

# **ALLEGRO SHORT TERM BOND FUND**

Fonds Commun de Placement

## **Annual Report and Audited Financial Statements**

**For the financial year ending 31 March 2022**



RCS Luxembourg B 136.517 - TVA 2008 2405 357

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# ALLEGRO SHORT TERM BOND FUND

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# **ALLEGRO SHORT TERM BOND FUND**

## **Management and Administration**

### **Management Company**

Ocorian Fund Management S.à r.l.  
17, Boulevard F.W. Raiffeisen  
L-2411 Luxembourg

### **Board of Managers of the Management Company**

Thomas Fahl  
Frédéric Michels  
Simon Burgess

### **Sales Agent and Distributor**

Ocorian Fund Management S.à r.l.  
17, Boulevard F.W. Raiffeisen  
L-2411 Luxembourg

### **Custodian and Paying Agent**

European Depositary Bank S.A. (until 14 July 2022)  
3, Rue Gabriel Lippmann  
L-5365 Munsbach

Hauck Aufhäuser Lampe Privatbank AG (since 15 July 2022)  
1c, Rue Gabriel Lippmann  
L-5365 Munsbach

### **Legal Advisor**

Clifford Chance  
10, Boulevard G.D. Charlotte  
L-1011 Luxembourg

### **Independent Auditor of the Fund and of the Management Company**

Ernst & Young S.A.  
35 E, Avenue John F. Kennedy  
L-1855 Luxembourg

# ALLEGRO SHORT TERM BOND FUND

## Report of the Board of Managers of the Management Company

The Board of Managers of the Management Company (the “Board of Managers”) is pleased to present the annual report and audited financial statements of Allegro Short Term Bond Fund (the “Fund”) for the financial year ending 31 March 2022.

### *Code of conduct*

The Board of Managers has adopted the ALFI Code of Conduct issued in June 2022 and updated in June 2013, which sets out the principles of good governance, and considers that the Fund has been in compliance with it in all material respects throughout the financial year ended 31 March 2022. Any subsequent amendment to the ALFI Code of Conduct will be considered by the Board of Managers prior to adoption and necessary disclosure will be made in the annual financial statements.

### *Principal activities during the reporting year*

Since the inception of the Fund, the Board of Managers has focussed on building up a diversified portfolio of mainly short-to-medium duration government and corporate debt positions, with a focus on EUR-denominated floating rate notes (“FRN”). The debt positions are complemented by investments in open-ended, highly liquid investment funds.

During the financial year, investment activity consisted of the acquisition of six additional bonds, issued by Apple Inc., Bayer AG, Brenntag Finance, Brit T-Com, Deutsche Wohnen, UniBail and one money market fund, issued by Amundi. During the same period, the bonds issued by Caisse Refinancement de l’Habitat, Credit Agricole London, EssilorLuxottica, Illinois Tool Works, LVMH, Merck & Co. and PepsiCo expired.

As at 31 March 2022, the Fund’s portfolio thus comprises 21 investments with a total value of approximately EUR 21.9 million. At the end of the financial year, the Fund’s portfolio showed a net unrealised loss of EUR 566,937, representing a decrease compared to the previous financial year and mainly reflecting the impact of the Ukraine-Russia conflict on the markets.

### *Events after the end of the reporting year and likely future development of the Fund*

There are no significant events that affected the Fund between 31 March 2022 and the date of the present report.

The Board of Managers would like to take this opportunity to thank the unitholders for their ongoing trust and support.

Luxembourg, 22 July 2022

The Board of Managers of the Management Company

*The figures stated in this report are historical and not necessarily indicative of future performance.*

# **ALLEGRO SHORT TERM BOND FUND**

## **General Information**

### *Information to Unitholders*

The Fund's net asset value is calculated and disclosed twice per month.

A copy of the Annual Report may be obtained upon request from the Registered Office of the Management Company. Alternatively, please go to [www.ocorianfunds.com](http://www.ocorianfunds.com).

### *Risk Management – Global Market Risk Exposure*

The Board of Managers decided to adopt the commitment approach to determine the global market risk exposure of the Fund.

