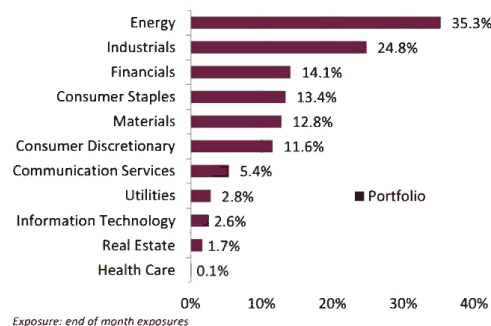
Contribution	QTD	YTD
Index	0.0%	0.2%
Longs	9.9%	21.2%
Shorts	0.0%	0.0%
Bonds	0.0%	0.0%

Top 5 Holdings	Exposure
Energy (Single Stock)	7.4%
Energy (Single Stock)	6.2%
Consumer Staples (Single Stock)	5.9%
Energy (Single Stock)	5.7%
Other (Single Stock)	5.2%

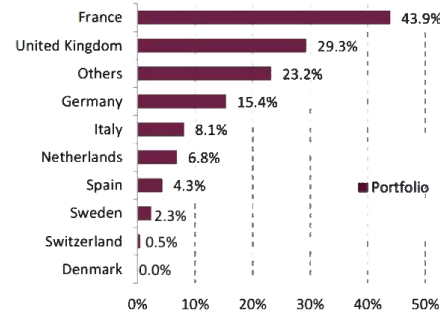
Portfolio Breakdown	Fund
Top 10 Holdings	52.7%
Number of Holdings	63
Long Exposure	133.9%
Short Exposure	0.0%
Net Exposure	133.9%
Gross Exposure	133.9%



Sector Breakdown



Regional Breakdown



Qualitative ESG statement

The ALKEN CAPITAL FUND, FCP-FIS - One Sub-Fund considers sustainability risks when making investment decisions. The investment product is classified by the Alternative Investment Fund Manager AFFM SA as appropriate with Article 6 SFDR (Regulation (EU) 2019/2088).

Responsible investing is an essential part of good corporate citizenship as well as being a key component of long-term value creation. The ALKEN CAPITAL FUND, FCP-FIS - One Sub-Fund's investments abide by the ESG integration policy of the delegated Investment Manager Alken Asset Management Ltd. (the "Investment Manager"). The ESG integration policy and further ESG sources can be found on <http://www.alken-am.com/esg> and on <http://affm.lu/esg.aspx>.

Past performance is not an indicator of current or future returns.

ALKEN CAPITAL FUND, FCP-FIS

Management report (continued)

The Investment Manager signed the UN Principles for Responsible Investments back in 2013 and has since been committed to integrating ESG factors into its investment analysis, decision making processes and active ownership practices. The Investment Manager's analysis is based on internal and external data from the service provider MSCI. Data is validated internally and supplemented if necessary. The ESG investment policy and activities are overseen by AFFM SA.

The investments underlying the Alken Capital ONE Sub-Fund do not consider the EU criteria for environmentally sustainable economic activities.

June 2023

Established by the Delegated Investment Manager

Approved by the Board of Directors of the AIFM

Report of the Réviseur d'Entreprises Agréé / Auditor's report

To the Unitholders of
Alken Capital Fund, FCP-FIS
Fonds Commun de Placement Luxembourg (FCP-FIS)
3, boulevard Royal
L-2249 Luxembourg, Grand Duchy of Luxembourg

Opinion

We have audited the financial statements of Alken Capital Fund, FCP-FIS (the "Fund") and its sub-fund, which comprise the statement of net assets and the statement of investments and other net assets as at December 31, 2022, and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at December 31, 2022, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of July 23, 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Financial Statements" section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Fund's Management Company is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 this fact. We have nothing to report in this regard.

Report of the Réviseur d'Entreprises Agréé / Auditor's report

Responsibilities of the Board of Directors of the Fund's Management Company for the Financial Statements

The Board of Directors of the Fund's Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund's Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund's Management Company is responsible for assessing the Fund'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 Board of Directors of the Fund's Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 financial statements.

As part of an audit in accordance with the Law dated July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund's Management Company.
- Conclude on the appropriateness of the Board of Directors of the Fund's Management Company use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.



