



Annual report

Lupus alpha Sustainable Smaller Pan European Champions

as of 31 December 2022

Lupus alpha

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Activity report for the period: 1 January 2022 - 31 December 2022

Investment objectives and investment policy to achieve the objectives:

The fund invests in medium-sized and smaller European companies characterized by an attractive market position and a stable business model. The objective of the fund is to participate in the performance of these companies and thus to outperform the benchmark index over a long investment period.

The portfolio consists of 60 to 80 holdings, which are characterised by an attractive market position, a solid balance sheet and a stable business model. These are weighted according to their price potential and their liquidity as assumed by us. The fund also maintains an operational cash position of 0-4 per cent to anticipate purchases and sales of holdings through small inflows and outflows.

Details of environmental and/or social characteristics according to Regulation (EU) 2020/852 of the European Parliament and of the Council can be found in the appendix of this annual report.

Portfolio structure and significant changes during the reporting period:

Structure of the fund:	31 December 2022	% unit	31 December 2021	% unit
Equities	177,995,698.86	97.59	257,601,322.18	99.15
Cash at banks, money market instruments and money market funds	4,290,257.37	2.35	2,941,453.57	1.13
Forward exchange contracts	0.00	0.00	181.31	0.00
Other assets	268,384.01	0.15	125,407.88	0.05
Other liabilities	-158,630.20	-0.09	-861,571.58	-0.33
Fund assets	182,395,710.04	100.00	259,806,793.36	100.00

Fund earnings:

Shares in European small and midcap companies made a negative start to the year right from the beginning, continuing the downward trend, with some short-lived recoveries in March, May and July before bottoming out at the end of September. The index managed to recover to some extent until mid-November, before share price performances moved sideways until the end of the year. Overall, the year closed with prices down. Price movements were driven mainly by interest rate hikes by central banks in the US and Europe, as a result of inflation reaching levels not seen for decades. In addition to the aftereffects of the pandemic, such as supply difficulties, this was triggered in particular by Russia's war of aggression on Ukraine and the resulting rise in energy prices. Based on these themes, fears of a recession in winter 2022 and the year ahead in 2023 preoccupied the market over the year.

The Lupus alpha Sustainable Smaller Pan European Champions (C) lost 33.30 per cent in 2022, underperforming its benchmark index (Stoxx Europe Total Market Small Net Return), which lost 22.05 per cent.

The Lupus alpha Sustainable Smaller Pan European Champions (R) lost 33.67 per cent in 2022, underperforming its benchmark index (Stoxx Europe Total Market Small Net Return), which lost 22.05 per cent.

The Lupus alpha Sustainable Smaller Pan European Champions (CT) lost 26.01 per cent during the short fiscal year from 3 February 2022 to 31 December 2022, underperforming its benchmark index (Stoxx Europe Total Market Small Net Return), which lost 16.14 per cent over this period.

The main sources of negative income during the reporting period were losses on equities.

The global financial markets were hit by a succession of headwinds in 2022. Early in the year, Covid was still a major issue in industrialised countries but was gradually brought under control through preventive measures and vaccinations. Meanwhile, there were signs of a slight easing in global supply-chain bottlenecks. On top of these macroeconomic issues, geopolitical headwinds emerged when Russian troops invaded Ukraine on 24 February 2022. The invasion, which was regarded as scarcely possible in Europe, has had huge repercussions and led to a major shift in European politics, the economy and capital markets. In particular, the resulting spike in energy and food prices paved the way to much higher inflation. In order to combat inflation, the western central banks had to raise their key interest rates considerably. Fears of economic slowdown and the about-face in interest rates in reaction to double-digit

inflation triggered heavy losses on both the bond and equity markets during 2022. Such a heavy parallel losses by both equity and bond markets were almost unprecedented on this scale. Rising input prices, higher energy costs, and wage inflation posed major challenges for many companies in 2022. High inflation and expectations of economic slowdown remain potential sources of stress. At the same time, such crises offer companies opportunities. European small and mid-caps are important players in developing new technologies and putting the European economy on a generally different path, including reducing energy dependency on Russia and combatting climate change. Heavy losses have brought down valuations in many areas. To what extent and how fast inflation can be brought down, and how much central banks still have to do will remain the dominant issues on capital markets. As a result, general global economic conditions and the capital markets are still marked by high uncertainty, which could lead to volatility on financial markets. In this respect, the fund's future performance is also subject to increased fluctuation risks. The management company will continue to take all measures deemed appropriate to protect investor interests as best possible.

