Financial Statements

Santander Alternatives SICAV RAIF
Société d'investissement à capital variable - fonds d'investissement alternatif réservé

Annual Report, including Audited Financial Statements
for the year ended December 31, 2022

6, route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg
R.C.S. number: B232216

Santander Alternatives SICAV RAIF

Annual Report, including Audited Financial Statements

For the year ended December 31, 2022

Contents

Santander Alternatives SICAV RAIF

General Information

Registered office	**Santander Alternatives SICAV RAIF** 6, route de Trèves L-2633 Senningerberg Grand Duchy of Luxembourg
Board of Directors	Carlo Montagna Emilio García de la Sierra Jaime Gómez-Ferrer
Alternative Investment Fund Manager (AIFM):	**Waystone Management Company (Lux) S.A.** 19, rue de Bitbourg, L-1273 Luxembourg Grand Duchy of Luxembourg
Investment Manager	**Santander Asset Management S.A SGIIC** Pº de la Castellana 24 28046 Madrid Spain
Depositary:	**J.P. Morgan SE – Luxembourg Branch** European Bank & Business Centre 6, route de Trèves L-2633 Senningerberg Grand Duchy of Luxembourg
Central Administration Agent, Domiciliary agent, Registrar and Transfer Agent:	**J.P. Morgan SE – Luxembourg Branch** European Bank & Business Centre 6, route de Trèves L-2633 Senningerberg Grand Duchy of Luxembourg
Independent Auditor:	**Deloitte Audit, *Société à responsabilité limitée*** 20 Boulevard de Kockelscheuer L-1821 Luxembourg Grand Duchy of Luxembourg
Legal Adviser as to matters of Luxembourg law:	**Elvinger Hoss Prussen** Société Anonyme 2, Place Winston Churchill L-1340 Luxembourg Grand Duchy of Luxembourg

Investment Manager's report

Santander Private Debt I

The Fund had a positive 2022 and, as a result, the total portfolio investments increased to over 120 individual loans. We have seen a decrease in the activity during the last quarter, however, we remain focused on building the portfolio and we continue to monitor at the underlying loan level and most part of them are in decent shape.

As of December 31st, 2022, we have committed capital to Apera Private Debt II, Cheyne Real Estate Credit Holding VI, HIG Luxembourg Loan Feeder Fund 2020, MGG SF Drawdown Unlevered Fund III (Luxembourg) SCSp and Capital Four Private Debt IV Fund. The first two and the last one managers invest in European countries, as for the third and the four one, they are focused on the US. As consequence, the portfolio's exposure is currently biased towards Europe. Please see below a small summary of the five commitments closed and its activity so far:

1. Cheyne Real Estate Credit Holding VI (Estimated Gross IRR 9.5%-13%). Cheyne is a leading investor in European real estate, with a 10-year track record in real estate debt and equity investing. Managing partner Ravi Stickney leads a team of 32 dedicated professionals fully dedicated to RE debt. They have a sourcing team in UK and Germany and are close to open France. The Fund finances value added real estate deals with the main sponsors in Private Equity Real Estate globally: Lonestar, Brookfield, GS, Oaktree… The strategy is mainly focused on senior debt although the mandate is flexible and can invest in subordinated tranches. Nowadays, Ravi does not need to invest significantly in junior debt as returns from the senior side are more than enough to reach targets. Historically Cheyne has not suffered any impairment in senior debt loans in the strategy. We believe this is a really good investment opportunity. Before COVID Cheyne underwrote these loans at 7-9% gross IRR while post-COVID is at 9.5-13%. The reason for the widening is explained by lack of competition. Competitors in these deals are US Real Estate debt funds such as Blackstone, KKR, TPG, KKR or Apollo. These funds usually employ several layers of leverage. Therefore, and due to the cash needs, that they experienced in their portfolio (add-on, rescue lines, short term credit facilities), they could not continue financing deals in Europe. 100% of the portfolio sourced post-COVID.

   Cheyne Real Estate Credit Holding VI generated 7.4% net IRR, a net TVPI of 1.09x and is invested in 49 transactions, as of December 31st, 2022. Most of the investments are senior loans, 39, except two small mezzanine transaction (c.3% of Cheyne's invested capital) and 6 CMBS transactions (c.3% of invested capital). During the last quarter of 2022, CRECH VI committed £97.4 million to fund 8 new loan commitments across the UK, France, Finland and Spain. As a reminder, we increased our commitment in Cheyne in 2021 year-end, totaling €18 million. Cheyne has a very diversified portfolio in terms of sectors: hotel, residential, co-living, multi-family, office, student accommodation, assisted living and healthcare. Also, it is important to highlight that Cheyne is building the book quickly and they have already drawn 85% of our commitment. The pipeline and the opportunity set remain strong for the strategy so far.

2. Apera Capital Private Debt Fund II (Estimated Gross IRR 10%). Apera is a European direct lending fund with special focus in the lower mid-market (average EBITDA €10 million). The Firm employs a local approach to invest and they only lend in the regions where they have local offices (UK, Germany and France). Total of 11 Investment professionals they focused on sponsor backed deals. The target is to raise €800M and they will hard close the fund at €1Billion. Fund I is 97% senior and the II will be similar. Leverage is moderate among his deals with net debt EBITDA between 3.5x y 4.5x, with an Equity participation of 55% and Apera is the sole lender in the majority of the deals. Apera loans have a cash coupon of 8.5% with 3-3.5% in upfront fees plus non-call provisions. More of 90% of the portfolio sourced post-COVID. Individually Apera Private Debt II generated a Net IRR of 7.5% and net TVPI of 1.07x as of December 31, 2022. Apera's portfolio is invested in 43 loans, having exited five transactions. Apera practically has the book completed, having already drawn more than 99% of the Funds total commitments. The Fund had its final close with total commitments of €967.7 million at the end of the last quarter 2022.

