

**CPH Capital
Fondsmæglerselskab A/S
CVR nr: 34 60 65 44**

**Annual report
For the year ended 31 December 2020**

CPH Capital Fondsmæglerselskab A/S

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Facts about CPH Capital Fondsmæglerselskab A/S (“the company”)

Address

CPH Capital Fondsmæglerselskab A/S
Lautrupsgade 7, 6
2100 Copenhagen Ø, Denmark

Phone: +45 69 14 81 81

Fax: +45 69 14 81 80

Date of foundation and municipality of residence

The company was founded on 2 July 2012 and Gentofte is the company's municipality of residence.

Objective

The company's objective is to serve as an investment manager and to provide investment related services in accordance with the Danish Financial Business Act and the licence obtained from the Danish FSA.

Registration numbers

Central Business Registration No 34 60 65 44

Registration number with the FSA: 8310

Board of Directors

The directors of the company who were in office during the year and up to the date of signing of the financial statements are as follows:

Christopher Hogbin

Ian Foster (resigned 21 January 2021)

Roland Spurr

David Lesser, Chairman

Board of Management

Mark Manley

Jamie Hammond, Chief Executive Officer (resigned 21 January 2021)

Ian Foster, Chief Executive Officer (appointed 21 January 2021)

Auditors

PriceWaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Strandvejen 44

2900 Hellerup, Denmark

Benny Voss, State Authorised Public Accountant

Michael E. Jacobsen, State Authorised Public Accountant

Financial year

The company's financial year is 1 January to 31 December.

Bankers

The company has several banks in Denmark, of which the key bank is:

Nordea Bank

Grønjordsvej 10

2300 København S, Denmark

Supervisory authority

The following public authority supervises Danish financial businesses:

Danish Financial Supervisory Authority

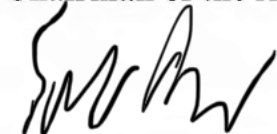
Århusgade 110

2100 Copenhagen Ø, Denmark

Phone: +45 33 55 82 82

Adopted at the company's Annual General Meeting on 19 April 2021

Chairman of the Annual General Meeting



Tobias Linde

Statement by Management on the annual report

The Board of Directors and the Board of Management have today presented the annual report of the company for the financial year ended 31 December 2020.

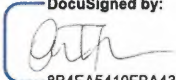
The annual report has been presented in accordance with the Danish Financial Business Act, the Danish Executive Order on Financial Reports for Financial Credit Institutions and Investment Companies, as well as guidelines issued by the Danish FSA.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of its operations for the financial year 2020.

In our view, the management commentary contains a fair review of the developments in the company's activities and finances, profit for the period and of its financial position as well as a description of the principal risks and uncertainties facing the Company.

Hellerup, 29 March 2020

Board of Management

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Ian Foster

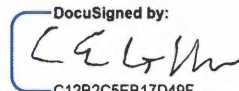
DocuSigned by:

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Mark Manley

Board of Directors

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David Lesser
Chairman

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Christopher Hogbin

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Roland Spurr

Independent Auditor's Report

To the shareholders of CPH Capital Fondsmæglerselskab A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020, and of the results of the Company's operations for the financial year 1 January to 31 December 2020 in accordance with the Danish Financial Business Act.

What we have audited

CPH Capital Fondsmæglerselskab A/S' Financial Statements for the financial year 1 January to 31 December 2020 comprise the income statement and statement of comprehensive income, the balance sheet, the statement of changes in equity and the notes to the financial statements, including summary of significant accounting policies (the "financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Denmark. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Business Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Business Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Business Act, and for such internal control as Management 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, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark 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 conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosure in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Hellerup, on 29 March 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

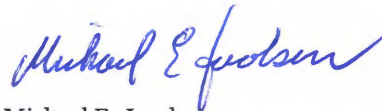
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Benny Voss

State Authorised Public Accountant

Mne15009



Michael E. Jacobsen

State Authorised Public Accountant

mne16655

Management commentary

Principal Activities

The company's primary activity is to provide investment management services for Global Active Core Equity shares. CPH manages a Luxembourg SICAV sponsored by the AllianceBernstein Group. Furthermore CPH provides investment advice, via a model portfolio which is updated daily, to the company's former owner Formuepleje

Business Review

The company recorded a profit on ordinary activities before taxation for the financial year of DKK 65,221k (2019: DKK 52,148k) as a result of increased AUM and strong performance. The company's fee income increased by 3% to DKK 155,729k (2019: DKK 151,237k). Staff costs and administrative expenses decreased by 8% to DKK 89,530k (2019: DKK 97,343k).

