

# Key Information Document

## Purpose

*This document provides you with key information about this investment Product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this Product and to help you compare it with other products.*

## Product

### **LIOR GP - Alpha Fund**

a compartment of LIOR GP

I/A (EUR) ISIN : LU2263804002

**Product Manufacturer : CARNE GLOBAL FUND MANAGERS (Luxembourg) S.A. LEI :635400BTOHABKR89KP60.**

**Website :www.LIOR-GP.com. Phone : +377 92 00 01 86 for more information.**

**CARNE GLOBAL FUND MANAGERS (Luxembourg) S.A. is authorised in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF).**

**LIOR GP is authorised in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF).**

**Production date of the Key Information Document : 07.02.2023**

You are about to purchase a Product that is not simple and may be difficult to understand.

## What is this Product ?

### **Type**

This Product (or the "Fund") is a sub-fund of LIOR GP, an open-ended umbrella fund, organized as a Luxembourg investment company with limited liability and with variable capital (a "SICAV"), a UCITS investment fund.

### **Term**

The lifespan of this Product is not limited.

### **Objectives**

The Product investment objective is to achieve a positive return in any type of market condition by investing across fixed Income, equities, currency markets on global basis (absolute return strategy). Specifically, the Product seeks to outperform the euro short-term rate (€STR) (compounded daily) Index, over any 3-year holding period, while offering controlled risk exposure. For indicative purposes, given the risk profile, the return is expected to be in excess (before applicable fees) of €STR +4% per annum after the deduction of operating and management fees.

The Product is actively managed and uses the €STR (compounded daily) Index, as a posteriori reference indicator to assess its performance ("Benchmark"). There is no constraint relative to such Benchmark restraining portfolio construction.

The Product will seek to achieve the active management of the portfolio's exposure to global bond risk (modified duration) via directional strategies among the four main OECD government bond markets (United States for the dollar zone, Germany for the Eurozone, the United Kingdom and Japan). The Product will also use relative value strategies (purchase of modified duration on certain markets, sale of modified duration on others).

The Product may also invest up to 30% in equities securities (amongst which up to 10% of net assets in China A-shares and China B-shares) and up to 20% of its assets in investment grade bonds which are backed by other investments. These are bonds, referred to as ABS or MBS, which represent a pool of assets, and whose value and income payments of these types of bonds are dependent on the pool of relevant assets.

It is not intended that any of the Product's assets are invested in other UCIs but in the event that the Product does invest in other UCIs (for example for cash management purposes), this will not exceed 10% of the Product's assets.

The Product generally promotes social and/or environmental characteristics but does not have as its objective sustainable investment within the meaning of SFDR.

The Product seeks to always outperform the average ESG score of its investment universes such as Sovereign Debt, Credit Debt, Equity Market. To this end, it applies a holistic ESG approach consisting in considering all ESG pillars globally at the same time. The IM will rely on recognized third-party data providers determining the comparable universe and the ESG sub-factors, scores, selection, exclusion and monitoring process. The ESG analysis is taken into account at each phase of the investment process and ESG criteria are reviewed on each Business Day, in accordance with the periodicity of the net asset value calculation. The main drivers of the ESG strategy consist in combining Fundamental analysis and ESG analysis via score screening, exclusionary screening and selecting issuers with an overall positive ESG tilt. As basis of the securities selection and process, standards and exclusion internal policies are applied.

### **Intended retail investor**

This Product is intended for institutional investors.

### **Practical information**

Depository: CACEIS Bank, Luxembourg Branch

The latest prospectus and the latest periodical regulatory documents, as well as all other practical information, are available in English free of charge from CARNE GLOBAL FUND MANAGERS (Luxembourg) S.A., 3, Rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg or at the following e-mail address: rm@carnegroup.com.

## What are the risks and what could I get in return ?

### Risk Indicator



The summary risk indicator assumes you keep the Product until maturity end of the recommended holding period (3 years).

The actual risk can vary significantly if you cash in at an early stage and you may get back less. The summary risk indicator is a guide to the level of risk of this Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the markets or because the Manufacturer is not able to pay you.

Due to a lack of sufficient historical data, the risk indicator incorporates simulated data from a benchmark portfolio. Risk Category 4 reflects moderate potential gains and/or losses for the portfolio. This is mainly due to investments in principally in bonds and potentially in equities on the worldwide market.

The capital is not guaranteed.

Significant risk(s) for the Product not taken into account in this indicator include the following:

**Credit risk and interest rate risk:** The Product invests in bonds, cash or other money market instruments. There is a risk that the issuer may default. The likelihood of this happening will depend on the credit-worthiness of the issuer. The risk of default is usually greatest with bonds that are rated as sub-investment grade. An increase in interest rates may cause the value of fixed-income securities held by the Product to decline. Bond prices and yields have an inverse relationship, when the price of a bond falls the yield rises.

**Liquidity risk:** Liquidity risk exists when particular investments are difficult to purchase or sell. This can reduce the Product's returns because the Product may be unable to transact at advantageous times or prices. This can be the result of shocks of unprecedented intensity and severity such as but not limited to pandemics and natural disasters.