On a weighted average basis, the 43 loans included in Apera Private Debt II show a weighted average EBITDA of €10.2 million, a net leverage of 3.3x and a weighted average Loan to Enterprise Value ratio (“LTV”) of 38% at investment. The return characteristics of the portfolio remained strong, with a total contractual yield of 7.8% per annum (excluding fees) and a cash yield of 7.2%. The average up-front fees of the portfolio investments amount to 3.0%. During the last quarter of the year, the Fund invested a total of €78.5 million with 2 new investments and 5 follow on investments, resulting the Fund´s cumulative invested capital in €961 million. The fund was fully invested by end of 2022. As the investment period for Apera will continue until July 2025, we expect that the fund will achieve a strong money multiple. As a reminder, Apera is our biggest investment in the portfolio in terms of size.

3. HIG Luxembourg Loan Feeder Fund 2020 (Estimated Gross IRR 8-9%): US direct lending fund with special focus in the lower midmarket (EBITDA S10-30 million). The Firm employs a local approach to invest and they only lend in the regions where they have local 4 offices (13 offices across the US). The firm was founded in 1993 and it is mainly owned by its two co-founders. Total of 380 Investment professionals and they focused both in sponsor and non-sponsor backed deals (historically 80% of the deals are sponsor backed). 100% of the portfolio has been sourced post-Covid. +90% senior – first lien. Leverage is moderate among the deals with net debt EBITDA at 2x-3x, with an Equity participation of 60%-70% and they always syndicate part of the transaction. Finally, these loans have a coupon of 7%-9% with 3% in up-front fees.

   HIG Luxembourg Loan Feeder Fund 2020 generated 6.2% net IRR, a net TVPI of 1.04x and is invested in 28 positions. During the last quarter, 12 transactions were closed as of December 31st , 2022. The Fund’s final close was in June 2021. Fund deployment is being slower than expected. They have so far invested 43% of LP commitments. Although deployment is poor, returns are in line with expectations. As a result of the lender favorable market conditions, the Fund is taking advantage to book a diverse mix of high yielding sponsor deals along with the normal non-sponsor deals. The non-sponsor market is stable with terms and pricing. Since there are few direct lenders actively originating in this space, the non-sponsor market never got overheated like the sponsor market, and so even in this market correction, non-sponsor deals are structured with leverage of 4.0x or lower and pricing of S+650 and above.

4. MGG SF Drawdown Unlevered Fund III (Luxembourg) SCSp (Estimated Gross IRR 12-15%). MGG is a Private Credit Firm that is born from the hand of Kevin Griffin, a leading private lending investor with more than 20 years middle market experience and a strong record of success across cycles. They describe themselves as a Direct Lending/Special Situations specialist with differentiated sourcing and focus, not aiming primarily at sponsors, focusing on complex and special situations that requires expertise, with capacity to evaluate roughly 1.000 opportunities per year. MGG targets deeply undeserved and less competitive middle to lower mid-market, taking advantages on market corrections as attractive secondary opportunities usually arise. They lean on a conservative underwriting and risk management approach, supported by deep-dive fundamental analysis and PE-style diligence to build a consistent income-generating portfolio insulated from liquid markets with covenants and thoughtful structures designed to protect principal at all cost.

   MGG SF Drawdown Unlevered Fund III (Luxembourg) SCSp generated an 7.09% net IRR, a net TVPI of 1.04x and is invested in 13 positions as of December 31st, 2022. Fund deployment is being better than expected and they have already deployed 57% of the assets. The investment activity continued and as of today, the Fund is invested in more than 120 loans. This strong diversification is beyond expected from a single Private Debt Manager. We would like to remind investors that as there is generally no upside in Private Debt, diversification should play a significant role.

5. Capital Four Private Debt IV Fund (Estimated Gross IRR 12%). Capital Four Management Fondsmæglerselskab A/S was founded in 2007. Prior to founding Capital Four, the team worked together at Nordea Asset Management managing European High Yield since 2001. Today, Capital Four is the largest independent leveraged finance manager in Europe. Portfolio management and investment process have been the same since the inception of the first investment strategy in 2001 and manage more than €14B. They have a dedicated platform of 5 people fully dedicated to sourcing and analyzing private credit deals. They leverage on their HY and levered loans platform where they work with sponsors and have plenty of resources. Regarding the fund is mainly targeting Nordic and Northern European Countries, taking advantage of the credit friendly environment of the Nordic jurisdictions (in terms of flexibility) and macro environment (low debt to GDP, low defaults, high

recoveries and low restructuring cost). Additionally, they have an important competitive advantage due to the fact that the majority of Nordic private equity deals are focusing on LBOs in the small cap segment and sponsors are solely based in the Nordics, which highlights the importance of having a local presence and this niche is overlooked by the largest direct lending funds that mostly source larger deals and have limited access to the smaller and local private equity sponsors.

Capital Four Private Debt IV Fund is the fifth investment in the fund, having entered the portfolio in 3Q22. The fund invests around 50% of the portfolio in mezzanine debt from mainly sponsored companies in the Nordic region. It targets Euribor + 12% p.a. gross IRR and 1.4x 3-year gross MOIC. The fund generated a 0.69% net IRR, a net TVPI of 1.01x and is invested in 10 positions as of December 31st, 2022. It is still open to new commitments and currently accounts with €346 million. The IRR of the fund has been impacted by a mark down in Artificial Solutions due to the deterioration in credit quality. However, the IRR is expected to recover quickly during 2023. Deal flow picked up towards the end of Q4, having already invested 71%, despite noticeable slowdown in M&A activity during last part of the year. Add-on and re-financings remained the main driver, reflecting the current focus of sponsors on consolidating their portfolio companies.