### *Portfolio movements*

A detailed schedule of portfolio movements is freely available upon request at the Registered Office of the Management Company.

### *Remuneration policy*

During the financial year ended 31 March 2022, both fixed and variable remuneration have been paid to an average of 22 executives and employees of the AIFM. Paid remuneration totalled to a fixed amount of EUR 1,918,998 and a variable amount of EUR 72,941 during the financial year.

Details of remuneration practices are freely available upon request at the Registered Office of the Management Company.

## **Independent auditor's report**

To the Unitholders of Allegro Short Term Bond Fund  
c/o Ocorian Fund Management S.à r.l.  
17, Boulevard F.W. Raiffeisen  
L-2411 Luxembourg

### **Opinion**

We have audited the financial statements of Allegro Short Term Bond Fund (the "Fund"), which comprise the statement of net assets and the schedule of investments as at 31 March 2022, and the statement of operations and changes in net assets for the year then ended, and the 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 31 March 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 (the "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.

### **Other information**

The Board of Managers of the Management Company is responsible for the other information. The other information comprises the information included 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 Managers of the Management Company for the financial statements**

The Board of Managers of the Management Company is responsible for the preparation and fair presentation of these 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 Managers of the 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 Managers of the 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 Managers of the 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**

Our objectives 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 of 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.

As part of an audit in accordance with the Law of 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 Managers of the Management Company.
- Conclude on the appropriateness of Board of Managers of the 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.
- 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.

Ernst & Young  
Société anonyme  
Cabinet de révision agréé



Nicolas Bannier

Luxembourg, 22 July 2022



# ALLEGRO SHORT TERM BOND FUND

## Statement of Net Assets

As at 31 March 2022

|   | Note(s) | <b>Allegro Short Term Bond Fund</b><br>In EUR |
|---|---------|---|
| <b>Assets</b>   |         |   |
| Investments in securities, at cost                      |         | 22,528,524                                    |
| Investments in securities, net unrealised loss          |         | (566,937)                                     |
| <b>Total Investments in Securities, at market value</b> |         | <b>21,961,587</b>                             |
| Cash at bank  | 3)      | 1,117,422                                     |
| Interest receivable                                     |         | 104,935                                       |
| <b>Total Assets</b>                                     |         | <b>23,183,944</b>                             |
| <b>Liabilities</b>                                      |         |   |
| Professional fees payable                               |         | 25,000  |
| Management fees payable                                 | 4)      | 14,553  |
| Other payables  |         | 3,476   |
| <b>Total Liabilities</b>                                |         | <b>43,029</b>                                 |
| <b>Total Net Assets</b>                                 |         | <b>23,140,915</b>                             |
| <b>Number of Units outstanding – Class I EUR</b>        |         | 36,429.00                                     |
| <b>Net Asset Value per Unit – Class I EUR</b>           |         | 635.23  |

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

## ALLEGRO SHORT TERM BOND FUND

### Statement of Operations and Changes in Net Assets For the financial year ending 31 March 2022

|   | Note(s) | <b>Allegro Short Term Bond Fund</b><br>In EUR |
|---|---------|---|
| <b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>          |         | <b>23,609,537</b>                             |
| <b>INCOME</b>   |         |   |
| Interest on bonds                                       |         | 210,005                                       |
| Other income  |         | 50,996  |
| <b>TOTAL INCOME</b>                                     | 5)      | <b>261,001</b>                                |
| <b>EXPENSES</b>   |         |   |
| Management fees   | 4)      | 56,617  |
| Legal and professional fees                             |         | 31,517  |
| Custodian bank fees                                     |         | 17,657  |
| Bank and interest expenses                              |         | 7,494   |
| Other expenses  |         | 2,898   |
| Subscription tax ("Taxe d'abonnement")                  | 6)      | 1,947   |
| <b>TOTAL EXPENSES</b>                                   |         | <b>118,130</b>                                |
| <b>NET GAIN FROM INVESTMENTS FOR THE YEAR</b>           |         | <b>142,871</b>                                |
| Net realised loss on investments                        |         | (296,195)                                     |
| <b>TOTAL NET REALISED LOSS</b>                          |         | <b>(296,195)</b>                              |
| Net change in unrealised gain/ (loss) on investments    |         | (314,560)                                     |
| <b>TOTAL NET CHANGE IN UNREALISED GAIN/(LOSS)</b>       |         | <b>(314,560)</b>                              |
| <b>DECREASE OF NET ASSETS AS A RESULT OF OPERATIONS</b> |         | <b>(467,884)</b>                              |
| <b>MOVEMENTS IN CAPITAL</b>                             |         |   |
| Issue of units class I EUR *                            |         | 1,999,175                                     |
| Cancellation of units class I EUR *                     |         | (1,999,913)                                   |
| Distributions   | 8)      | -   |
| <b>NET ASSETS AT THE END OF THE YEAR</b>                |         | <b>23,140,915</b>                             |

