

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

## MFO Balanced Fund, a Sub-Fund of MFO Funds (the “Fund”)

ISIN: CYF000000960 - Class A (EUR), CYF000000978 - Class B (EUR)

Management Company: MFO Asset Management Ltd.

## Objectives and Investment Policy

### Objectives

The Fund’s investment strategy can be characterized as conservative with a medium to long-term investment horizon. The Fund aims to preserve capital and generate medium to long-term moderate capital growth. This Fund may not be appropriate for investors who plan to withdraw their money within 5 years.

### Investment Policy

The Fund will invest in highly liquid assets for the medium to long term with emphasis on fixed income securities and money market instruments. The Fund’s investment strategy will mainly be implemented through investments in other collective investment schemes (fund of funds) without ruling out direct investments.

The Fund will invest predominantly (approximately 80% and not less than 65% of its net assets) in fixed income securities. The Fund will have a minimum exposure of 60% of its fixed income investments in each of these categories: euro denominated, investment grade and government bonds. The average credit quality of the fixed income portfolio shall be investment grade.

The Fund will not directly invest in ABS, MBS and convertible bonds (or contingent convertible bonds), without ruling out minor exposures, with a maximum exposure of 10% of the fixed income investments, in the above-mentioned bond categories through investments in bond funds.

The Fund may also hold up to 20% of its net assets in cash and cash equivalents, which include investments in euro denominated money market instruments and cash held in euro to cover its operational expenses. Investments in

money market instruments will include, but are not limited to, money market funds, term deposits, certificates of deposit, short term notes and commercial paper.

To supplement its investing activities and depending on market conditions, the Fund may invest to a limited extent, approximately 10% and up to 15% of its net assets, in equity investments. The Fund’s equity investments will focus on geographical regions and industrial sectors in which the Management Company may deem appropriate to invest in, considering prevailing market conditions. Investments in equities will be mainly implemented with at least 70% of invested assets through investment in collective investment schemes.

The Fund may finally invest in alternative investments to diversify its sources of return, up to 5% of its net assets. Alternative investments include, but are not limited to, hedge funds, infrastructure, commodities, private equity and real estate. All alternative investments shall be conducted through investments in collective investment schemes.

### Benchmark

While exposures will be monitored and comparisons will be conducted, the fund will not at any time strictly adhere to a specific benchmark.

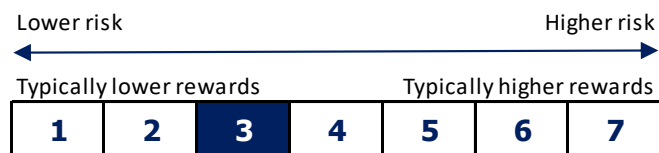
### Dealing Frequency

You may redeem your investment upon demand. This fund deals daily.

### Distribution Policy

The fund does not apply a distribution policy. Entire income and profits are to be reinvested in line with the strategy of the fund to achieve medium to long term capital growth.

## Risk and Reward Profile



### The risk and reward indicator

The indicator is based on historical data and may not be a reliable indication of the future risk profile of the Fund. The risk category shown is not guaranteed to remain unchanged and may shift over time. The lowest category does not mean risk-free investment. The Fund is classified in category 3 as it predominantly invests in bond funds, with investment grade government bond exposures.

**Material risks relevant to the Fund, which are not adequately captured by the indicator**

**Credit risk:** The risk that an issuer of a security held in the fund does not meet its obligations to the Fund.

**Liquidity risk:** In difficult market conditions, the Fund may not be able to sell a security for full value or at all. This could affect performance and could cause the Fund to defer or suspend redemptions of its units. Additional liquidity risks arise from the investment in other collective investment undertakings, by possible liquidity restrictions or suspension of redemptions that the manager of the underlying funds may apply.

**Downgrading Risk:** Refers to the risk of downgrade of the credit rating of an issuer that would increase the credit risk and may negatively affect an instrument’s value.

**Market Risk:** Refers to the risk of a change in the value of an investment due to changes in general market factors.

## Charges

### One-off charges taken before or after you invest

Entry charge	Class A Shares: 0%
	Class B Shares: 0%
Exit charge	Class A Shares: 0%
	Class B Shares: 0%

This is the maximum that might be taken out of your money before it is invested (entry charge) or before the proceeds of your investment are paid out (exit charge).

### Charges taken from the Fund over a year

Ongoing charges	Class A Shares 1,30% (including management fee of 0,70%)
	Class B Shares 1,55% (including management fee of 0.95%)

### Charges taken from the Fund under certain conditions

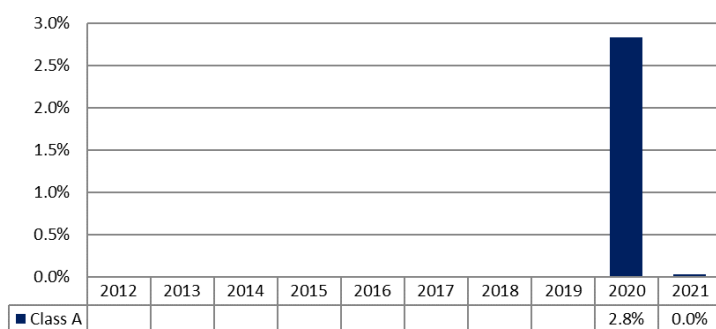
Performance fee	No performance-based fee
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The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

The ongoing charges figure is based on the last year's expenses, for the year ending December 2021 and this may vary from year to year. It excludes portfolio transaction costs, except in case of an entry/exit charge paid by the Fund when buying or selling units in another collective investment undertaking.

You can find more information about the charges on the Fund's prospectus, which is available at [www.mfoasset.com](http://www.mfoasset.com).

## Past Performance



**The investment of the Fund has no guaranteed return and past performance does not guarantee future results.** The bar chart shows the Fund's annual performance in EUR, for each full calendar year over the period displayed in the chart. It is expressed as the percentage change of the Fund's net asset value, which takes into account the Fund's ongoing charges. The one-off charges are excluded from the calculation.

The Fund was launched in 2019. Share class A and share class B were launched in 2019. Share class B has not been activated.

## Practical Information

**Depositary:** Eurobank Cyprus Ltd.

**Further Information:** You can get further information about this Fund, including the prospectus, latest annual report, any subsequent half-yearly report, accounts and the latest price of shares from the Fund's Management Company at 66, Akropoleos Avenue, 1st Floor, Acropolis Tower, 2012, Strovolos, Nicosia. They are available free of charge in English.

**Tax Legislation:** The Fund is subject to the tax legislation of the Republic of Cyprus, which may have an impact on your personal tax position.

**Liability:** MFO Asset Management Ltd may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Fund's prospectus.

**Umbrella Fund:** This Fund is an investment compartment of an umbrella fund, the name of which is at the top of this document. The prospectus and periodic reports are prepared for the entire umbrella fund. To protect investors, the assets and liabilities of each compartment are segregated by law from those of other compartments. Subject to conditions, you may apply to switch your investment into another share class within this Fund or in another fund managed by MFO Asset Management Ltd. Please see the prospectus for more details.

**Remuneration Policy:** The Remuneration Policy of the Management company is available at [www.mfoasset.com](http://www.mfoasset.com). Paper copies are available free of charge.

**Reference Currency:** The reference currency of the Fund is the Euro (EUR).

This Fund is authorized in Cyprus and regulated by the Cyprus Securities and Exchange Commission.

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This key investor information is accurate as at 12<sup>th</sup> January 2022.