**Risk linked to the use of derivative instruments:** The Product uses derivative instruments, which means financial instruments whose value depends on those of an underlying asset. Therefore, fluctuations in the price of an underlying asset, even if minor, could lead to significant variations in the price of the corresponding derivative instrument. With the use of over-the-counter derivatives, there is a risk that the counterparty to the transactions will wholly or partially fail to honour its contractual obligations. This may result in a financial loss to the Product.

**Risk linked to the holding of ABS/MBS securities:** The Product may invest in asset-backed securities ("ABS"), including mortgage-backed securities ("MBS"), which are debt securities based on a pool of assets or collateralised by the cash flows from a specific pool of underlying assets. ABS and MBS assets may be highly illiquid, and therefore prone to substantial price volatility.

**Derivative for hedging purpose:** The use of derivatives for hedging in a rising market may restrict potential gains.

**Sustainability risk:** Given the Product's investment strategy, risk profile and investment universe, the sustainability risk is expected to be medium. Investors shall note that the Product's sustainability risk may differ from the sustainability risk of its investment comparable universe.

### Performance Scenarios

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the Product.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account where we are not able to pay you.

The figures shown include all the costs of the Product itself, but may not include all the costs that you pay to your advisor or distributor.

The figures do not take into account your personal tax situation, which may also affect how much you get back.

#### Investment EUR 10,000

Scenarios		1 year	3 years
Stress scenario	What you might get back after costs	EUR 7,620	EUR 6,150
	Average return each year	-23.8%	-15.0%
Unfavourable scenario	What you might get back after costs	EUR 9,510	EUR 9,340
	Average return each year	-4.9%	-2.3%
Moderate scenario	What you might get back after costs	EUR 9,960	EUR 9,890
	Average return each year	-0.4%	-0.4%
Favourable scenario	What you might get back after costs	EUR 10,370	EUR 10,070
	Average return each year	3.7%	0.2%

This table shows the money you could get back over the recommended holding period under different scenarios, assuming that you invested € 10,000.

### What happens if the PRIIP manufacturer is unable to pay out ?

You may face a financial loss should the PRIIP manufacturer and/or the Product's depositary prove to be unable to pay you out. There is no compensation or guarantee scheme in place which may offset, all or any of, this loss.

## What are the costs ?

### Costs over time

The RIY (Reduction in Yield) shows what impact total costs you pay have on the investment return you might get back. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the Product itself, for the holding period. The figures shown assume that you are investing € 10,000. The figures are estimates and may change in the future.

The person selling you or advising you about this Product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment EUR 10,000	If you cash in after 1 year	If you cash in after 3 years (recommended holding period)
Total costs	EUR 310	EUR 940
Impact on return (RIY) per year	3.1%	3.1%

### Composition of costs

Investment EUR 10,000

One-off costs	Entry costs	The impact of the costs you pay when entering your investment. The Product does not charge entry cost. However the intermediary might charge for it.	none	EUR 0
	Exit costs	The impact of the costs of exiting your investment when it matures. The Product does not charge exit cost. However your intermediary might charge for it.	none	EUR 0
	Conversion fees	If applicable. Please refer to the conversion sections of the prospectus for applicable situations and conditions.	none	EUR 0
Ongoing costs	Management fees and other administrative or operating costs	The impact of the amount you are paying to buy insurance protection	1.54%	EUR 154
	Portfolio transaction costs	The impact of the costs of us buying and selling underlying investments for the Product.	0.99%	EUR 99
Incidental costs	Performance fees and carried interest	20% of the yield from the Net Asset Value per share compared to the High Water Mark, defined as the highest Net Asset Value per share. In the event of the Share outperforming its benchmark indicator and, even if its performance is negative, a performance fee may be charged over the reference period.	0.00%	EUR 0

This table shows the impact the different costs have on the investment return you might get back at the recommended holding period and the meaning of the different cost categories.

## How long should I hold it and can I take the money out early ?

### Recommended holding period : 3 years

This Product is designed for medium term investments ; you should be prepared to stay invested for at least three years. However, you can redeem your investment without penalty at any time during this time, or hold the investment longer. You may redeem your shares in the Product on a daily basis in accordance with the terms specified in the prospectus.

## How can I complain ?

If you choose to invest in the Product and subsequently have a complaint about the Product or the Manufacturer or the person advising on or selling the Product, you should in the first instance contact CARNE GLOBAL FUND MANAGERS (Luxembourg) S.A on +377 92 00 01 86, via email at [rm@carnegroup.com](mailto:rm@carnegroup.com) or by post at 3, Rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg. If your complaint is not satisfactorily resolved you may log your complaint via our website <http://www.LIOR-GP.com>.

## Other relevant information

Performance scenarios : You can find previous performance scenarios updated on a monthly basis at [www.LIOR-GP.com](http://www.LIOR-GP.com).  
Past performance : You can download the past performance over the last 1 year(s) from our website at [www.LIOR-GP.com](http://www.LIOR-GP.com).

The details of the up-to-date remuneration policy, including, but not limited to a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits, are available on the [www.LIOR-GP.com](http://www.LIOR-GP.com). A paper copy is available free of charge upon request.

This information document is updated annually.