Significant risks:

The main types of risk assumed by the fund during the reporting period were as follows:

- Market price risk: The annualised volatility of the fund's unit values during the fiscal year was 25.31 per cent. This is higher than for the benchmark index, whose volatility in the reporting period was an annualised 22.23 per cent.
- Liquidity risk: The fund consists of units in small and medium-sized European companies. The size of holding in individual units depends, among other things, on their daily trading volume, which is why the liquidity risk may be considered low.
- Currency risk: The fund may hold European equities. The associated currency risk is not hedged through the use of derivatives.
- Operational risk: In principle, the fund is exposed to operational risk in the management company's processes, but did not report any increased operational risk during the reporting period.

Other information:

The Lupus alpha Sustainable Smaller Pan European Champions CT unit class was launched on 3 February 2022.

Lupus alpha Sustainable Smaller Pan European Champions

Statement of assets as of 31 December 2022

Investment focus	Current value in EUR	% of fund assets ¹⁾
Assets		
Equities	177,995,698.86	97.59
Belgium	8,793,520.00	4.81
Federal Republic of Germany	20,872,390.00	11.44
Denmark	10,835,682.11	5.95
Finland	3,583,236.00	1.96
France	15,682,010.00	8.60
Great Britain, Northern Ireland and Channel Islands	36,825,602.12	20.20
Ireland	8,986,431.46	4.93
Italy	3,444,128.00	1.89
Luxembourg	1,225,497.56	0.67
Netherlands	11,519,100.00	6.31
Austria	4,224,080.00	2.32
Sweden	21,761,244.89	11.93
Switzerland	26,172,641.72	14.35
Spain	4,070,135.00	2.23
Cash at banks, money market instruments and money market funds	4,290,257.37	2.35
Other assets	268,384.01	0.15
Other liabilities	-158,630.20	-0.09
Fund assets	182,395,710.04	100.00

¹⁾ Minor rounding differences may arise as a result of rounding percentages in the calculation.