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

\* Amount of Issue/ (Cancellation) of units includes subscription and redemption fees.

## ALLEGRO SHORT TERM BOND FUND

### Statement of Changes in the Number of Units

For the financial year ending 31 March 2022

|   | <b>Allegro Short Term Bond Fund<br/>Class I EUR</b> |
|---|---|
| Number of units in issue at the beginning of the year | 36,419.00   |
| Number of units issued                                | 3,095.00  |
| Number of units cancelled                             | (3,085.00)  |
| Number of units in issue at the end of the year       | 36,429.00   |

### Statistical Information

|  | <b>Allegro Short Term Bond Fund</b> |
|--|-------------------------------------|
| <b>Net Assets (EUR):</b>                       |                                     |
| 31 March 2022                                  | 23,140,915                          |
| 31 March 2021                                  | 23,609,537                          |
| 31 March 2020                                  | 25,714,845                          |
| <b>Number of units in issue – Class I EUR:</b> |                                     |
| 31 March 2022                                  | 36,429.00                           |
| 31 March 2021                                  | 36,419.00                           |
| 31 March 2020                                  | 40,274.00                           |
| <b>Net Asset Value per unit (EUR) :</b>        |                                     |
| 31 March 2022                                  | 635.23                              |
| 31 March 2021                                  | 648.27                              |
| 31 March 2020                                  | 638.49                              |