Balance sheet total and equity

At 31 December 2020, the company's balance sheet total is DKK 167,298k (2019: DKK 131,216k). This is comprised of deposits with Danish banks totalling DKK 140,702k, property, plant and equipment of DKK 35k, tax receivables of DKK 9,641k and other assets and prepayments of DKK 16,920k. The company's equity totals DKK 112,266k at 31 December 2020 (2019: DKK 89,644k).

Key Performance Indicators (KPIs) and risks

Assets under management ("AUM") amounted to DKK 82.1bn (2019: DKK 59.5bn) at 31 December 2020.

Assets under administration ("AUA") amounted to DKK 23.4bn (2019: DKK 17.5bn) at 31 December 2020.

The company's financial results and long-term business are influenced by the team's ability to produce additional returns as compared to the world share index. In the short run, results will be affected by general share price fluctuations.

Management and Ownership

The Board of Management consists of Mark Manley and Ian Foster.

The Company's A shares and B shares are 100% owned by ABPL.

Future Developments and Outlook

The intention for 2021 is to maintain a stable business platform, grow AUM and seek to maximize client returns at minimum risk levels in the current market.

Capital adequacy and solvency requirements

The company is subject to the capital adequacy and solvency requirements of the Danish Financial Business Act.

The Company is properly overcapitalised, showing a solvency ratio of 16.3% at 31 December 2020.

Response to COVID-19

The Company is continuously monitoring the impact of the COVID-19 pandemic on both its operational resilience and expected future profitability and cashflows. The health and safety of our employees is our highest priority and is evident in our response to the COVID-19 pandemic around the globe. At the initial onset of COVID-19 during the first quarter of 2020, we quickly responded in the various jurisdictions where we operate and implemented business continuity measures, including travel restrictions and a work-from-home requirement for almost all personnel (other than a relatively small number of employees whose physical presence in our offices was considered critical), which has remained in place, to ensure operating continuity for all critical functions. We also instituted a confidential notification process for any employee who tests positive for COVID-19 or has been exposed to someone else who has tested positive. As the COVID-19 crisis has continued to evolve since the lockdown in the first quarter, certain key functions of the business, such as Risk Management, Business Continuity, Finance and Human Capital, have maintained constant communication and monitored the evolution of the pandemic to keep our employees safe and advise of key developments. We have also instituted the following protocols in response to the COVID-19 pandemic:

- Increasing cleaning protocols across all locations;
- Providing additional personal protective equipment and cleaning supplies;
- Implementing protocols to address actual and suspected COVID-19 cases and potential exposure;
- Prohibiting all domestic and international non-essential travel for all employees;

Other directorships held by members of Board of Directors

Board of Directors

David Lesser

Member of the Board of Directors of:

AllianceBernstein Investments, Inc.
AllianceBernstein Investor Services, Inc.
AB Private Client Investors LLC
AllianceBernstein International LLC
AllianceBernstein Oceanic Corporation
AllianceBernstein Corporation of Delaware
AllianceBernstein Custom Alternative Solutions LLC
AllianceBernstein Preferred Limited
AllianceBernstein Real Estate Investments LLC
WPS Advisors, LLC

Christopher Hogbin

Not a member of any other Board

Roland Spurr

AllianceBernstein Ltd.

Income statement and statement of comprehensive income for year ended 31 December 2020

	Note	2020 DKK'000	2019 DKK'000
Interest expenses	3	(698)	(711)
Net interest expense		(698)	(711)
Fee income	4	155,729	151,273
Net interest and fee income		155,031	150,562
Transaction adjustments		337	(413)
Staff costs and administrative expenses	5	(89,530)	(97,343)
Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	6	(617)	(658)
Other operating expenses		0	0
Profit before tax		65,221	52,148
Income tax	7	(12,599)	(9,070)
Profit for the year		52,622	43,078
Available for distribution:			
Profit for the year		52,622	43,078
		52,622	43,078
Proposed distribution of profit:			
Ordinary dividend		(30,000)	(55,000)
Dividend distributed over the year		0	0
Retained earnings		72,144	84,066
		94,766	72,144
Statement of comprehensive income			
Profit for the year		52,622	43,078
Other comprehensive income		0	0
Tax on other comprehensive income		0	0
Total other comprehensive income		52,622	43,078

Balance Sheet at 31 December 2020

	Note	2020 DKK'000	2019 DKK'000
Receivable from credit institutions and central banks	8	140,702	64,565
Other property, plant and equipment	9	35	607
Deferred tax assets	12	9,641	7,670
Other assets	10	16,904	52,917
Current tax assets		0	5,155
Prepayments		16	302
Total assets		167,298	131,216