Lupus alpha Sustainable Smaller Pan European Champions

Statement of net assets as of 31 December 2022

Name	ISIN	Market	Qty, units, or currency in 1,000	As of 31 December 2022	Purchases/ Acquisition	Sales/ Disposals	Market price	Market value in EUR	% of fund assets ¹⁾	
					during the reporting period					
Securities traded on an exchange										
Equities										
ALK-ABELLO AS DK -.50	DK0061802139		QTY	203,000	267,000	64,000	DKK	96.050	2,621,952.53	1.44
APPLUS SERVICES SA EO-.10	ES0105022000		QTY	203,000	41,000	45,000	EUR	6.415	1,302,245.00	0.71
ARCADIS NV EO-.02	NL0006237562		QTY	148,000	76,577	109,577	EUR	36.700	5,431,600.00	2.97
ARYZTA AG NAM. SF-.02	CH0043238366		QTY	2,950,000	1,631,585	2,131,585	CHF	1.101	3,290,196.12	1.80
ASR NEDERLAND N.V.EO-.16	NL0011872643		QTY	56,000	56,000	0	EUR	44.350	2,483,600.00	1.36
BACHEM HLDG NA SF 0.01	CH1176493729		QTY	24,700	27,000	2,300	CHF	79.850	1,997,948.66	1.10
BE SEMICON.INDSINH.EO-.01	NL0012866412		QTY	30,000	30,000	0	EUR	56.560	1,696,800.00	0.93
BERKELEY GR.HL LS-.054141	GB00BLJNXL82		QTY	60,000	26,500	44,000	GBP	37.730	2,552,342.30	1.40
BRAVIDA HOLDING AB	SE0007491303		QTY	207,000	217,000	10,000	SEK	111.400	2,073,611.14	1.14
BURCKHARDT C.H. NA.SF2.50	CH0025536027		QTY	3,600	9,300	5,700	CHF	551.000	2,009,400.71	1.10
CEMBRA MONEY BANK AG SF 1	CH0225173167		QTY	27,000	47,000	20,000	CHF	76.900	2,103,306.45	1.15
COOR SVC MGMT HLDG SK 4	SE0007158829		QTY	516,000	242,096	61,096	SEK	64.300	2,983,544.05	1.64
DCC PLC EO-.25	IE0002424939		QTY	93,000	26,500	25,000	GBP	40.800	4,278,031.46	2.35
D'IETEREN GROUP P.S.	BE0974259880		QTY	39,000	17,000	18,000	EUR	179.200	6,988,800.00	3.82
DIPLOMA PLC LS-.05	GB0001826634		QTY	102,000	35,000	51,000	GBP	27.760	3,192,423.47	1.75
DKSH HOLDING AG NA.SF-.10	CH0126673539		QTY	35,000	50,000	15,000	CHF	70.200	2,488,958.22	1.36
DO + CO AG	AT0000818802		QTY	38,000	8,592	12,592	EUR	88.600	3,366,800.00	1.85
DOVALUE S.P.A.	IT0001044996		QTY	280,000	54,896	59,896	EUR	7.160	2,004,800.00	1.10
DUNELM GROUP PLC LS-.01	GB00B1CKQ739		QTY	163,000	163,000	0	GBP	9.790	1,799,165.68	0.99
ELEKTA AB B SK 2	SE0000163628		QTY	427,000	309,000	262,000	SEK	62.800	2,411,344.71	1.32
EVOTEC SE INH O.N.	DE0005664809		QTY	166,000	48,000	46,000	EUR	15.260	2,533,160.00	1.39
FAGRON N.V. PORT.	BE0003874915		QTY	136,000	37,611	39,611	EUR	13.270	1,804,720.00	0.99
FAURECIA EU INH EO 7	FR0000121147		QTY	165,000	70,220	34,220	EUR	14.130	2,331,450.00	1.28
FRASERS GROUP PLC LS-.10	GB00B1QH8P22		QTY	188,000	188,000	0	GBP	7.100	1,504,932.63	0.83
FUCHS PETROLUB VZO NA ON	DE000A3E5D64		QTY	56,000	56,000	0	EUR	32.740	1,833,440.00	1.01
GEA GROUP AG	DE0006602006		QTY	75,000	82,000	7,000	EUR	38.200	2,865,000.00	1.57
GEORG FISCHER NA SF 0.05	CH1169151003		QTY	51,000	54,000	3,000	CHF	56.600	2,924,146.04	1.60
GERRESHEIMER AG	DE000A0LD6E6		QTY	39,000	46,000	7,000	EUR	62.800	2,449,200.00	1.34
GLANBIA PLC EO 0.06	IE0000669501		QTY	395,000	218,085	63,000	EUR	11.920	4,708,400.00	2.58
GREGGS PLC LS-.02	GB00B63QSB39		QTY	115,000	74,500	67,000	GBP	23.460	3,041,772.37	1.67
GRIFOLS SA INH. A EO-.25	ES0171996087		QTY	257,000	298,000	41,000	EUR	10.770	2,767,890.00	1.52
HELLOFRESH SE INH O.N.	DE000A161408		QTY	127,000	140,500	100,000	EUR	20.530	2,607,310.00	1.43
HUGO BOSS AG NA O.N.	DE000A1PHFF7		QTY	54,000	89,300	68,000	EUR	54.160	2,924,640.00	1.60
HUHTAMAEMI OYJ	FI0009000459		QTY	51,000	86,000	101,000	EUR	32.000	1,632,000.00	0.89
IMI PLC LS-.2857	GB00BGLP8L22		QTY	98,000	90,500	209,500	GBP	12.880	1,423,124.19	0.78

¹⁾ Minor rounding differences may arise as a result of rounding percentages in the calculation.