# ALLEGRO SHORT TERM BOND FUND

## Schedule of Investments

As at 31 March 2022

| Investments  | Currency | Nominal value | Cost in EUR       | Fair Value in EUR | % of Net Assets |
|--|----------|---------------|-------------------|-------------------|-----------------|
| <b>Transferable securities admitted to or dealt in on an Official Stock Exchange</b> |          |               |                   |                   |                 |
| <b>Automotive</b>  |          |               |                   |                   |                 |
| BMW Finance NV, 1.25%, 05/09/2022  | EUR      | 1,000,000     | 1,036,959         | 1,006,870         | 4.35            |
| Mercedes-Benz Int. FRN, 11/01/2023   | EUR      | 1,000,000     | 995,755           | 1,001,230         | 4.33            |
| Volkswagen Fin. Services AG, 1.5% 01/10/2024   | EUR      | 1,000,000     | 1,053,255         | 1,006,660         | 4.35            |
| <b>Communications</b>  |          |               |                   |                   |                 |
| BRIT T-COM, 0.50%, 12/09/2025  | EUR      | 900,000       | 915,465           | 883,953           | 3.82            |
| Deutsche Telekom INT FRN, 01/12/2022   | EUR      | 1,000,000     | 997,762           | 1,001,660         | 4.33            |
| <b>Financials</b>  |          |               |                   |                   |                 |
| Banco de Sabadell SA, 1.625% 07/03/2024  | EUR      | 1,000,000     | 1,048,325         | 1,010,010         | 4.36            |
| Bank of America, 2.375% 19/06/2024   | EUR      | 1,000,000     | 1,081,265         | 1,035,550         | 4.47            |
| Berkshire Hathaway, 0.75%, 16/03/2023  | EUR      | 1,000,000     | 1,024,055         | 1,006,290         | 4.35            |
| Deutsche Wohnen SE, 1.00%, 30/04/2025  | EUR      | 1,000,000     | 1,026,555         | 990,050           | 4.28            |
| Goldman Sachs Group Inc., 2.125% 30/09/2024  | EUR      | 1,000,000     | 1,073,855         | 1,027,840         | 4.44            |
| ING Groep NV, 1.0%, 20/09/2023   | EUR      | 900,000       | 930,738           | 910,827           | 3.94            |
| Société Générale FRN, 01/04/2022   | EUR      | 1,000,000     | 1,005,455         | 1,000,020         | 4.32            |
| Standard Chartered Plc, 3.125% 19/11/2024  | EUR      | 900,000       | 996,992           | 941,085           | 4.07            |
| Unibail-Rodamco-Westfield SE, 1.125%, 15/09/2025                                     | EUR      | 1,000,000     | 1,037,505         | 985,520           | 4.26            |
| Wells Fargo & Company, 2.125% 04/06/2024   | EUR      | 800,000       | 858,871           | 822,544           | 3.55            |
| <b>Industrials</b>   |          |               |                   |                   |                 |
| Brenntag Finance BV, 1.125%, 27/09/2025  | EUR      | 900,000       | 930,126           | 894,897           | 3.87            |
| <b>Open ended investment funds</b>   |          |               |                   |                   |                 |
| AMUNDI ENH.UL.SH.TE.BD SRI ACT.AU P  | EUR      | 14,05         | 1,500,078         | 1,489,537         | 6.44            |
| DWS Floating Rate Notes UCITS  | EUR      | 23,808        | 2,000,482         | 1,978,921         | 8.55            |
| Lyxor Barclays Floating Rate Euro 0-7Y UCITS ETF                                     | EUR      | 9,890         | 999,416           | 990,553           | 4.28            |
| <b>Pharmaceuticals</b>   |          |               |                   |                   |                 |
| Bayer AG, 0.05%, 12/01/2025  | EUR      | 1,000,000     | 999,045           | 970,690           | 4.19            |
| <b>Technology</b>  |          |               |                   |                   |                 |
| Apple Inc., 0.875%, 24/05/2025   | EUR      | 1,000,000     | 1,016,565         | 1,006,880         | 4.35            |
| <b>Total</b>   |          |               | <b>22,528,524</b> | <b>21,961,587</b> | <b>94.90</b>    |
| <b>Net unrealised appreciation / (depreciation) on securities</b>                    |          |               | <b>(566,937)</b>  |                   |                 |

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

# **ALLEGRO SHORT TERM BOND FUND**

## **Notes to the Financial Statements**

**As at 31 March 2022**

### **Note 1 – The Fund**

Allegro Short Term Bond Fund (the “Fund”) has been established by the Management Company on 1 December 2014 as an undertaking for collective investment in transferable securities subject to Part I of the Luxembourg law of 17 December 2010, as amended, concerning undertakings for collective investment (the “Law”), in the form of a common fund (“*fonds commun de placement*”) for an unlimited duration.

Ocorian Fund Management S.à r.l. is the Management Company of the Fund, with the day-to-day responsibility for the administration, distribution, investment management and marketing functions of the Fund. It was incorporated by notarial deed in the Grand Duchy of Luxembourg on 1 February 2008, for an unlimited duration, as published in the Mémorial on 7 March 2008.

The Fund offers investors various types of unit classes:

- Units in class “I” are available to institutional investors committing to invest an initial amount above EUR 100,000.- while subsequent investments must be of at least EUR 10,000;
- Units in class “R” shall be available to retail investors committing to invest an initial amount above EUR 10,000.- while subsequent investments must be of at least EUR 1,000.

The aim of the Fund is to invest in a diversified portfolio of liquid and safe short term assets, debt instruments and claims, including on ancillary basis cash and time deposits, not containing any speculative character, with an aggregated average maturity of less than three years, and the view to achieve adequate earnings, while giving due consideration to an adequate diversification of the Fund’s assets.

The Fund’s financial year ends on the last day of March.