Balance Sheet at 31 December 2020**Equity and liabilities**

	Note	2020 DKK'000	2019 DKK'000
Current tax liabilities		13,739	0
Other liabilities	11	41,293	41,571
Deferred income		0	0
Total payables		55,032	41,571
Provisions for deferred tax		0	0
Other provisions		0	0
Total provisions		0	0
Share capital	13	5,500	5,500
Share premium account		12,000	12,000
Retained earnings		94,766	72,144
Dividend proposed		0	0
Total equity		112,266	89,644
Total equity and liabilities		167,298	131,216
Guarantee:			
Danish Guarantee Fund for Depositors and Investors		133	108
Off balance sheet items		133	108

Other notes, including contingent liabilities

14-19

Statement of changes in equity for the year ended 31st December 2020

	Share capital DKK'000	Share premium account DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 1 January 2020	5,500	12,000	72,144	89,644
Profit for the year	0	0	52,622	52,622
Comprehensive income for the year	5,500	12,000	124,766	142,266
Dividend distributed	0	0	(30,000)	(30,000)
Equity at 31 December 2020	5,500	12,000	94,766	112,266

Statement of changes in equity for the year ended 31st December 2019

	Share capital DKK'000	Share premium account DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 1 January 2019	5,500	12,000	84,066	101,566
Profit for the year	0	0	43,078	43,078
Comprehensive income for the year	5,500	12,000	127,144	144,644
Dividend distributed	0	0	(55,000)	(55,000)
Equity at 31 December 2019	5,500	12,000	72,144	89,644

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1. Accounting policies

The financial statements have been prepared in accordance with the Danish Financial Business Act, the Danish Executive Order on Financial Reports for Financial Credit Institutions and Investment Companies, etc as well as guidelines issued by the Danish Financial Supervisory Authority.

The financial statements are presented in Danish Kroner, rounded to the nearest thousand.

Summary of significant accounting policies:

Recognition and measurement

Income is recognised in the income statement when earned, including recognition of value adjustments of financial assets and liabilities. All costs, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future financial benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at fair value. However, intangible assets and property, plant and equipment are measured at cost at the time of the initial recognition. Subsequently, assets and liabilities are measured as described for each financial statement item below.

Income statement

Interest, fees and commission

Interest, fees and commission are accounted for on an accruals basis with the financial reporting period.

Income tax

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to profit or loss for the year and in other comprehensive income recognised directly in equity by the portion attributable to entries directly in other comprehensive income and equity.

Provisions for deferred tax are measured in accordance with the balance-sheet liability method including all temporary differences between the carrying amount and tax-based value of assets and liabilities.

Notes

1. Accounting policies (continued)

Balance Sheet

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs of provisions for bad debts.

Other property, plant and equipment

Property, plant and equipment are measured at cost less straight-line depreciation calculated on the estimated useful lives of the assets.

Leasehold improvements 6 years

Fixtures and fittings etc 3-5 years

The company has applied the update to 'IFRS 16 Leases' The new standard requires lessees to recognise nearly all leases on the balance sheet which will reflect their right to use an asset for a period of time and the associated liability for payments. This has resulted in an increase in reported property plant and equipment and can be found in note 10.

Other assets

Other assets include assets that have not been included in other asset items.

Prepayments/deferred income

Prepayments/deferred income include income/expenses for subsequent financial reporting periods.

Current tax and deferred tax

Current tax payable or receivable is recognised in the balance sheet as tax computed on this year's taxable income, adjusted for prior years' taxable income and prepaid tax.

Deferred tax is measured based on the tax regulations and tax rates that will be in effect, using the laws at the balance sheet date, when the deferred tax is estimated to crystallise as current tax. For this period, the tax rate applied is 22%. Deferred tax is computed on all temporary differences between the carrying amount and tax-based value of assets.

Deferred tax assets are recognised at their estimated utilisable value, either as elimination against tax on future earnings or as set-off against deferred tax liabilities.

Provisions

Provisions are recognised when the Company has a constructive obligation as a result of an event occurring on the balance sheet date at the latest, and it is probable that future economic benefits will flow out of the Company to meet this obligation. Provisions for deferred tax are specified in the section dealing with tax payable and deferred tax.

Notes

1. Accounting policies (continued)

Liabilities other than provisions

Liabilities other than provisions which comprise amounts payable to creditors etc. are measured at amortised costs, usually equaling nominal value.

