

MIFID II PRODUCT GOVERNANCE

CAF Alternative Strategies Fund

Product

The product is a non-complex, FCA authorised non-UCITs fund. The Fund is actively managed.

The aim of the Fund is to produce a positive return over any 12-month period, in both rising and falling markets after any charges have been taken out of the Fund. This is done through both capital growth and income received by the Fund. There is no guarantee that the Fund will achieve its objectives over any time period.

It will invest at least 80% in other collective investment schemes, investment trusts and exchange traded funds (collectively “Investment Funds”).

Through these Investment Funds, the Fund will be exposed to a broad range of asset types and investment strategies, including: shares, bonds, real assets, such as property or commodities (for example gold and oil), alternative investment strategies such as absolute return funds, which aim to produce a profit over time regardless of what the stock market does and derivatives and other instruments whose performance is linked to the returns of another variable factor, such as an index or exchange rate.

The Fund may also invest up to 20% directly in shares and bonds.

The performance target is the level of performance the Fund aims to deliver however there is no certainty this will be achieved. The Fund aims to outperform the UK Consumer Price Index (“UK CPI”), in any rolling 3-year period, after any charges have been taken out of the Fund. The UK CPI is a widely used indicator of inflation in the UK and measures the impact of the change in prices for goods and services. It provides a way of monitoring the spending power of your investment over time. This performance target has been chosen as it is a well-known measure of inflation, which is believed to be a fair target of the absolute return nature of the Fund.

Target Market

The type of client to whom the product is targeted

As a non-complex fund it is targeted at retail investors, professional investors and eligible counterparties.

Clients’ knowledge and experience

This fund is suitable for the basic investor. Investment experience is not a necessity however a basic understanding of the kind of underlying investments of the scheme is important. It has no complex features or guarantees in place that would require more than a basic understanding of investment markets or instruments.

Investors should read the Key Investor Information document which is intended to help investors understand the nature and risk of investing in this fund.

Investors are also advised to read the fund’s prospectus which contains details on the

objectives, investment strategies, risk, distribution policy, fees, expenses and Fund Management.

Clients' financial situation, with a focus on the ability to bear losses

Clients should be prepared to commit to their investment for the medium to long term or risk losing part of their investment in the short to medium term. The minimum investment horizon should be considered to be at least three years.

Investors will have no risk of loss greater than their invested amount. As a fund with exposure to financial instruments investors should be aware that the potential exists for a total loss of assets and should therefore be able to bear such losses. However, the fund will be managed in such a way to reduce this risk considerably.

Clients' risk tolerance and compatibility of the risk/reward profile of the product with the target market



This Fund has been measured as 3 because its investments have experienced low to moderate volatility in the past. The Fund's volatility is affected by various risks.

The Fund is therefore compatible with clients who have a lower than medium risk tolerance.

Perceptions of risk will vary from person to person. The risk tolerance identified here refers to a fund which invests in such a way as to maintain a lower than moderate volatility. It will not take significant positions in individual financial instruments or invest in highly speculative assets.

Clients' objectives and needs

The client's objectives should be in line with the Fund's investment objective, which is to generate income and capital growth over the short term (12 months+) by gaining exposure to a defensive mix of assets.

Clients who should not invest (the 'negative-target market')

The Fund may not be suitable for certain investors, including but not limited to those whose objectives and needs are not consistent with the nature of the Fund, those who are unable to commit capital for a sufficient term or do not have sufficient resources to bear any loss which may result from an investment in the Fund. The Fund is also not committed to meeting any specific ethical, social, religious or environmental restrictions which some investors may be seeking.

Distribution channel

The Fund will be distributed primarily via fund platforms, wealth managers, discretionary fund managers and financial institutions.