Report of the Réviseur d'Entreprises Agréé / Auditor's report

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Deloitte Audit, *Cabinet de Révision Agréé*

Nicolas Hennebert, *Réviseur d'Entreprises Agréé*
Partner

June 28, 2023

Alken Capital Fund, FCP-FIS

Statement of net assets as at December 31, 2022

Alken Capital Fund, FCP-FIS - One Sub-Fund

EUR

ASSETS

Investments in securities at acquisition cost (note 2.d)	97,728,809.86
Net unrealised gain on investments	20,085,051.98
Investments in securities at market value (note 2.b)	117,813,861.84
Dividend and interest receivable, net	33,618.24
	117,847,480.08

LIABILITIES

Bank overdraft	23,940,653.30
Management fees payable (note 4)	188,569.52
"Taxe d'abonnement" payable (note 3)	2,456.63
Other fees payable (note 7)	81,672.85
	24,213,352.30

TOTAL NET ASSETS AS AT DECEMBER 31, 2022	93,634,127.78
TOTAL NET ASSETS AS AT DECEMBER 31, 2021	86,578,137.30
TOTAL NET ASSETS AS AT DECEMBER 31, 2020	61,561,260.59

The accompanying notes form an integral part of these financial statements.

Alken Capital Fund, FCP-FIS

Statement of operations and changes in net assets for the year ended December 31, 2022

Alken Capital Fund, FCP-FIS - One Sub-Fund

EUR

NET ASSETS AT THE BEGINNING OF THE YEAR	86,578,137.30
INCOME	
Dividends, net (note 2.i)	5,984,918.53
Interest on bonds, net (note 2.i)	161,372.66
Bank interest	14,079.10
	6,160,370.29
EXPENSES	
Management fees (note 4)	742,680.86
Depository fees, bank charges and interest (note 6)	572,689.62
Professional fees, audit fees and other expenses	73,217.62
Administration fees (note 6)	73,076.94
"Taxe d'abonnement" (note 3)	8,450.55
Transaction fees (note 2.j)	434,202.52
	1,904,318.11
NET INVESTMENT INCOME	4,256,052.18
Net realised gain on sales of investments (notes 2.c, 9)	12,361,921.02
Net realised gain on foreign exchange (note 2.k)	110,467.25
Net realised gain on forward foreign exchange contracts (note 2.e)	10,419.99
Net realised loss on CFD (notes 2.f, 2.g, 2.h)	-1,262,461.27
NET REALISED GAIN	15,476,399.17
Change in net unrealised appreciation:	
- on investments (note 10)	1,476,755.23
- on forward foreign exchange contracts	1,330.77
INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS	16,954,485.17
Proceeds from subscriptions of units	1,793,527.06
Cost of units redeemed	-11,706,871.20
Revaluation difference*	14,849.45
NET ASSETS AT THE END OF THE YEAR	93,634,127.78

* The difference mentioned above is the result of fluctuations in the exchange rates used to convert the different items related to share classes denominated in a currency other than the currency of the sub-fund into the currency of the related sub-fund between December 31, 2021 and December 31, 2022.

The accompanying notes form an integral part of these financial statements.

ALKEN CAPITAL FUND, FCP-FIS

Number of units outstanding and net asset value per unit

Sub-Fund Class	Currency	Number of units outstanding	Net asset value per unit	Net asset value per unit	Net asset value per unit
		31.12.2022	31.12.2022	31.12.2021	31.12.2020
ALKEN CAPITAL FUND, FCP-FIS - One Sub-Fund					
Class J	EUR	201.61	128,980.61	106,324.41	73,471.65
Class S	EUR	371.83	181,882.85	149,251.36	102,658.35
Class USh	USD	-	-	76,623.44	52,585.80

The accompanying notes form an integral part of these financial statements.

Alken Capital Fund, FCP-FIS - One Sub-Fund

Geographical and industrial classification of investments as at December 31, 2022

Geographical classification

(in % of net assets)

France	39.61
United Kingdom	15.39
Germany	14.92
Luxembourg	11.72
Netherlands	11.24
South Africa	6.22
Italy	4.38
Spain	4.32
Ireland	4.22
Jersey	3.56
Norway	3.07
Undefined	1.61
Australia	1.38
Sweden	1.25
Greece	1.20
Canada	1.12
Switzerland	0.46
Bermuda	0.15
	125.82

Industrial classification

(in % of net assets)