Trade Finance Real Economy Fund I

Trade Finance Real Economy Fund I has proved during 2022 to be a flexible, stable and uncorrelated product. The portfolio has performed as expected, attracting investors and delivering value.

The fund seeks to generate stable and uncorrelated returns by investing in EUR-denominated Receivables Finance, Supply Chain Finance programmes and other Trade Finance products with a maturity of typically less than ninety days. Exposure to the underlying programmes is acquired from top tier global Trade Finance institutions, where such programmes have been originated with Investment Grade relationship counterparties or insured.

The NAV remained stable just below 100%, until mid-November. During November, the portfolio started to deliver positive value in its weighted average reference rate (interpolated Euribor of the underlying instruments). This was consequence of the raise of interest rates by the ECB since August. From that moment, the Fund started to deliver positive returns to its investors every week. This positive returns were subsequently increased by further increases in the interest rates by the ECB during 2022. The portfolio managers expect the return to keep increasing if further i.r. increases are applied.

• AUMs as of 31-12-2022 were EUR 133.04 M

• The expected positive NAV returns are pegged to the index and the performance of the underlying assets. The performance of the assets is shown in the Note’s NAV, this does not incorporate the fund´s costs.

• Interest payments corresponding to the underlying assets are collected monthly.

The assets within the fund continued to have a short-dated tenor with a weighted average tenor of 65 days as of EO2022, well within the target: less than 90 days and maximum of 180 days. Notwithstanding the above, investors must be aware that incoming liquidity may be subject to payment delays, attributable to payment cycles or processes of the underlying obligors.

The sectorial diversification ended 2022 weighted towards consumer electronics and tech services; although the Fund keeps diversifying in sectors with the addition of new programs, as AuMs increase. The Fund keeps a cash reserve of c. 10% to be able to absorb potential liquidity needs in a certain week; thus providing an additional layer of stability to investors. Russian assets and assets coming from countries bordering with Russia are not accepted in the Fund; due to the risk of armed conflict.

On the macro view, the ECB, in a historical decision to fight inflation, raised interest rates 4 times during 2022, raising them +50bps (July), +75bps (September), +75bps (November) and +50bps (December). Furthermore, it has already raised the interest rates another 3 times during 2023, setting the deposit facility in 3.25% (+50 bps in February, +50 bps in March and +25 bps in May). It is expected that the ECB keeps raising interest rates for an additional +50bps between two consecutive hikes, although it will depend on the inflation data within the Eurozone.

Trade Finance Real Economy Fund II

Trade Finance Real Economy Fund II was launched during November 2022, and delivered positive returns to investors from the first month; and kept to do so every week since December up to date. The portfolio delivers stable and uncorrelated returns, despite its recent launch.

The fund seeks to generate stable and uncorrelated returns by investing in USD-denominated Receivables Finance, Supply Chain Finance programmes and other Trade Finance products with a maturity of typically less than ninety days. Exposure to the underlying programmes is acquired from top tier global Trade Finance institutions, where such programmes have been originated with Investment Grade relationship counterparties or insured.

The Fund provided positive returns for its investors every month since it was launched. The portfolio managers expect the net returns to keep increasing if further i.r. increases are applied by the FED.

• AUMs as of 31-12-2022 were USD 24.2 M

• The expected positive NAV returns are pegged to the index and the performance of the underlying assets. The performance of the assets is shown in the Note's NAV, this does not incorporate the fund´s costs.

• Interest payments corresponding to the underlying assets are collected monthly.

The assets within the fund ended 2022 with a short-dated tenor with a weighted average tenor of 126 days, below the maximum target of 180 days. This value is expected to keep lowering as the J-curve progresses and launching phase finishes (average tenor is already 25 days as of mid-May). Notwithstanding the above, investors must be aware that incoming liquidity may be subject to payment delays, attributable to payment cycles or processes of the underlying obligors.

Sectorial diversification ended 2022 distributed between metals, agriculture and soft commodities. The portfolio managers expect the portfolio to diversify as AuMs increase and new programmes are included. The Fund keeps a cash reserve of c. 10% to be able to absorb potential liquidity needs in a certain week; thus providing an additional layer of stability to investors. Russian assets and assets coming from countries bordering with Russia are not accepted in the Fund; due to the risk of armed conflict.

On the macro view, the FED, in a historical decision to fight inflation, raised interest rates 7 times during 2022, raising them +25bps (March), +50bps (May), +75bps (June), +75bps (July) , +75bps (September) , +75bps (November) and +50bps (December). Furthermore, it has already raised the interest rates another 3 times during 2023: +25 bps in January, +25 bps in March and +25 bps in May). This represented a very relevant change, from a 0.25%-0.5% range to a 5-5.25% range, in little more than 1 year. The markets are currently reactive to the inflationary data; as the FED will take its next decision (remain stable, or keep increasing i.r.) based on the results.

Deloitte Audit
Société à responsabilité limitée
20 Boulevard de Kockelscheuer
L-1821 Luxembourg

Tel: +352 451 451
www.deloitte.lu

To the Shareholders of
Santander Alternatives SICAV RAIF
6, Route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg

REPORT OF THE *REVISEUR D'ENTREPRISES AGREE*

Opinion

We have audited the financial statements of Santander Alternatives SICAV RAIF (the "Fund") and of each of its sub-funds, which comprise the combined statement of net assets as at December 31, 2022 and the combined 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 and of each of its sub-funds as at December 31, 2022, and of the results of its operations and changes in its 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 23 July 2016 on the audit profession (Law of 23 July 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 23 July 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.