### **Note 2 – Significant accounting policies**

#### **a) Basis of preparation**

The financial statements are prepared and presented in accordance with generally accepted accounting principles relating to investment funds in the Grand Duchy of Luxembourg and they are expressed in euro (EUR).

# **ALLEGRO SHORT TERM BOND FUND**

## **Notes to the Financial Statements (continued)**

**As at 31 March 2022**

### **Note 2 – Significant accounting policies (continued)**

#### **b) Calculation of the Net Asset Value per Unit**

The net asset value and the issue and redemption price per unit of each unit class are expressed in EUR and are calculated twice per month, on the 1st and 15th day of each month, and if such day is not a business day in Luxembourg on the next-following business day in Luxembourg, i.e. on the NAV Date, by dividing the overall net assets of the Fund attributable to each unit class by the number of units in circulation in this unit class.

The reference date used for such determination is the day immediately prior to the NAV Date, and the net asset value will be calculated on the basis of the end-of-day closing prices of the business day prior to the NAV Date.

The Net Asset Value per unit is rounded down to two decimal places.

#### **c) Valuation of investments**

The value of transferable securities, derivatives and other investments listed on a stock exchange are valued at the last-known market prices. If these securities, derivatives or other investments are listed on several stock exchanges, the latest available price on the stock exchange that represents the major market for these investments will apply.

Securities and other investments that are not listed on a stock exchange or traded on another regulated market, and for which no appropriate price can be obtained, are valued by the Management Company according to other principles chosen by it in good faith on the basis of the likely sales prices.

Units of other undertakings for collective investment in transferable securities (UCITS) and/or undertakings for collective investment (UCI) are valued at their last-known net asset value.

For money market instruments, the valuation price will be gradually adjusted to the redemption price, based on the net acquisition price and retaining the ensuing yield. The valuation price, calculated as such, may therefore deviate from the actual market price. In the event of a significant change in market conditions, the basis for the valuation of the individual investments is brought into line with the new market yields.

Fixed-term deposits and fiduciary investments are valued at their nominal value plus accumulated interest.

The Management Company is authorised to apply other generally recognised and auditable valuation criteria in good faith in order to achieve an appropriate valuation of the investments if, due to extraordinary circumstances, a valuation in accordance with the aforementioned regulations proves to be unfeasible or inaccurate.

## **ALLEGRO SHORT TERM BOND FUND**

### **Notes to the Financial Statements (continued)**

**As at 31 March 2022**

#### **Note 2 – Significant accounting policies (continued)**

##### **d) Cash at bank and other assets**

Liquidities - whether in the form of cash, bank deposits, bills of exchange and sight securities and receivables, prepaid expenses, cash dividends and declared or accrued interest that has not yet been received - are valued at their full value unless it is unlikely that this value will be fully paid or received, in which case their value is determined by taking into consideration a deduction that seems appropriate in order to portray their true value.

##### **e) Foreign currency translation**

Securities, money market instruments, derivatives and other investments denominated in a currency other than the reference currency of the Fund and not hedged by foreign-exchange transactions, are valued at the middle-market rate of exchange (midway between the bid and offer rate) known in Luxembourg or, if not available, on the most representative market for this currency.

##### **f) Formation expenses**

Formation expenses were amortised on a straight-line basis over a period of five years.

##### **g) Interest and dividend income**

Interest income is recognized on an accrual basis. Dividends are recorded as income on the ex-dividend date.

##### **h) Realised/unrealised gains or losses on sales of investments**

Realised gain or loss is recorded at the disposal of an investment and is the difference between the net proceeds from the sale and the cost of the investment. The Fund includes the fair value of all investments received in its net sales proceeds in determining the realised gain or loss on disposal.

Unrealised gain or loss reflects the difference between the market value of the investments and the cost basis of the investments.