Holding and finance companies	22.66
Oil	12.78
Units of investment funds	9.44
Automobiles	6.85
Tobacco and alcohol	6.64
Banks and credit institutions	6.00
Transport and freight	5.96
Construction of machines and appliances	5.72
Publishing and graphic arts	5.41
Chemicals	5.22
Public utilities	4.48
Insurance	4.42
Oil and gas	4.15
Aeronautics and astronautics	4.09
Electronics and electrical equipment	3.58
Metals and minings	3.56
Retail and supermarkets	3.36
Mining and steelworks	3.03
Construction and building materials	2.83
Bonds issued by companies	2.00
Real Estate Shares	1.68
Miscellaneous trade	0.80
Miscellaneous consumer goods	0.66
Food and soft drinks	0.23
Utilities	0.15
Healthcare & social services	0.12
	125.82

ALKEN CAPITAL FUND, FCP-FIS

Notes to the financial statements as at December 31, 2022

NOTE 1

GENERAL

Alken Capital Fund, FCP-FIS (the "Fund") is a FCP ("Fonds Commun de Placement") managed by AFFM S.A. a public limited liability company (*société anonyme*) organised under the laws of Luxembourg and having its registered office at 3, boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg. The Fund is established under the provisions of the amended Law of February 13, 2007 on Specialised Investment Funds (the "2007 Law") and is governed by the Management Regulations effective as of January 26, 2018 and which have been deposited with the *Registre de Commerce et des Sociétés* ("RCS").

The Fund is an umbrella Fund and as such provides investors with the choice of investment in a range of several separate sub-funds each of which relates to a separate portfolio of assets permitted by law with specific investment objectives.

Since September 21, 2016, in accordance with the Luxembourg Law of May 27, 2016, the Fund is registered at the Trade and Companies Register of Luxembourg under the number K1112.

The Alternative Investment Fund Manager ("AIFM") is registered in the Luxembourg Trade and Companies Register under N° B221009.

AFFM S.A., a public limited company (*société anonyme*) with registered office at 3, boulevard Royal, L-2449 Luxembourg, was appointed AIFM of the Fund as of January 15, 2018. It is an AIFM within the meaning of chapter 15 of the Law of December 17, 2010, as amended and of chapter 2 of the Law of July 12, 2013 (the "2013 Law"), as amended.

The investment objective of Alken Capital Fund, FCP-FIS - One Sub-Fund is to provide capital growth primarily through dynamic investment in a growth/value style biased portfolio of equity securities of undervalued European companies with a high growth potential and investments in Securities of European companies or companies with European issues which the Alternative Investment Fund Manager believes are undervalued and conversely by selling or selling short those Securities which the Alternative Investment Fund Manager believes are overvalued.

a) Sub-funds in activity

As at December 31, 2022, Alken Capital Fund, FCP-FIS includes one sub-fund:

- Alken Capital Fund, FCP-FIS - One sub-fund, denominated in Euro (EUR).

b) Significant events and material changes

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People's Republic and Lugansk People's Republic by the Russian Federation.

Announcements of potential additional sanctions have been made following military operations initiated by Russia against Ukraine on February 24, 2022.

The situation, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, has driven a sharp increase in volatility across markets.

ALKEN CAPITAL FUND, FCP-FIS

Notes to the financial statements as at December 31, 2022 (continued)

At the date of this report, the Management Company continues to monitor the evolving situation and its impact on the financial position of the Fund and its compartment.

c) Share classes

There are two institutional or professional Classes of Units available for investing:

- Class J: Minimum investment twenty five thousand EUR (EUR 25,000);
- Class S: Minimum investment twenty five thousand EUR (EUR 25,000).
- Class USh: Minimum investment one-hundred thousand USD (USD 100,000) (liquidated on April 29, 2022).

The Class S Units shall be closed to new investors for subscriptions but remains open for existing investors. The AIFM at its sole discretion can authorise on a case by case basis subscriptions from new investors given that such investors will meet the criteria of a well-informed person, and will be able to obtain an appraisal from a bank, an investment advisory firm or a management company (all of these with European passporting rights) certifying that they have the appropriate expertise, experience and knowledge to adequately understand the investment made in the Fund.

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) General

The financial statements of the Fund are established in accordance with the Luxembourg legal and regulatory requirements and generally accepted accounting principles concerning specialised investment funds.

b) Valuation of assets

1) Units or shares of open-ended collective investment schemes are valued at their last determined and available Net Asset Value ("NAV") or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the AIFM on a fair and equitable basis. Units or shares of a closed-ended collective investment scheme listed on a stock exchange or dealt with on a Regulated Market are valued at their last available stock market value, whereas Units or shares of a closed-ended collective investment scheme which are not listed on a stock exchange or dealt with on a Regulated Market are determined by the AIFM on a fair and equitable basis.