Société à responsabilité limitée au capital de 360.000 €
RCS Luxembourg B 67.895
Autorisation d'établissement 10022179

Deloitte.

Other information

The Board of Directors of the Fund 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.

Responsibilities of the Board of Directors of the Fund for the Financial Statements

The Board of Directors of the Fund 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 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 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 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 23 July 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.

Deloitte.

As part of an audit in accordance with the Law dated 23 July 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.
- Conclude on the appropriateness of the Board of Directors of the Fund 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.
- 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

Nicolas Hennebert, *Réviseur d'entreprises agréé*

Partner

June 21, 2023

Santander Alternatives SICAV RAIF

Combined statement of net assets as of December 31, 2022
(In EUR)

	Notes	Santander Alternatives SICAV RAIF - Santander Private Debt I (Sub Fund)	Santander Alternatives SICAV RAIF - Trade Finance Real Economy Fund (Sub Fund)	Santander Alternatives SICAV RAIF - Trade Finance Real Economy Fund II (Sub Fund)	2022 Combined Umbrella	2021 Combined Umbrella
Investments at cost		65,812,547	121,228,183	22,487,702	209,528,432	70,823,917
Unrealized gain / (loss) on investments		848,182	199,296	68,930	1,116,408	1,046,847
Total investments at fair value	**3**	**66,660,729**	**121,427,479**	**22,556,632**	**210,644,840**	**71,870,764**
Cash and cash equivalents	**4**	6,174,182	11,615,464	134,007	17,923,653	8,088,306
Accounts receivable		4,379	-	-	4,379	4,862
Formation expenses	**5**	61,646	53,497	198,231	313,374	148,320
Other assets		-	-	-	-	9,959
Total current assets		**6,240,207**	**11,668,961**	**332,238**	**18,241,406**	**8,251,447**
Total assets		**72,900,936**	**133,096,440**	**22,888,870**	**228,886,246**	**80,122,211**
Liabilities						
Due to affiliates		93,493	-	114,165	207,658	103,093
Professional fees payable		35,117	31,277	13,106	79,500	144,077
Administration fees payable		35,325	7,428	3,347	46,100	78,189
Depository fees payable		9,807	16,550	2,384	28,741	26,503
Operational fees payable		174,422	24,775	6,962	206,159	115,931
Other liabilities		76,118	31,078	7,733	114,929	5,104
Total liabilities		**424,282**	**111,108**	**147,697**	**683,087**	**472,897**

The accompanying notes form an integral part of the financial statements

Santander Alternatives SICAV RAIF

Combined statement of net assets as of December 31, 2022
(In EUR)

	Santander Alternatives SICAV RAIF - Santander Private Debt I (Sub Fund)	Santander Alternatives SICAV RAIF - Trade Finance Real Economy Fund (Sub Fund)	Santander Alternatives SICAV RAIF - Trade Finance Real Economy Fund II (Sub Fund)	2022 Combined Umbrella	2021 Combined Umbrella
Total net assets as at December 31, 2022	**72,476,654**	**132,985,332**	**22,741,173**	**228,203,159**	**79,649,314**
Number of shares in issue as at December 31, 2021	268,676	52,053	-	-	320,729
Number of shares in issue as at December 31, 2022	**696,117**	**133,018**	**22,675**	**851,810**	**-**
Net asset value per share as at December 31, 2021	103.3	996.97	-	-	-
Net asset value per share as at December 31, 2022	**104.11**	**999.75**	**939.71**	**-**	**-**

The accompanying notes form an integral part of the financial statements

Santander Alternatives SICAV RAIF

Santander Asset Management

Combined statement of operations and changes in net assets
(In EUR)

	Notes	Santander Alternatives SICAV RAIF – Santander Private Debt I (Sub Fund)	Santander Alternatives SICAV RAIF - Trade Finance Real Economy Fund (Sub Fund)	Santander Alternatives SICAV RAIF - Trade Finance Real Economy Fund II (Sub Fund)	**For the year ended 31-Dec-22** Combined Umbrella	**For the year ended 31-Dec-21** Combined Umbrella
Income						
Investment income	**6**	1,966,733	513,997	34,116	2,514,846	407,688
Total income		**1,966,733**	**513,997**	**34,116**	**2,514,846**	**407,688**
Expenses						
Professional fees		55,296	11,745	-	67,041	79,914
Director fees		17,200	75,057	2,480	94,737	15,625
Fund administration fees		169,708	27,815	3,347	200,870	182,114
Depository fees		20,567	4,809	2,576	27,952	20,366
Other expenses		20,502	87,743	17,819	126,064	134,337
Operational fees	**7**	264,530	189,345	6,962	460,837	175,913
Formation expenses		20,479	22,507	3,441	46,427	33,447
Tax expenses		4,883	6,708	348	11,939	8,492
Total expenses		**573,165**	**425,728**	**36,972**	**1,035,867**	**650,208**

The accompanying notes form an integral part of the financial statements

Santander Alternatives SICAV RAIF

Combined statement of operations and changes in net assets
(In EUR)

	Notes	Santander Alternatives SICAV RAIF – Santander Private Debt I (Sub Fund)	Santander Alternatives SICAV RAIF - Trade Finance Real Economy Fund (Sub Fund)	Santander Alternatives SICAV RAIF - Trade Finance Real Economy Fund II (Sub Fund)	**For the year ended 31-Dec-22** Combined Umbrella	**For the year ended 31-Dec-21** Combined Umbrella
Unrealized FX gain/(loss)		88,341	-	-	88,341	(73,237)
Net realized gain/(loss) on Sale of investments		-	27,964	-	27,964	(3,176)
Net change in unrealized appreciation / (depreciation) on Investment	3	(202,654)	203,285	68,930	69,561	1,046,847
Result of operations for the period		**1,279,255**	**319,517**	**66,073**	**1,664,845**	**727,914**
Net proceeds from subscriptions/redemptions	8	44,083,500	80,770,400	22,675,100	147,529,000	66,897,500
Net assets as at the end of the previous financial year-end		27,753,899	51,895,415	-	79,649,314	12,040,000
Distribution of dividend		(640,000)	-	-	(640,000)	(16,100)
Net assets as at December 31, 2022		**72,476,654**	**132,985,332**	**22,741,173**	**228,203,159**	**79,649,314**