Dividend

Dividend, if proposed is recognised as a liability at the time of adoption at the general meeting. If a Dividend is proposed and paid in the financial year it is disclosed as a separate item in equity.

Financial highlights

The financial highlights are defined in accordance with the requirements of the Danish Executive Order on the Presentation of Financial Statements and with the recommendations issued by the Danish Society of Financial Analysts.

2. Financial highlights

	2020	2019	2018	2017	2016
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial highlights					
Income statement					
Net interest and fee income	155,031	150,562	99,527	81,713	73,629
Transaction adjustments	337	(413)	43	0	0
Staff costs and administrative expenses	(89,530)	(97,343)	(63,551)	(51,235)	(52,114)
Profit for the period	52,622	43,078	27,949	23,527	15,983
Balance sheet					
Equity	112,266	89,644	101,566	73,617	50,090
Total assets	167,298	131,216	114,112	85,939	64,988
Key ratios					
Capital base/minimum capital requirement ratio	189.4 %	513.1%	458.4%	480.7%	314.0%
Capital ratio	16.3%	41.1%	37.0%	38.5%	25.1%
Core capital ratio	16.3%	41.1%	37.0%	38.5%	25.1%
Return on equity before tax	64.6%	54.6%	40.9%	48.8%	49.6%
Return on equity after tax	52.1%	45.1%	31.9%	38.0%	38.0%
Income/cost ratio	1.7	1.5	1.6	1.6	1.4

Notes

3. Interest expenses

Credit institutions	(698)	(711)
Total interest expenses	(698)	(711)

4. Net interest and fee income and transaction adjustments by activity

The Company has not broken down net interest and fee income by activity. No material differences have been considered to exist between the Company's activities and geographical areas, for which reason no segment information is provided.

5. Staff costs and administrative expenses

	2020 DKK'000	2019 DKK'000
Salaries to the staff	63,099	60,431
Social security costs	55	37
Levies calculated on the basis of the number of employees on payroll	6,998	15,620
Other administrative expenses	19,378	21,255
Total staff costs and administrative expenses	89,530	97,343

The average number of full time employees is 5 (2019: 5).

Number of Board of Directors 3

No Director received remuneration from CPH during 2020.

No pension obligations have been undertaken for Management or other staff.

Disclosure pursuant to Section 77d(3) of the Danish Financial Business Act: Total remuneration earned in their capacity as member of the Group' Executive Board or Board of Directors, paid during the financial year:

No Directors received variable remuneration from CPH during the financial year.

Notes

6. Amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment

	2020 DKK'000	2019 DKK'000
Depreciation of property and leasehold improvements	601	590
Depreciation of machinery, equipment and fixtures and fittings	16	68
Total amortisation, depreciation and impairment losses on intangible assets and property, plant and equipment	617	658

7. Income tax

Estimated tax on income for the year	18,253	4,311
Change in deferred tax	(4,556)	6,391
Adjustment of tax estimated for previous years	(3,683)	(1,669)
Adjustment of deferred tax for previous years	2,585	37
Total tax on profit for the year	12,599	9,070

Effective tax rate

Current tax rate	22.00%	22.00%
Adjustment of tax estimated for previous years	-5.65%	-3.15%
Adjustment of deferred tax for previous years	3.96%	0.07%
Tax rate for permanent differences	-1.00%	-1.53%
Effective tax rate	19.32%	17.39%

8. Receivable from credit institutions

Demand deposits with credit institutions	140,702	64,565
Receivable from credit institutions	140,702	64,565

Notes

9. Other property, plant and equipment

	2020 DKK'000	2019 DKK'000
Machinery, fixtures and fittings etc.		
Cost, beginning of year	1,110	1,110
Additions for the year	35	0
Cost of assets held, end of year	1,145	1,110
Depreciation, beginning of year	(1,094)	(1,026)
Depreciation for the year	(16)	(68)
Depreciation of assets held, end of year	(1,110)	(1,094)
Carrying amount of machinery, fixtures and fittings etc., end of year	35	16
Property and leasehold improvements		
Cost, beginning of year	1,800	1,037
Additions for the year	11	763
Cost of assets held, end of year	1,811	1,800
Depreciation, beginning of year	(1,209)	(809)
Depreciation for the year	(601)	(400)
Depreciation of assets held, end of year	(1,810)	(1,209)
Carrying amount of leasehold improvements, end of year	1	591
Total other property, plant and equipment	35	607

Notes

10. Other assets

	2020 DKK'000	2019 DKK'000
Other receivables	12,293	6,572
Intercompany	4,611	46,345
Total other assets	16,904	52,917

11. Other liabilities

Costs payable	6,632	2,574
Other payables	32,356	34,779
Intercompany	2,305	4,218
Total other liabilities	41,293	41,571

12. Provisions for deferred tax

The basis underlying deferred tax may be specified as follows:

Intangible Assets	285	66
Property, plant and equipment	529	7,899
Short-term debt	43,010	26,899
Total provisions for deferred tax	43,824	34,864
Tax value thereof 22%	9,641	7,670

13. Share capital

The share capital is divided into A and B shares.

