

# KEY INFORMATION DOCUMENT

## Purpose

This document contains essential information on the investment product described below. It is not a commercial document. This information is provided to you in accordance with a legal obligation, to help you understand what this product is and what risks, costs, gains and losses may be associated with it, and to help you compare it with other products.

### ALTERFIN CV

LEI 5493007UEXF0EDW8L056

#### Product:

PRIIP Initiator: Alterfin CV

Website: [www.alterfin.be](http://www.alterfin.be)

Competent authority: Belgian Financial Services and Markets Authority (FSMA)

Document production date: 09/08/2023

**Warning: You are about to buy a product that is not simple and can be difficult to understand.**

## What is this product?

### A. Type

Share B of Alterfin CV.

Alterfin CV is a cooperative company approved by the National Cooperation Council. It is also an approved development fund.

### B. Objectives

Alterfin is a social investor whose mission is to improve the livelihoods and overall living conditions of socially and economically disadvantaged individuals and communities, primarily in rural areas of low- and middle-income countries around the world ("**developing regions**"). To this end, Alterfin provides financial and non-financial services to its partners in developing regions. Alterfin currently invests in two types of organisations: (1) microfinance institutions, which in turn provide micro-credits and other services to small entrepreneurs and local farmers; (2) producer associations or SMEs (small and medium-sized enterprises) active in the sustainable family farming sector.

The funds raised by Alterfin CV as part of capital issuance are used to build a diversified portfolio of investments (the "**Portfolio**"). Investments are mainly based on unlisted loans or unlisted capital instruments.

The B shares of Alterfin CV can only be subscribed by natural persons. During an issue period, an investor may purchase one or more B shares with a nominal value of EUR 62.50. The shares are nominative (registered by name). These may only be transferred between co-op members, with the prior agreement of the Board of Directors.

As a subscriber, you run the risk of losing some or all of you invested capital.

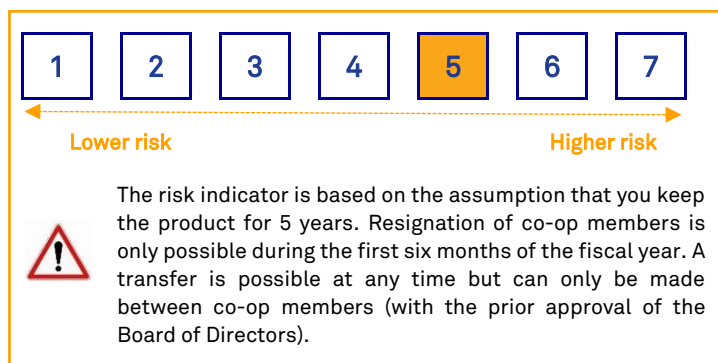
A co-op member of Alterfin CV can only request the repayment of its shares in the first six months of the financial year (between 1 January and 30 June). The value repaid in the event of resignation is set at the lower of the issue value of the share (EUR 62.50) and its book value, calculated on the basis of the amount paid up minus the losses carried forward and increased by the profits carried forward, as they appear in the most recent financial statements approved by the Board of Directors on the day of termination of the co-op member's membership.

## C. Retail investors targeted by the PRIIP

This product is aimed at investors seeking a modest dividend yield and a high social and environmental return. The investor must be able to bear the possible loss of part or all of his capital.

## What are the risks and how could they affect me?

### A. Risk indicator



The synthetic risk indicator makes it possible to assess the level of risk of this product in relation to others. It indicates the probability that this product will incur losses in the event of movements in the markets or our inability to pay you.

This product has been classified as risk 5 out of 7, which is a fairly high class of risk.

In other words, potential losses from future product results are estimated at a high level and, if the market situation deteriorates, it is very likely that our ability to pay you will be affected.

Other risks materially relevant to this product but not included in the summary risk indicator:

- This product does not include a capital guarantee against credit risk: if we are unable to pay you the amounts due, you may lose your entire investment.
- The Portfolio may, to a limited extent, be exposed to exchange rate risk, as Alterfin invests in multiple currencies. Alterfin manages foreign exchange risk using special hedging techniques (derivatives).
- The regulatory and supervisory framework of developing regions may be less developed; there is a certain country risk.
- The Portfolio is also exposed to counterparty risk, interest rate risk, dependence on persons in key positions and reputational risk of the market in which Alterfin operates.

See our Information Note for an overview of risk factors: [alterfin.be/information-note](https://alterfin.be/information-note)

Risk management consists mainly of portfolio diversification, asset allocation in different countries and regions, hedging foreign exchange risks through financial techniques, and liquidity retention.