The accompanying notes form an integral part of the financial statements

1. General Information

The Fund, Santander Alternatives SICAV RAIF, is an open-ended investment company organised as a public limited company under the laws of the Grand Duchy of Luxembourg and qualifies as a reserved alternative investment fund ("RAIF") within the meaning of the Law of July 23, 2016. The Fund is an umbrella fund and as such operates separate sub-funds (each, a Sub-Fund), each of which is represented by one or more classes of Shares (each, a Class). The Fund is subject to the law of July 23, 2016 on reserved alternative investment funds, as amended from time to time.

As per the minimum capital requirements of Luxembourg company law, the Fund's initial capital on incorporation on February 14, 2019 was EUR 30,000 represented by 300 shares of on par value as initial capital, which was wholly subscribed by the SAM Investment Holdings Limited. The minimum capital of the Fund, as prescribed by the Law, is of Euro 1,250,000 (or its equivalent in another currency) and must be reached within a period of 12 months following the incorporation of the RAIF. Funds initial capital and minimum capital had been returned back on May 05, 2021.

The investment objective of the Fund (and the primary objective of each Sub-Fund) is to produce returns by investing the funds available to it in securities of any kind and other permitted assets with the purpose of spreading investments risks and affording the Shareholders the results of the management of its portfolio.

The Fund was incorporated on February 14, 2019 for an unlimited period. The Fiscal Year of the Fund starts on January 1 and ends on December 31 in each year.

The Financial statements are drawn up in EUR in accordance with generally accepted accounting principles in Luxembourg according to the requirements of the AIFM Rules and the Law. An annual report (including audited financial statements for the Fund drawn up in EUR in accordance with generally accepted accounting principles in Luxembourg) in respect of each financial year, drawn up according to the requirements of the AIFM Rules and the Law, will be made available to Shareholders at no direct cost to them at the registered office of the Fund within six months from the end of the financial year to which they relate. The reference currency of the Fund is the EUR and all the financial statements of the Fund will be presented in EUR. The word "Company" or "Fund" used in the financial statements are one and same.

As at December 31, 2022, the fund has 3 active sub funds:

1. Santander Alternatives SICAV RAIF – Santander Private Debt I (Launch December 24, 2020). Denominated in EUR.
2. Santander Alternatives SICAV RAIF - Trade Finance Real Economy Fund (Launch May 31, 2021). Denominated in EUR.
3. Santander Alternatives SICAV RAIF - Trade Finance Real Economy Fund II (Launch November 04, 2022). Denominated in US Dollars.

2. Summary of significant accounting policies

The financial statements are reported in EUR and have been prepared in accordance with the Luxembourg laws and regulations, including the RAIF law of June 23, 2016. The valuation of the RAIF's assets and liabilities are determined in compliance with the RAIF Law. Accounting policies and valuation rules are, besides the ones laid down by the Accounting Law and the RAIF Law, determined and applied by the Board of Directors.

The preparation of the financial statements in accordance with such principles requires the use of estimates and assumptions that affect the reported amounts and disclosures. The Board of Directors believes that the underlying assumptions are appropriate and that the financial statements therefore present the financial position and results of the Company fairly. The Company meets its working capital requirements through capital calls based on the level of commitments of each investor.

The value of the assets is determined as follows:

Investment Valuation

- Level 1 - inputs reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date.
- Level 1 investments held by the Fund typically consist of public stock positions distributed from partnership investments. Management does not adjust the quoted price for such instruments, even in situations where the Fund holds a large position and a sale could reasonably impact the quoted price.
- Level 2 - inputs include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active.

2. Summary of significant accounting policies (continued)

- Level 2 investments held by the Fund typically consist of public stock positions distributed from partnership investments, which are subject to sales restrictions, or the valuation is adjusted to reflect illiquidity and/or non-transferability.
- Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.
- Level 3 investments held by the Fund typically consist of other investments that are not measured at net asset value.
- In the Sub-Fund Santander Alternatives SICAV RAIF – Santander Private Debt I -, the fair value of investments in underlying partnerships is based on the unaudited net assets value as determined by the respective administrators of such underlying partnerships. The fair value of investments in 5 underlying partnerships had been taken as per the estimate given by underlying administrators since final valuations of the 5 underlying are not available while releasing the Sub fund financials.