INCHCAPE PLC LS -.10	GB00B61TVQ02	QTY	252,000	252,000	0	GBP	8.200	2,329,781.84	1.28
IPROS S.A. INH. EO -.25	FR0000073298	QTY	82,000	23,500	21,500	EUR	58.500	4,797,000.00	2.63
ISS AS DK 1	DK0060542181	QTY	242,000	254,000	12,000	DKK	147.300	4,793,464.67	2.63
LINDAB INTERNATIONAL AB	SE0001852419	QTY	104,000	66,000	69,500	SEK	127.400	1,191,446.50	0.65
LOGITECH INTL NA SF -.25	CH0025751329	QTY	33,000	33,000	0	CHF	57.060	1,907,471.94	1.05
LOOMIS AB SERIES	SE0014504817	QTY	169,000	49,000	47,000	SEK	286.000	4,346,348.22	2.38
MAIRE TECNIMONT SPA	IT0004931058	QTY	464,000	185,000	536,000	EUR	3.102	1,439,328.00	0.79
METSO OUTOTEC OYJ	FI0009014575	QTY	203,000	164,000	381,000	EUR	9.612	1,951,236.00	1.07
NETCOMPANY GROUP DK1	DK0060952919	QTY	40,000	22,600	31,000	DKK	294.200	1,582,464.87	0.87
NOLATO AB SER.B	SE0015962477	QTY	751,000	483,000	55,000	SEK	54.650	3,690,641.69	2.02
PANDORA A/S DK 1	DK0060252690	QTY	28,000	53,000	82,500	DKK	488.100	1,837,800.04	1.01
RATOS B FRIA SK 2.083	SE0000111940	QTY	565,000	683,000	118,000	SEK	41.490	2,107,966.30	1.16
RESTAURANT GRP LS-.28125	GB00B0YG1K06	QTY	4,487,000	1,929,000	953,000	GBP	0.312	1,580,403.40	0.87
RS GROUP PLC LS-.10	GB0003096442	QTY	145,000	139,000	238,000	GBP	8.955	1,463,977.68	0.80
SIG GROUP AG NA SF-.01	CH0435377954	QTY	125,000	201,000	76,000	CHF	20.200	2,557,842.70	1.40
SOCIETE BIC INH. EO 3.82	FR0000120966	QTY	32,000	32,000	0	EUR	63.950	2,046,400.00	1.12
SOFTCAT PLC LS-.0005	GB00BYZDVK82	QTY	129,000	61,500	79,000	GBP	11.840	1,722,036.19	0.94
SOFTWARE AG NA O.N.	DE000A2GS401	QTY	190,000	71,500	48,500	EUR	24.220	4,601,800.00	2.52
SOITEC S.A. EO 2	FR0013227113	QTY	8,000	11,400	16,900	EUR	152.850	1,222,800.00	0.67
SOPRA STERIA GRP INH.EO 1	FR0000050809	QTY	20,000	5,000	5,000	EUR	141.200	2,824,000.00	1.55
SPECTRIS PLC LS-.05	GB0003308607	QTY	52,000	52,000	0	GBP	30.020	1,760,009.02	0.96
SPIE S.A. EO 0.47	FR0012757854	QTY	101,000	101,000	0	EUR	24.360	2,460,360.00	1.35
SPIR.-SARC.E.LS-.26923076	GB00BWFQGN14	QTY	17,000	12,000	15,000	GBP	106.150	2,034,556.63	1.12
SSP GROUP LS-.01085	GB00BGBN7C04	QTY	923,000	595,000	636,000	GBP	2.290	2,383,076.84	1.31
SUBSEA 7 S.A. DL 2	LU0075646355	QTY	114,000	518,000	404,000	NOK	113.050	1,225,497.56	0.67
SWISSQUOTE GRP HLDG SF0.2	CH0010675863	QTY	19,800	31,300	31,000	CHF	133.500	2,677,681.43	1.47
TATE +LYLE LS-.2916666667	GB00BP92CJ43	QTY	271,000	292,000	21,000	GBP	7.112	2,173,010.88	1.19
TECAN GRP AG NAM.SF 0.10	CH0012100191	QTY	6,400	7,000	600	CHF	412.400	2,673,690.18	1.47
TECHNIP ENERGIES EO -.01	NL0014559478	QTY	130,000	191,000	61,000	EUR	14.670	1,907,100.00	1.05
TELECOM PLUS PLC LS-.05	GB0008794710	QTY	74,000	107,000	33,000	GBP	21.950	1,831,332.09	1.00
TEMENOS AG NAM. SF 5	CH0012453913	QTY	30,000	30,000	0	CHF	50.740	1,541,999.27	0.85
TRAINLINE PLC LS 0.01	GB00BKDTK925	QTY	482,000	506,000	24,000	GBP	2.746	1,492,273.52	0.82
UTD.INTERNET AG NA	DE0005089031	QTY	56,000	13,000	12,000	EUR	18.890	1,057,840.00	0.58
VIAPLAY GROUP AB B	SE0012116390	QTY	166,000	107,000	42,000	SEK	198.050	2,956,342.28	1.62
WATCH.O.SWITZ.GR.LS-.0125	GB00BJDQQ870	QTY	256,000	258,000	270,000	GBP	8.205	2,368,205.65	1.30
WHITBREAD LS -.76797385	GB00B1KJJ408	QTY	75,000	75,000	0	GBP	25.700	2,173,177.74	1.19
WIENERBERGER	AT0000831706	QTY	38,000	14,500	95,500	EUR	22.560	857,280.00	0.47
Total equities						EUR		177,995,698.86	97.59
Total securities traded on an exchange						EUR		177,995,698.86	97.59
Total securities holdings						EUR		177,995,698.86	97.59