Capital consists of 4,125,000 A shares at DKK 1 and 1,375,025 B shares at DKK 1.

Notes

14. Audit fees

	2020 DKK'000	2019 DKK'000
Statutory audit – PWC	156	156
Non-audit services	-	38
Total fees to auditors appointed by the Company in general meeting who perform the statutory audit	156	194

15. Capital structure and solvency

Capital structure

Equity	112,266	89,644
Deductions:		
Deferred tax assets	(9,641)	(7,670)
Common Equity Tier	102,625	81,974
Core Capital	102,625	81,974
Capital Base	102,625	81,974

Risk Exposure

Credit risk	20,250	7,455
Market risk	6,144	6,303
Threshold due to fixed costs	306,254	199,197

Ratios

	2020	2019
Common Equity Tier %	16.3	41.1
Core Capital %	16.3	41.1
Capital Base %	16.3	41.1

Notes

16. Related parties and ownership

Name	Basis of influence
Controlling interest	
ABPL	Principal Shareholder
Other related parties	
Ian Foster	CEO, Executive Board Member
Mark Manley	Executive Board Member
Christopher Hogbin	Member of the Board of Directors
David Lesser	Member of the Board of Directors
Roland Spurr	Member of the Board of Directors

Transactions

The company is related to AllianceBernstein Limited (ABL), a fellow subsidiary of the company's parent ABPL. Certain investment management operations are provided by ABL to the company (eg trading, portfolio implementation). The company is related to AllianceBernstein L.P. (ABLP), the ultimate parent company. CPH receives an allocation of the investment management residual profits from ABLP. Additionally the company is related to AllianceBernstein Services Limited (ABSL), a subsidiary of ABL. CPH receives corporate and fiduciary services from ABSL (HR, Finance, Legal and Compliance and IT).

Notes

17. Consolidation

The company's immediate holding company is ABPL, a company registered in England and Wales. The consolidated financial statements of AllianceBernstien L.P. (established in the State of Delaware, USA), within which this company is included, can be obtained from AllianceBernstein. L.P. 1345 Avenue of Americas, New York, USA

The ultimate holding company and controlling party is AllianceBernstein L.P.'s Equitable Holdings, Inc., a financial services company based in New York, N.Y., USA.

18. Contingent liabilities

The company has entered into the following lease:

CPH Capital Fondsmæglerselskab A/S
Lautrupsgade 7, 6
2100 Copenhagen Ø, Denmark
Annual rent: DKK 627k

19. Financial risks and financial risk management policies and objectives

The company is exposed to different types of risks.

Particular risks

Excess liquidity is held as cash, for which reason the company's financial exposure is limited. The company's principal business risk relates to the development of assets managed, the development in customer intake as well as portfolio returns and the concentration risk exposure to customers, distributors and products.

Risk management

The company's principal risk exposure relates to operational risks, credit risks, market risks and concentration risks:

- Operational risk refers to the risk of unforeseen losses resulting from internal procedure and control weaknesses. Operational risk is inherent in an investment company. Asset management, provision of advisory services and administration by the company is dependent on well-working IT systems, competent staff and a strong control environment, among other elements, for which reason the company focuses on monitoring and control and has established procedures for crisis management.

Notes

- Concentration risk refers to the risk of a considerable share of the company's earnings centring on a single product, investor or a distributor. The company's earnings are very sensitive and will be affected if the product is discontinued, or a major investor cashes in their investment.
- Market risk refers to the risk of the market value of a financial liability increasing or decreasing due to fluctuations in share prices, interest rates and exchange rates. The company is only exposed to market risk if invoices are settled in foreign currency.
- Credit risk refers to the risk of loss resulting from counterparties not meeting their payment obligations to the company, either in whole or in part. The company is mostly exposed to Danish credit institutions, other group companies and collective investment schemes. The company considers such risk to be low since no loss has been recorded for those counterparties.

Financial risk, management and policies

The overall risk management objectives and framework are established by the Board of Directors. The Board of Management is in charge of day-to-day compliance therewith and regularly reports on compliance to the Board of Directors.