

# Key Investor Information



This document provides key information for investors in this Sub-fund. It is not marketing material. The information it contains is required by law to help you understand the features of the Sub-fund along with the risks and other related information, should you decide to invest. You are advised to read it so that you can make an informed decision about whether to invest.

## AZ Alternative - Capital Enhanced (the “Sub-fund”) is a sub-fund of AZ Fund 1 (the “Fund”)

B-AZ FUND (ACC) class - ISIN LU0677534298

B-AZ FUND (DIS) class - ISIN LU2081248382

The Fund is managed by Azimut Investments S.A. (the **Management Company**).

## OBJECTIVES AND INVESTMENT POLICY

### Objectives

The Sub-fund’s investment objective is capital growth over the medium and long term.

### Investment policy

The Sub-fund is actively managed and seeks to achieve its investment objective by using systematic options strategies with indicative maturities of 12 months.

The Sub-fund invests in long and/or short positions on equity options, primarily in the markets of developed countries. The Sub-fund may also invest in long and/or short positions on equity futures.

The Sub-fund may also invest between 50% and 100% of its net assets in debt securities and money market instruments issued by governments in developed countries, and up to 30% of its net assets in debt securities issued by companies in developed countries.

The Sub-fund may also invest up to 30% of its assets in sub-investment grade debt securities.

The Sub-fund aims to maintain an overall ESG (Environmental, Social and Governance) rating of at least BBB for its portfolio, calculated on the basis of ESG ratings awarded by MSCI ESG Research to each of the securities it holds. More information on the Sub-fund’s ESG strategy is available in the Prospectus.

The Sub-fund uses the main financial derivatives for investment purposes and/or to hedge against risks. Leverage calculated based on the sum of notionals method: maximum 600%.

The Sub-fund is actively managed and is not managed in relation to a benchmark index. For the purpose of calculating the performance fee, the following benchmark is used: Bloomberg Euro Treasury Bills 0-3 Months Index + 0.5%.

### Specific information on units

You may request the sale of your units on a daily basis, except in certain circumstances (see the prospectus).

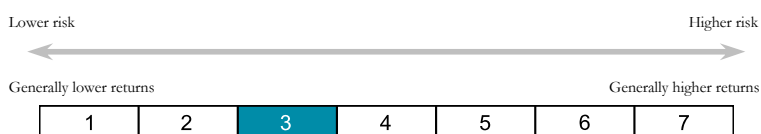
The Sub-fund will distribute potential dividends to unitholders of the B-AZ FUND (DIS) class and reinvest potential dividends for unitholders of the B-AZ FUND (ACC) class.

Recommendation: this Sub-fund may not be appropriate for investors who plan to withdraw their money within five years.

### Definitions

**Actively managed Sub-fund:** a Sub-fund for which the manager has the flexibility to select the securities that make up the portfolio, in line with the objectives and investment policy laid out.

## RISK AND REWARD PROFILE



### Definition of the risk and reward indicator

The aim of the risk indicator is to provide you with an evaluation of changes in unit prices. Risk category 3 means that the unit price fluctuates moderately. As a result, the risk of loss and the expected return may also be moderate. However, even the lowest category does not mean that the investment is “risk free”.

Historical data may not provide reliable information about the future. The displayed risk indicator is not guaranteed and is likely to change over time. There is no capital guarantee and the value of the Sub-fund is not protected.

### Reason why the Sub-fund is classified in this risk category

This Sub-fund’s risk level primarily reflects the investment positions in bonds and derivative instruments on equities depending on market volatility within the predefined margin.

### Particular risks for the Sub-fund not included in the indicator:

**Risk associated with derivatives:** some derivatives may be subject to unexpected movements or expose the Sub-fund to losses significantly greater than the cost of the derivative.

**Management risk:** portfolio management techniques that have generated good results under normal market conditions may prove ineffective or detrimental under abnormal conditions.

**Risk associated with the “long/short” strategy:** this risk is linked to long and/or short positions designed to adjust the net exposure to the market. The Fund may incur significant losses if its long and short positions simultaneously experience unfavourable trends in opposite directions.

**Risks associated with investment policies that take an ESG (Environmental, Social and Governance criteria) approach:** the use of ESG criteria can affect the performance of a Sub-fund, which may, therefore, differ from that of other Sub-funds with similar investment policies but which do not take ESG criteria into account.

Other investment risks are specified in the risks section of the prospectus.