Cash at banks, money market instruments and money market funds

Cash at banks

¹⁾ Minor rounding differences may arise as a result of rounding percentages in the calculation.

EUR-Balances with the custodian							
Kreissparkasse Köln	EUR	4,115,225.69	%	100.000	4,115,225.69	2.26	
Balances in other EU/EEA currencies							
Kreissparkasse Köln	DKK	914,550.47	%	100.000	122,981.30	0.07	
Kreissparkasse Köln	NOK	44,216.71	%	100.000	4,204.59	0.00	
Kreissparkasse Köln	SEK	289,029.42	%	100.000	25,990.45	0.01	
Total balances in other EU/EEA currencies					EUR	153,176.34	0.08
Balances in non-EU/EEA currencies							
Kreissparkasse Köln	CHF	16,410.89	%	100.000	16,624.35	0.01	
Kreissparkasse Köln	GBP	4,639.63	%	100.000	5,230.99	0.00	
Total balances in non-EU/EEA currencies					EUR	21,855.34	0.01
Total cash at banks					EUR	4,290,257.37	2.35
Total cash at banks, money market instruments and money market funds					EUR	4,290,257.37	2.35
Other assets							
Dividend claims	EUR	32,328.77			32,328.77	0.02	
Withholding tax refund claims	EUR	236,055.24			236,055.24	0.13	
Total other assets					EUR	268,384.01	0.15
Other liabilities							
Accrued expenses	EUR	-158,630.20			-158,630.20	-0.09	
Total other liabilities					EUR	-158,630.20	-0.09
Fund assets					EUR	182,395,710.04	100.00
Outstanding units - Class C					QTY	868,425.681	
Unit value - Class C					EUR	171.90	
Outstanding units - Class R					QTY	26,831.574	
Unit value - Class R					EUR	87.95	
Outstanding units - Class CT					QTY	415,667.000	
Unit value - Class CT					EUR	73.99	
Securities holdings as a percentage of fund assets							97.59

¹⁾ Minor rounding differences may arise as a result of rounding percentages in the calculation.

Securities prices/market rates

The investment fund assets are valued based on the following list/market prices:

All assets: Prices/market rates as of 30 December 2022 or last known

Exchange rate(s)/conversion factor(s) (indirect quote) as of 30 December 2022

Danish krone	(DKK)	7.43650	= 1 euro (EUR)
Pound sterling	(GBP)	0.88695	= 1 euro (EUR)
Norwegian krone	(NOK)	10.51630	= 1 euro (EUR)
Swedish krona	(SEK)	11.12060	= 1 euro (EUR)
Swiss franc	(CHF)	0.98716	= 1 euro (EUR)

¹⁾ Minor rounding differences may arise as a result of rounding percentages in the calculation.

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Transactions completed during the reporting period, not included in the statement of net assets:

- Purchases and sales of securities, investment fund units and bonded loans (market allocation as of the reporting date):