2) The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true face value thereof.

3) Securities and other assets listed or dealt in on a stock exchange or another regulated market are valued at the last available price; where such securities or other assets are listed or dealt in one or by more than one stock exchange or any other regulated market, the Board of Directors of the AIFM shall make regulations for the order of priority in which stock exchanges or other regulated markets are used for the provisions of prices of securities or assets.

ALKEN CAPITAL FUND, FCP-FIS

Notes to the financial statements as at December 31, 2022 (continued)

4) All other securities and other assets, including debt securities, restricted securities and securities for which no market quotation is available, are valued on the basis of dealer-supplied quotations or by a pricing service approved by the AIFM or, to the extent such prices are not deemed to be representative of their fair market values, such securities and other assets shall be valued at fair value as determined in good faith pursuant to procedures established by the AIFM. Money market instruments held by the sub-fund with a remaining maturity of twelve months or less are valued at their nominal value increased by any interest accrued thereon, if any, such global value being amortised pursuant to the amortised costs method.

5) The liquidating value of forward and options contracts not traded on regulated markets, stock exchanges in another state or on other Regulated Markets is their net liquidating value determined, pursuant to the policies established in good faith by the AIFM, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts traded on regulated markets, stock exchanges in another state or on other Regulated Markets is based upon the last available settlement prices of these contracts on regulated markets, stock exchanges in another state and other Regulated Markets on which the particular futures, forward or options contracts are traded by the sub-fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the AIFM may deem fair and reasonable.

6) For the sub-fund, securities whose value is expressed in a currency other than the reference currency of that sub-fund is converted into that reference currency at the average rate between the last available buy/sell rate in Luxembourg or, failing that, in a financial centre which is most representative for those securities.

7) Any other security, instrument or asset is valued, prudently and in good faith, on the basis of their estimated sale prices by the AIFM.

c) Net realised gain/loss on sales of investments

The net realised gain/loss on sales of investments is calculated on the basis of the weighted average cost of the investments sold.

d) Acquisition cost of investment securities

Cost of investment denominated in currencies other than the base currency of the sub-fund is converted into the base currency of the sub-fund at the exchange rate prevailing at the acquisition date.

e) Valuation of Forward foreign exchange contracts

The net unrealised gain or loss resulting from outstanding forward foreign exchange contracts are determined on the valuation day on the basis of the forward rates applicable at year end and are recorded in the statement of net assets.

The realised gains or losses resulting from forward foreign exchange contracts are recorded in the statement of operations and change in net assets.

ALKEN CAPITAL FUND, FCP-FIS

Notes to the financial statements as at December 31, 2022 (continued)

f) Valuation of Contracts For Difference

Contracts for difference ("CFD") are valued on the basis of the difference between the price of their underlying on the valuation date and on the acquisition date.

g) Recognition of CFD

At the time of each NAV calculation, the margin call on CFD is recorded directly in the realised capital gains and losses accounts relating to CFDs by the bank account counterparty.

h) Accounting of CFD

Unrealised appreciations and depreciations on CFD are settled daily through the reception/payment of a cash amount corresponding to the daily increase/decrease of the market value of each opened CFD. Such cash amount is recorded under the caption "Cash at banks" in the statement of net assets and the corresponding amount is recorded under the caption "Net realised gains/losses on CFD" in the statement of operations and changes in net assets.

i) Income

Dividends are recorded net of withholding tax at ex-date. Interest is recorded on an accrual basis.

j) Transaction fees

The transaction fees represent the costs incurred by the sub-fund in connection with purchases and sales of investments and derivatives.

Transaction fees include brokerage fees as well as bank commissions, foreign tax, depositary fees and other transaction fees, and are included in the statement of operations and changes in net assets under the caption "Transaction fees".

k) Conversion of foreign currencies

Cash at banks, other net assets as well as the market value of the investment portfolio in currencies other than the base currency of the sub-fund are converted into the base currency of the sub-fund at the exchange rate prevailing at the closing date.

Income and expenses in currencies other than the base currency of the sub-fund are converted into the base currency of the sub-fund at the exchange rate prevailing at the transaction date.