## **ALLEGRO SHORT TERM BOND FUND**

### **Notes to the Financial Statements (continued)**

**As at 31 March 2022**

#### **Note 2 – Significant accounting policies (continued)**

##### **i) Swing pricing**

The Fund may suffer dilution of the net asset value per unit due to investors buying or selling units in the Fund at a price that does not reflect dealing and other costs that arise when security trades are undertaken by the Management Company to accommodate cash inflows or outflows. In order to counter this impact, a swing pricing mechanism has been adopted to protect the interest of the unitholders of the Fund. If on any valuation date, the aggregate net capital activity of the Fund exceeds a pre-determined threshold, as determined and reviewed on a periodic basis by the Board of Managers, the net asset value per unit shall be adjusted upwards or downwards to reflect the costs associated with net capital inflows or net capital outflows respectively.

The extent of the price adjustment is set by the Board of Managers to reflect dealing and other costs. The amount of the adjustment shall not exceed 2.00% of the original net asset value per unit.

The Fund has not applied the swing pricing mechanism during the financial year.

#### **Note 3 – Bank deposits and cash at bank**

As of 31 March 2022, cash placed with banks amounts to EUR 1,117,422.

#### **Note 4 – Management fees**

The Management Company is entitled to a management fee of up to 0.50% per annum. As of 31 March 2022, the Management Company receives a management fee of 0.25% per annum payable quarterly in arrears on the average net asset value of the Fund before subscription tax during such quarter.

#### **Note 5 – Income**

The total net income amounts to EUR 261,001 for the financial year ended 31 March 2022. This amount is composed of interest received on fixed income investments, net of foreign taxes, and other income from DWS Floating Rate Notes.



## **ALLEGRO SHORT TERM BOND FUND**

### **Notes to the Financial Statements (continued)**

**As at 31 March 2022**

#### **Note 6 – Taxation**

In accordance with current legislation in the Grand Duchy of Luxembourg, the Fund is not subject to any Luxembourg withholding, income, capital gains or wealth taxes.

From the total net assets of the Fund, however, a tax of 0.05% per annum (*“taxe d’abonnement”*), payable to the Grand Duchy of Luxembourg, is due at the end of every quarter, as calculated on the total net assets of the Fund at the end of every calendar quarter. This rate is reduced to 0.01%, inter alia, for classes of units reserved to one or more institutional investors.

Pursuant to article 175(a) of the Law, the net assets invested in UCI already subject to the *“taxe d’abonnement”* are exempt from this tax.

#### **Note 7 – Transaction costs**

The Fund incurred transaction costs which have been defined as standard brokerage and bank charges relating to purchase or sale of transferable securities. For the financial year ended 31 March 2022, the transaction costs incurred amounted to EUR 1,860 and are included in the cost of investments.

#### **Note 8 – Distributions**

Distributions as well as interim distributions may be composed of realised or unrealised income, capital gains and/or capital, and they may include or exclude fees and expenses. Any distribution results in an immediate reduction of the net asset value per unit of the Fund. The payment of distributions must not result in the net assets of the Fund falling below the minimum amount for fund assets laid down by the Law.

During the financial year ended 31 March 2022, no distributions were paid to the unitholders.

#### **Note 9 – Statement of changes in investments**

A list specifying for each investment the total purchases and sales which occurred during the financial year under review may be obtained free of charge at the registered office of the Management Company.

## **ALLEGRO SHORT TERM BOND FUND**

### **Notes to the Financial Statements (continued)**

**As at 31 March 2022**

#### **Note 10 – Subsequent Events**

There are no major subsequent events that occurred since 31 March 2022 to the date of these financial statements.

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 Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on 24 February 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. The Board of Managers of the Management Company regards these events for the Fund as non-adjusting events after the reporting period.

Although neither the Fund's performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Board of Managers of the Management Company continues to monitor the evolving situation and its impact on the financial position of the Fund.

## **ALLEGRO SHORT TERM BOND FUND**

### **Additional information (“unaudited”)**

#### **Securities Financing Transactions Regulation (SFTR)**

Allegro Short Term Bond Fund is not impacted by the requirements of the SFTR regulation 2015/2365 on transparency of securities financing transactions.

#### **SFDR Disclosure**

The Fund has applied Article 6 of the Sustainable Finance Disclosure Regulation.