  The Board of Directors of the Fund has compared the estimate with final valuations received and the Board decided that there is no material deviation between estimate valuation and final valuations.
- For the Sub-Fund Santander Alternatives SICAV RAIF – Trade Finance Real Economy Fund, the fair value of investments are calculated at market value as of December 31, 2022, as per approved recent NAV as of December 31, 2022. The basis for this value uses the available price at the valuation point as provided by the AIFM.
- And for the Sub-Fund Santander Alternatives SICAV RAIF – Trade Finance Real Economy Fund II -, the fair value of investments are calculated at market value as on December 31, 2022, as per approved recent NAV as of December 31, 2022. The basis for this value uses the available price at the valuation point as provided by the AIFM.
- The value of other assets will be determined prudently and in good faith by and under the direction of the Board of Directors in accordance with generally accepted valuation principles and procedures.
- Other fair valuation methods may be used on a consistent basis if the Board of Directors considers that another method better reflects the value of the assets if circumstances and market conditions so warrant and provided that such other methods aim at a valuation of the assets on the basis of the fair value estimated in good faith.
- The value of assets and liabilities not expressed in EUR will be converted into EUR at rates last quoted by any major bank. If such quotations are not available, the rate of exchange will be determined in good faith by the Board of Directors in accordance with the provisions of the amended Law of June 10, 1915 on commercial companies.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The preparation of financial statements in conformity with Luxembourg laws requires the use of certain critical accounting estimates. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The Board of Directors believes that the underlying assumptions are appropriate and that the Fund's financial statements therefore present the financial position and results fairly. The financial statements have been prepared on a going concern basis which assumes that the Fund will continue in operational existence for the foreseeable future. The Board of Directors have given a written undertaking by way of Partner Capital Commitments to provide financial support to enable the Fund to meet its liabilities as and when they fall due over the life of the Fund. The Board of Directors therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.

(a) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(b) Payables and accrued expenses

Payables and accrued expenses are recognised initially at fair value and subsequently stated at amortised cost. The difference between the proceeds/fair value and the amount payable is recognised over the period of the payable using the effective interest rate method.

(c) Income and Expense Recognition

Interest income, discounts and premiums are accreted or amortised based on the effective interest method when cash collection is expected. Interest income received which has not been previously accreted is recognised on effective date received. Dividend income is recognised when the right to receive payment is established. The Fund bears its own operational and administrative expenses, and such expenses are recorded on an accrual basis.

2. Summary of significant accounting policies (continued)

(d) Transaction costs

Transaction costs are legal and professional fees incurred to structure a deal to acquire the Fund's investments designated as financial assets at fair value through profit or loss. They include the upfront fees and commissions paid to agents, advisers, brokers and dealers and due diligence fees. Transactions costs, when incurred, are immediately recognised in the Statement of Comprehensive Income as an expense.

(e) Legal and professional expenses

Legal and professional expenses are costs incurred on a regular basis for fees paid for regulatory bodies and fees paid to agents for carrying out the duties on behalf of the Fund for regulatory and compliance purpose. These costs are immediately recognised in profit or loss.

Foreign currency translation

(f) Functional and Presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Euro ("€"), which is the Fund's functional currency for two Sub Funds Santander Alternatives SICAV RAIF – Santander Private Debt I and Santander Alternatives SICAV RAIF – Trade Finance Real Economy Fund. The functional currency of the Sub-Fund Santander Alternatives SICAV RAIF – Trade Finance II is USD which is converted to EUR using foreign exchange rate as on December 31, 2022.

(g) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation a year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss for the year.

3. Investment schedule

Investments – at fair value: Santander Alternatives SICAV RAIF – Santander Private Debt I 2022	Fair value b/f	Additions / (returns)	Unrealized gain/(loss)	Fair value c/f
	EUR	EUR	EUR	EUR
Apera Private Debt Fund II SCSP	10,204,243	9,220,177	(24,005)	19,400,415
Cheyne Real Estate Credit Holdings VI	10,185,697	5,508,000	237,553	15,931,250
HIG Whitehorse Luxembourg Loan Feeder Fund - 2020 SCSP	1,826,416	4,169,017	(267,736)	5,729,697
MGG SF Drawdown Unlevered Fund III (Luxembourg) SCSP	-	10,380,015	(52,217)	10,327,798
Capital Four – Private Debt IV Fund	-	15,369,817	(98,248)	15,271,569
Total	**22,216,356**	**44,647,027**	**(202,654)**	**66,660,729**

Investments – at cost: Santander Alternatives SICAV RAIF – Santander Private Debt I 2022	Total cost b/f	Additions / adjustments	Returns from investments	Total cost c/f
	EUR	EUR	EUR	EUR
Apera Private Debt Fund II SCSP	9,548,581	9,220,177	-	18,768,758
Cheyne Real Estate Credit Holdings VI	9,900,000	5,508,000	-	15,408,000
HIG Whitehorse Luxembourg Loan Feeder Fund - 2020 SCSP	1,716,939	4,169,017	-	5,885,957
MGG SF Drawdown Unlevered Fund III (Luxembourg) SCSP	-	10,380,015	-	10,380,015
Capital Four – Private Debt IV Fund	-	15,369,817	-	15,369,817
Total	**21,165,520**	**44,647,027**	**-**	**65,812,547**

3. Investment schedule (continued)

Investments – Contributed: Santander Alternatives SICAV RAIF – Santander Private Debt I 2022	Deal Currency	Commitments Local	Unfunded Commitment Local	Contributed Commitment Local
Apera Private Debt Fund II SCSP	EUR	22,000,000	4,513,576	17,486,424
Cheyne Real Estate Credit Holdings VI	EUR	18,000,000	2,592,000	15,408,000
HIG Whitehorse Luxembourg Loan Feeder Fund - 2020 SCSP	USD	20,000,000	13,750,172	6,249,828
MGG SF Drawdown Unlevered Fund III (Luxembourg) SCSP	USD	20,000,000	9,370,315	10,629,685
Capital Four – Private Debt IV Fund	EUR	20,000,000	4,822,883	15,177,117