Resulting gains and losses are included in the statement of operations and changes in net assets.

ALKEN CAPITAL FUND, FCP-FIS

Notes to the financial statements as at December 31, 2022 (continued)

NOTE 3

"TAXE D'ABONNEMENT"

The Fund is liable in Luxembourg to a tax ("*taxe d'abonnement*") of 0.01% per annum of its NAV, such tax being payable quarterly on the basis of the value of the aggregate net assets of the sub-fund at the end of the relevant calendar quarter, as the Fund is reserved to institutional investors, professional investors and well-informed investors within the meaning of the 2007 Law. In case some sub-funds are invested in other Luxembourg Investment Funds, which in turn are subject to the subscription tax provided for by the Luxembourgish Laws, no subscription tax is due from the Fund on the portion of assets invested therein.

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

No Luxembourg tax is payable on the realised capital appreciation of the assets of the Fund.

Dividends and interests received by the AIFM on behalf of the Fund on its investments may be subject to non-recoverable withholding or other taxes in the countries of origin.

NOTE 4

MANAGEMENT FEES

In consideration for its services rendered to the sub-fund, the AIFM is entitled to receive an annual management fee calculated on the basis of the NAV of the sub-fund as of the latest valuation day, and payable quarterly in arrears as follows:

Class J: up to 1.25% per annum, applied on the total average net assets of this Class,
Class S: up to 0.75% per annum, applied on the total average net assets of this Class.

The Investment Manager is paid by the AIFM out of its own fee.

NOTE 5

PERFORMANCE FEES

The AIFM is also entitled to receive a performance fee (the "Performance Fee") applicable to the Classes of Units J and S. The Performance Fee may be levied only in case there is a difference in favour of the Unitholders relative to the evolution of the NAV.

For Class of Units J, the Performance Fee by Unit outstanding is equivalent to 15.00% of the positive excess of the net return of the sub-fund (i.e. the outperformance) in respect of each performance year subject to the fact that the NAV has reached a new all-time-high (the all-time-high NAV is the greater of 1) the last highest NAV per unit on which a performance fee has been paid; and 2) the initial subscription price).

For Class of Units S, the Performance Fee by Unit outstanding will not exceed 5.00% of the positive excess of the net return of the sub-fund (i.e. the outperformance) in respect of each performance year subject to the fact that the NAV has reached a new all-time-high.

The high water mark is defined as the greater of the following two figures:

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

ALKEN CAPITAL FUND, FCP-FIS

Notes to the financial statements as at December 31, 2022 (continued)

ISIN code	Share class	Class currency	Performance fees	% of net assets*
LU0360936099	Class J	EUR	-	-
LU0360936172	Class S	EUR	-	-
LU1865207267**	Class USh	USD	-	-

* Based on the average of the Net Assets of the Class for the year ended December 31, 2022.

** Based on the average of the Net Assets of the Class for the period from January 1, 2022 to April 29, 2022 (liquidation date).

For the year ended December 31, 2022, the sub-fund Alken Capital Fund, FCP-FIS - One sub-fund did not pay any performance fee.

NOTE 6 DEPOSITARY BANK AND ADMINISTRATION FEES

The Depositary Bank and the Central Administrative Agent are entitled to receive, out of the average net assets of the sub-fund, a fee in accordance with customary practice in the Luxembourg financial market of up to 0.50% annually, payable quarterly in arrears.

NOTE 7 OTHER FEES PAYABLE

As at December 31, 2022, the other fees payable include mainly administration, audit, and depositary fees.

NOTE 8 CONTRACTS FOR DIFFERENCE ("CFD")

The Fund had CFD outstanding as at December 31, 2022 as follows:

ALKEN CAPITAL FUND, FCP-FIS - One Sub-Fund

Description	Quantity	Currency	Commitment in EUR
Atacadao	670,824	USD	1,759,557.66
Banca Ifis	263,426	EUR	3,506,200.06
Carrefour	128,293	EUR	2,006,502.52
Glencore International	52,956	GBP	328,726.63
Sixt	5,988	EUR	514,668.60

NOTE 9 DETAILS OF THE NET REALISED GAIN/LOSS ON SALES OF INVESTMENTS

Details of the net realised gain/loss on sales of investments for the year ended December 31, 2022 were as follows:

		Realised gain	Realised loss	Net realised gain
ALKEN CAPITAL FUND, FCP-FIS - One Sub-Fund	EUR	15,972,787.41	-3,610,866.39	12,361,921.02

ALKEN CAPITAL FUND, FCP-FIS

Notes to the financial statements as at December 31, 2022 (continued)

NOTE 10

DETAILS OF THE CHANGE IN NET UNREALISED APPRECIATION/DEPRECIATION ON INVESTMENTS

Details of the change in net unrealised appreciation/depreciation on investments for the year ended December 31, 2022 were as follows:

		Change in unrealised appreciation	Change in unrealised depreciation	Change in net unrealised appreciation/ depreciation
ALKEN CAPITAL FUND, FCP-FIS - One Sub-Fund	EUR	13,061,705.19	-11,584,949.96	1,476,755.23

NOTE 11

EVENTS AFTER THE YEAR-ENDED

No significant event occurred after the year end.

ALKEN CAPITAL FUND, FCP-FIS

Other information to Unitholders (unaudited appendix)

1. Remuneration of the members of the Alternative Investment Fund Manager ("AIFM")

The AIFM has adopted a remuneration policy, which is in accordance with the principles established by the law of July 12, 2013 (the "2013 Law").

The table below shows the total amount of the remuneration for the financial year ended as at December 31, 2022, split into fixed and variable remuneration, paid by the AIFM to its staff. The table has been prepared taking into consideration point 162 of section 14.1 of the European Securities and Market Authority ("ESMA") remuneration guidelines relating to the confidentiality and data protection in presenting the remuneration information.

In promoting sound and effective risk management and not encouraging excessive risk-taking with respect to the risk profiles, management regulations or instruments of incorporation of the Funds, the remunerations set by the Management Company are composed of fixed remuneration received in cash on a periodic basis, based on the competences of the employees of the Management Company and guaranteed irrespective of their performance and variable remuneration, linked to risk and therefore tied to performance measures on an individual basis as well as on a collective basis in accordance to predefined financial as well as non-financial criteria.

Remuneration for the financial year 2022

	Number of beneficiaries	Total remuneration (EUR)	Fixed remuneration (EUR)	Variable remuneration (target or discretionary bonuses, parts remuneration) (EUR)
Total remuneration paid by the Management Company during the financial year	11	1,727,745	1,133,237	594,507

Additional explanation:

- The figures are provided on the basis of present employees on December 31, 2022.
- Information on fixed and variable remuneration paid excludes staff that left before December 31, 2022.
- Information on remuneration is exclusive of social charges.
- Fixed remuneration is the salary paid during the exercise.
- Variable Remuneration is the one attributed in 2022 on the basis of the performance of the year 2021. It is composed of discretionary total variable pay (including immediate cash and deferred remuneration) and discretionary long-term incentives.
- The beneficiaries reported are composed of the risk takers (including the 3 Conducting Officers based in Luxembourg) and the staff of the AIFM dedicated to AIFM activities for all the Funds under management, remunerated by the AIFM. In addition, the AIFM did not remunerate directly the staff of the Investment Manager, but rather ensured that the Investment Manager complies with the remuneration policy requirements itself.
- The benefits have been attributed according to criteria such as level of seniority, hierarchic level, or other eligibility criteria, not taking into account performance criteria, and are thus excluded from the fixed or variable remuneration figures provided above.

Other information to Unitholders (unaudited appendix) (continued)

- More information on the determination of the variable remuneration is set out in the qualitative disclosure on the remuneration policy, which is available on the website of the company. Under the supervision of the Chairman of the Board of the Management Company a remuneration committee reviews the remuneration policy and its application. No significant issues were found and there were no significant changes in the remuneration policy in 2022.

2. Securities Financing Transactions Regulation ("SFTR")

As at December 31, 2022, the Fund is in the scope of the requirements of the Regulation (EU) 2015/2365 on transparency of Securities Financing Transactions and of Reuse. Nevertheless, no corresponding transactions were carried out during the year referring to the financial statements.

3. Sustainable Finance Disclosure Regulation ("SFDR")

Within the meaning of SFDR (regulation EU 2019/2088 of November 27, 2019 on sustainability-related disclosures in the financial services sector), the sub-fund does not promote environmental and/or social characteristics nor has a sustainable investment as its objective.

For the purpose of the "taxonomy" regulation (regulation EU 2020/852 of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending the EU regulation 2019/2088), the investments underlying the sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