### B. Performance scenarios (illustrative)

Investment of EUR 12,500		1 year	3 years	5 years (period recommended)
CVenarios				
Tension scenario	What you could get after deducting costs	EUR 12,250	EUR 11,765	EUR 11,299
	Average annual yield	-2,00%	-2,00%	-2,00%
Adverse scenario	What you could get after deducting costs	EUR 12,500	EUR 12,500	EUR 12,500
	Average annual yield	0,00%	0,00%	0,00%
Intermediate scenario	What you could get after deduction of costs	EUR 12,656	EUR 12,975	EUR 13,301
	Average annual yield	1,25%	1,25%	1,25%
Favourable scenario	What you could get after deduction of costs	EUR 12,750	EUR 13,265	EUR 13,801
	Average annual yield	2,00%	2,00%	2,00%

The scenarios presented are an estimate of future performance based on historical data relating to changes in the value of this investment. They are not an accurate indicator. What you will get will depend on the evolution of the market and how long you keep the investment or product.

The purchasers of Alterfin CV shares are not primarily expecting to maximise their profit. By purchasing Alterfin CV shares, they contribute first and foremost to providing Alterfin with the means to carry out its mission, which can have a limiting effect on financial returns. This financial return consists of a dividend defined each year by the general meeting of the co-op members according to the result of the financial year. The dividend may not exceed the maximum amount fixed in accordance with the legal provisions in force for cooperative companies (currently 6%). The general meeting may also decide not to distribute a dividend.

We note that at the end of 2022, the amount of the general reserve amounted to € 2.3 million. This is a guarantee of the resilience of the expected yield for the coming years. Adverse scenarios and tensions are therefore mitigated thanks to this reserve.

In the event of resignation, you will receive a maximum of €62.50 per share.

## What happens if Alterfin CV is unable to make the payments?

The value repaid in the event of resignation is set at the lower of the issue value of the share (EUR 62.50) and its book value, calculated on the basis of the amount paid up minus the losses carried forward and increased by the profits carried forward, as they appear in the most recent financial statements approved by the Board of Directors on the day of termination of the co-op member's membership. In the event that Alterfin CV suffers losses that would lower the book value of the own assets to a level below the issue value, you would receive on resignation an amount less than the amount you paid at the time of the acquisition.

## What will this investment cost me?

### A. Costs over time

The reduction in yield (RIY) shows the impact of the total costs you pay on the yield you could get from your investment. Total costs include one-time, recurring and ancillary costs. These costs are an integral part of the operation of Alterfin CV. **They are already deducted in the above benefit scenarios.**

The amounts shown below are the cumulative costs related to the product itself, for three different holding periods. The figures presented assume that you are investing EUR 12,500. These figures are estimates and may change in the future.

Investment of EUR 12,500 scenarios	If you leave after 1 year	If you leave after 3 years	If you leave after 5 years
<b>Total costs</b>	EUR 62,50	EUR 187,50	EUR 312,50
<b>Impact on yields (RIY), per year</b>	0,50%	0,50%	0,50%

## B. Composition of costs

The table below shows:

- the annual impact of different types of costs on the return you could obtain from your investment at the end of the recommended investment period;
- the meaning of the different cost categories.

This table shows the impact on yields per year (integrated into performance scenarios)			
<b>One-time costs</b>	not applicable	0.00%	no entrance or exit fees
<b>Recurring costs</b>	other recurring costs	0.50%	impact of operating costs (excluding staff costs): auditing, portfolio monitoring, marketing, ...
<b>Ancillary costs</b>	not applicable	0.00%	no incentive or performance commission

## How long do I have to keep it and can I withdraw money early?

### A. Recommended holding period: 5 years of ownership to fully realise the tax advantage

A co-op member of Alterfin can only request the repayment of his shares in the first six months of the financial year (between 1 January and 30 June). The company may decide to spread all or part of the refund over a maximum period of three years.

The Board of Directors may refuse the withdrawal of all or some of the shares in the event that the co-op member has obligations or agreements in force with the company or in cases fixed by law. The Board of Directors' decision is final.

Alterfin CV is an approved development fund. Individuals subscribing to B shares of Alterfin CV can, under certain conditions, benefit from a 5% tax reduction on their investment. To be able to benefit from the tax reduction in full, it is necessary to hold the shares for 5 years without interruption (except in case of death). The tax reduction is awarded once during the year of payment. In the event of holding the shares for less than 5 years, the tax reduction granted must be partially refunded.

## How can I make a complaint?

In case of a complaint, you can contact [info@alterfin.be](mailto:info@alterfin.be). You can also contact the Ombudsman for Financial Disputes, rue Belliard 15-17 box 8, 1040 Brussels, tel.: 02.545.77.70, e-mail: [ombudsman@ombudsfin.be](mailto:ombudsman@ombudsfin.be), [www.ombudsfin.be](http://www.ombudsfin.be).

## Other relevant information

Investors wanting detailed information on risk factors, tax reduction conditions and sales restrictions can consult the website [www.alterfin.be](http://www.alterfin.be) where, among other things, the Information Note and the Annual Report are available.