Investments – at fair value: Santander Alternatives SICAV RAIF - Trade Finance Real Economy Fund 2022	Fair value b/f EUR	Additions / (returns) EUR	Unrealized gain/(loss) EUR	Fair value c/f EUR
Series Real Economy 1 0% 31/12/2049	-	1,437,147	306	1,437,453
Series Real Economy 10 0% 31/12/2049	-	8,000,000	14,022	8,014,022
Series Real Economy 101 0% 31/12/2049	-	22,772,986	54,098	22,827,084
Series Real Economy 11 0% 31/12/2049	-	7,600,000	458	7,600,458
Series Real Economy 2 0% 31/12/2049	-	3,226,919	2,927	3,229,846
Series Real Economy 4 0% 31/12/2049	-	34,153,039	40,487	34,193,526
Series Real Economy 5 0% 31/12/2049	-	27,361,049	34,781	27,395,830
Series Real Economy 7 0% 31/12/2049	-	6,677,043	6,417	6,683,460
Series Real Economy 9 0% 31/12/2049	-	10,000,000	45,800	10,045,800
Total	**-**	**121,228,183**	**199,296**	**121,228,183**

Investments – at cost: Santander Alternatives SICAV RAIF - Trade Finance Real Economy Fund 2022	Total cost b/f EUR	Additions / adjustments EUR	Returns from investments EUR	Total cost c/f EUR
Series Real Economy 1 0% 31/12/2049	-	1,437,147	-	1,437,147
Series Real Economy 10 0% 31/12/2049	-	8,000,000	-	8,000,000
Series Real Economy 101 0% 31/12/2049	-	22,772,986	-	22,772,986
Series Real Economy 11 0% 31/12/2049	-	7,600,000	-	7,600,000
Series Real Economy 2 0% 31/12/2049	-	3,226,919	-	3,226,919
Series Real Economy 4 0% 31/12/2049	-	34,153,039	-	34,153,039
Series Real Economy 5 0% 31/12/2049	-	27,361,049	-	27,361,049
Series Real Economy 7 0% 31/12/2049	-	6,677,043	-	6,677,043
Series Real Economy 9 0% 31/12/2049	-	10,000,000	-	10,000,000
Total	**-**	**121,228,183**	**-**	**121,228,183**

Investments – at fair value: Santander Alternatives SICAV RAIF - Trade Finance Real Economy Fund II 2022	Fair value b/f USD	Additions / (returns) USD	Unrealized gain/(loss) USD	Fair value c/f USD
Series 1 Arcelormittal 0% 30/11/2024	-	10,000,000	43,018	10,043,018
Series 2 Syngenta 0% 30/11/2024	-	8,000,000	21,162	8,021,162
Series 3 Olam 0% 30/11/2024	-	6,000,000	9,386	6,009,386
Total	**-**	**24,000,000**	**73,566**	**24,073,566**

Investments – at cost: Santander Alternatives SICAV RAIF - Trade Finance Real Economy Fund II 2022	Total cost b/f USD	Additions / adjustments USD	Returns from investments USD	Total cost c/f USD
Series 1 Arcelormittal 0% 30/11/2024	-	10,000,000	-	10,000,000
Series 2 Syngenta 0% 30/11/2024	-	8,000,000	-	8,000,000
Series 3 Olam 0% 30/11/2024	-	6,000,000	-	6,000,000
Total	**-**	**24,000,000**	**-**	**24,000,000**

4. Cash and cash equivalent

Cash includes foreign currency of USD 143,019 which has been converted to EUR by using FX rate of 0.93699 prevailing as on December 31, 2022.

5. Formation Expenses

In the Sub-Fund Santander Alternatives SICAV RAIF – Santander Private Debt I, formation expenses are recognized as below:

All costs and expenses incurred in connection with the establishment, organization and incorporation of the Fund and the first Sub-Fund, including any costs and expenses incurred in connection with the preparation of Offering Document (including fees, costs and expenses of legal and tax advisers), any subscription materials and any other agreements or documents relating to the establishment and offering of Shares, shall be borne by the Fund. The Board of Directors had decided to amortize over the first five years after the 1st capital call was made.

In the Sub-Fund Santander Alternatives SICAV RAIF – Trade Finance Real Economy Fund, formation expenses are recognized as below:

Expenses incurred in connection with the creation of any additional Sub-Fund will be borne by the relevant Sub-Fund and will be written off over a period of five (5) years. Hence, the additional Sub-Funds will not bear a pro rata share of the costs and expenses incurred in connection with the creation of the Fund and the initial issue of Shares which have not already been written off at the time of the creation of the new Sub-Funds.

In the Sub-Fund Santander Alternatives SICAV RAIF – Trade Finance Real Economy Fund II, formation expenses are recognized as below:

Expenses incurred in connection with the creation of any additional Sub-Fund will be borne by the relevant Sub-Fund and will be written off over a period of five (5) years. Hence, the additional Sub-Funds will not bear a pro rata share of the costs and expenses incurred in connection with the creation of the Fund and the initial issue of Shares which have not already been written off at the time of the creation of the new Sub-Funds.

6. Investment income

In the Sub-Fund Santander Alternatives SICAV RAIF – Santander Private Debt I, entire investment income is dividend received from underlying investments. These were recognized as and when received.

In the Sub-Fund Santander Alternatives SICAV RAIF – Trade Finance Real Economy Fund, entire Investment income is from Bonds and recognized on receipt basis.

In the Sub-Fund Santander Alternatives SICAV RAIF – Trade Finance Real Economy Fund II, entire Investment income is from Bonds and recognized on receipt basis.

7. Operational fees

In the Sub-Fund Santander Alternatives SICAV RAIF – Santander Private Debt I, the AIFM is entitled to receive out of the assets of the Sub-Fund a fee in accordance with the provisions of section 9.1 of the general part of the Offering Document, an Operational Fee calculated quarterly on the total invested capital and shall be paid quarterly in arrears.

Operational fees incurred for year ended 2022 is EUR 264,530. Operational fees due as on December 31, 2022 were EUR 174,422.