## CHARGES

The charges you pay are used to cover the costs of running the Sub-fund, including marketing and distribution costs. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest:	
Entry charge	None
Exit charge	None
The percentage indicated is the maximum that may be taken out of your capital before it is invested and/or before the proceeds of your investment are paid out. Please contact your financial advisor or distributor for the actual charges.	
Charges deducted from the Sub-fund over a year:	
Ongoing charges	0.86%
Charges deducted from the Sub-fund under specific conditions:	
Performance fee	<p>The management fee is increased or reduced on a straight-line basis by a variable management fee, up to a maximum of 20% of the amount of the management fee, based on the difference between the performance of the class and the performance of the Bloomberg Euro Treasury Bills 0-3 Months Index + 0.5% benchmark over the same performance period (so-called “fulcrum” variable management fee).</p> <p>The actual amount of fees charged to the Sub-fund during the last financial year was 0.53%. This amount was calculated using a calculation method that is no longer in force. Since 01/04/2022, a “fulcrum fee model” has been applied.</p> <p><b>In some cases, a performance fee may be levied even when the performance of the Sub-fund is negative.</b></p>

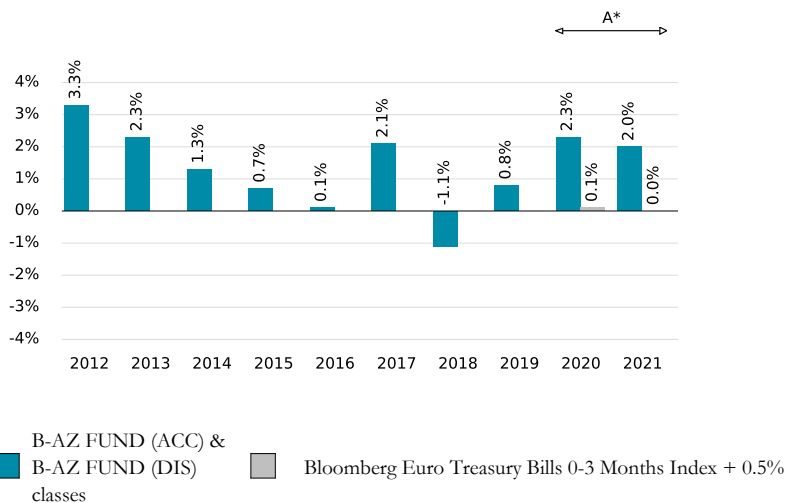
The amount of ongoing charges indicated is an estimate because there has been a change in the charges. This amount may change from year to year.

Ongoing charges do not take into account the following:

- performance fees and
- costs of portfolio transactions, unless the Sub-fund pays entry or exit charges when it buys or sells units in another undertaking for collective investment.

To find out more about the charges, please refer to the prospectus available at [www.azimutinvestments.com](http://www.azimutinvestments.com).

## PAST PERFORMANCE



- The graph shown is not a reliable indication of future performance.
- The annual performance is calculated after deducting the fees charged to the Sub-fund.
- The Sub-fund was created in 2011.
- The B-AZ FUND (ACC) class was launched in 2011.
- The B-AZ FUND (DIS) class will be launched at a later date.
- Past performance is calculated in EUR.
- The performance of the Sub-fund is not linked to that of the benchmark index. The latter is intended to be used to calculate the performance fee (fulcrum).

A\*: The investment policy of the Sub-fund changed on 1 January 2020. The performances before this date were achieved under circumstances that are no longer applicable.

B\*: Since 01/04/2022, a “fulcrum fee model” has been applied. Benchmark index up to 01/04/2022: 3M Euribor (EUR003M) + 0.5%.

## PRACTICAL INFORMATION

- **Management Company:** Azimut Investments S.A.
- **Depositary:** BNP Paribas Securities Services, succursale de Luxembourg.
- **Documentation:** additional information on the Sub-fund, including the prospectus, the latest financial statements and unit prices, is available free of charge at [www.azimutinvestments.com](http://www.azimutinvestments.com) or from the Management Company’s registered office: Azimut Investments S.A., 2A Rue Eugène Ruppert, L-2453 Luxembourg, Luxembourg.
- **Remuneration policy:** details of the remuneration policy are available on the Management Company’s website at [www.azimutinvestments.com](http://www.azimutinvestments.com). This policy includes, in particular, a description (i) of the calculation of remuneration and allowances paid to staff and (ii) details of the persons responsible for their allocation. A paper version of the remuneration policy statement is available free of charge upon request.
- **Taxation:** your tax system could have an impact on your investment, depending on your citizenship, place of residence or nationality. For further information, please consult your financial advisor before investing.
- **Responsibility:** the Management Company may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus.
- **Separation of Sub-funds:** the Fund offers several Sub-funds whose assets and liabilities are legally separate. The prospectus and financial statements are established for the entire Fund.
- **Exchanging units:** any unitholder may request that all or part of their units in a Sub-fund are converted into units of the same class in another Sub-fund, unless the factsheet of the Sub-fund in the fund’s prospectus expressly excludes this option.