In the Sub-Fund Santander Alternatives SICAV RAIF – Trade Finance Real Economy, the Operational Fee is calculated quarterly on the Net Asset Value.

Operational fees incurred for year ended 2022 is EUR 189,345. Operational fees due as on December 31, 2022 were EUR 24,775.

In the Sub-Fund Santander Alternatives SICAV RAIF – Trade Finance Real Economy Fund II, the Operational Fee is calculated quarterly on the Net Asset Value.

Operational fees incurred for year ended 2022 is EUR 6,962. Operational fees due as on December 31, 2022 were EUR 6,962.

8. Subscription & Capital contributions/Redemptions & Distributions

The Sub-Fund Santander Alternatives SICAV RAIF – Santander Private Debt I, has thirty-nine investors with a total commitment of EUR 114,550,000.

In 2022, the Sub-Fund Santander Alternatives SICAV RAIF – Santander Private Debt I made 6 capital calls from investors for EUR 44,083,500.

Total Commitment EUR	Opening Capital balance EUR	Capital Contributions EUR	Income Distributions EUR	Change in net assets attributable to partners EUR	Closing Capital balance EUR	Unfunded Commitment EUR
114,550,000	27,753,899	44,083,500	640,000	1,279,255	72,476,654	43,529,000

The Sub-Fund Santander Alternatives SICAV RAIF – Trade Finance Real Economy Fund during the year 2022 had made a subscription of EUR 80,770,400.

The Sub-Fund Santander Alternatives SICAV RAIF – Trade Finance Real Economy Fund II during the year 2022 had made a subscription of EUR 22,675,100.

9. Events during the year

The Sub-Fund Santander Alternatives SICAV RAIF – Trade Finance Real Economy Fund II was launched on November 04, 2022.

10. Subsequent events

The Sub-Fund Santander Alternatives SICAV RAIF – Santander Private Debt I performed capital calls of EUR 5,727,500 on April 28, 2023.

1. Risk management:

All risks relevant to the portfolio of the AIF (and its sub-funds as the case may be) derived from assets and financial instruments held or invested into are appropriately identified according to market standard practices, in accordance to the risk management process and risk management policy of the AIFM. The AIFM has put in place different risk managements systems to, in an appropriate manner, depending on the asset classes identified by the AIFM, measure and monitor the different risks to which the AIF and its sub-funds may be exposed to, and as part of the risk management practices, regular reporting is prepared illustrating key risk metrics, in line with methodologies which are appropriate for the type of investments the AIF and its sub-funds may be exposed to. Furthermore, stress tests are performed and regular investment compliance checks are conducted with regards to the legal investment restrictions as well as any relevant restrictions of the offering documents. All key risk and potential issues are reported to the board of the AIF.

In accordance with the AIFM Regulation leverage is any method which increases the Fund's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a percentage of a Fund's exposure to its net asset value and is calculated on both a gross and commitment method.

Under the gross method, exposure represents the sum of a Fund's positions (including all holdings) after deduction of cash balances and cash equivalents, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and cash equivalents and after certain hedging and netting positions are offset against each other if applicable.

As at 31/12/2022, the total amount of leverage calculated according to the gross method and according to the commitment method amounts to 100% and 100% respectively.

2. Remuneration:

Waystone Management Company (Lux) S.A. has adopted a remuneration policy on the application of the ESMA Guidelines on sound remuneration policies under the UCITS Directive of 14 October 2016 (ESMA/2016/575), ESMA Guidelines on sound remuneration policies under the AIFMD (ESMA/2013/232 as amended by ESMA/2016/579), and CSSF Circular 18/698 on the Authorization and organization of investment fund managers incorporated under Luxembourg law.

As prescribed by the Sustainable Finance Disclosure Regulation (EU) 2019/2088 adopted by the European Parliament on November 27th, 2019, the company ensures when performing its activities as AIFM/management company that the structure of its remuneration does not encourage excessive risk taking with respect to sustainability risks.

Details of the remuneration policy of the management company, including the persons in charge of determining the fixed and variable remunerations of staff, a description of the key remuneration elements and an overview of how remuneration is determined, is available at https://www.waystone.com/waystone-policies/.

With respect to the financial year ended 31 December 2022 (as of that date, Waystone Management Company (Lux) S.A. had a headcount of 92 employees), the total fixed and variable remuneration paid by Waystone Management Company (Lux) S.A.to its employees amounted to EUR 6,680,489.44 and to EUR 865,637.79 respectively.

The total remuneration paid by the Management Company to senior management and members of its identified staff whose actions have a material impact on the risk profile of the collective investment schemes managed amounted to EUR 3,736,654.76.

The remuneration committee of the management company has reviewed the implementation of the remuneration policy and has not identified any deficiency in that respect. Moreover, the current version of the remuneration policy was updated and approved by the Board of directors in the course of the financial year ended 31 December 2021, the current version being dated February 2021.

The remuneration Policy will be reviewed and approved by the Board of Directors Q2 2023

3. SFDR Disclosure:

Neither the Trade Finance I, Trade Finance II and Private Debt sub-funds ("SAM Managed Funds") have as their objective sustainable investments and none promote environmental or social characteristics for the purposes of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, as amended and supplemented from time to time ("SFDR"). Consequently, each SAM Managed Fund is not subject to the additional disclosure requirements for financial products referred to in Article 8 or Article 9 of the SFDR.

The investments underlying each of the SAM Manager Funds do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, as amended and supplemented from time to time ("Taxonomy").

The Fund understands that the portfolio managers of the SAM Managed Funds do not currently consider the adverse impacts on investment decisions on sustainability factors, primarily due to the current lack of available, meaningful, measurable and reliable data, and the non-applicability of certain indicators to many of the investments made by such sub-funds."