Name	ISIN	Qty, units, nominal value or currency in 1000	Purchases/ Acquisition	Sales/ Disposals
Securities traded on an exchange				
Equities				
ALK-ABELLO AS B DK 10	DK0060027142	QTY	4,900	11,300
ALSO HOLDING AG SF 1	CH0024590272	QTY	0	10,500
BOOZT AB	SE0009888738	QTY	13,000	102,000
BOSSARD HLDG NAM. SF 5	CH0238627142	QTY	600	13,500
BUCHER INDS NAM. SF-.20	CH0002432174	QTY	2,500	7,200
CLARKSON PLC LS-.25	GB0002018363	QTY	8,000	56,000
COMET HLDG AG NA SF 1	CH0360826991	QTY	5,700	18,800
DAETWYLER HLDG INH.SF0.05	CH0030486770	QTY	3,900	12,300
DARKTRACE PLC LS-.01	GB00BNYK8G86	QTY	244,000	654,000
DECHRA PHARMACEUT. LS-.01	GB0009633180	QTY	22,600	99,100
DESENI0 HOLDING AB	SE0015657853	QTY	0	400,000
DORMAKABA HLDG NA.SF 0.10	CH0011795959	QTY	0	2,300
EMBRACER GROUP AB B O.N.	SE0016828511	QTY	154,000	684,000
EMIS GROUP PLC LS -.01	GB00B61D1Y04	QTY	0	100,000
FAURECIA EU INH. -ANR-	FR0014008SJ0	QTY	137,400	137,400
FEVERTREE PLC LS -.0025	GB00BRJ9BJ26	QTY	50,000	170,000
FUTURE PLC LS-.15	GB00BYZN9041	QTY	32,000	115,000
GRANGES AB (PUBL)	SE0006288015	QTY	49,000	384,000
HOWDEN JOINERY GRP LS-.10	GB0005576813	QTY	292,000	292,000
INTERROLL HLDG NA SF 1	CH0006372897	QTY	110	810
JD SPORTS FASH. LS -.0005	GB00BM8Q5M07	QTY	2,217,500	3,380,000
KAINOS GROUP PLC LS-.005	GB00BZ0D6727	QTY	77,936	77,936
MELIA HOTELS INTL EO -.20	ES0176252718	QTY	320,000	320,000
NORDEX SE O.N.	DE000A0D6554	QTY	0	78,000
PETS AT HOME GROUP LS 1	GB00BJ62K685	QTY	123,000	563,000
PRYSMIAN S.P.A. EO 0.10	IT0004176001	QTY	16,500	89,000
PUMA SE	DE0006969603	QTY	45,500	77,000
REPLY S.P.A. EO 0.13	IT0005282865	QTY	0	8,000
RIETER HLDG NA SF 5	CH0003671440	QTY	7,438	23,638
S4 CAPITAL PLC LS-.25	GB00BFZZM640	QTY	82,000	582,000
SIEGFRIED HL NA SF 18	CH0014284498	QTY	2,400	6,300
STRABAG SE	AT000000STR1	QTY	27,700	51,000
U-BLOX HOLDING NAM.-13.50	CH0033361673	QTY	3,915	3,915

VESUVIUS PLC LS 0.10	GB00B82YXW83	QTY	106,000	508,000
VISTRY GROUP PLC LS-.50	GB0001859296	QTY	51,000	261,000
WEIR GRP PLC LS-.125	GB0009465807	QTY	37,000	207,000
WH SMITH LS -.220895	GB00B2PDGW16	QTY	81,000	250,500

Unlisted securities

Equities

FNAC DARTY INH. EO 1	FR0011476928	QTY	0	42,500
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Lupus alpha Sustainable Smaller Pan European Champions C annual report

Profit and loss account (including income equalisation) for the period from 1 January 2022 to 31 December 2022

I. Income

1. Interest on investments in liquid assets, domestic	EUR	10,392.76
2. Dividends from domestic issuers	EUR	223,269.43
3. Dividends from foreign issuers (gross) with deduction of withholding tax	EUR	1,279,642.80
4. Dividends from foreign issuers (gross) without deduction of withholding tax	EUR	1,565,406.73
5. Dividend withholding tax	EUR	-277,168.54
6. Other income	EUR	27,488.70

Total income	EUR	2,829,031.88
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II. Expenses

1. Interest from borrowings	EUR	-13,113.50
2. Auditing and publication charges	EUR	-13,790.23
3. Custodian fee	EUR	-99,513.24
4. Management fee	EUR	-1,663,307.44
5. Other expenses	EUR	-83,502.77

Total expenses	EUR	-1,873,227.18
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III. Ordinary net income

EUR	955,804.70
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IV. Disposals

1. Realised gains	EUR	5,765,380.95
2. Realised losses	EUR	-31,720,769.87

Income from disposals	EUR	-25,955,388.92
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V. Realised earnings for the fiscal year

EUR	-24,999,584.22
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1. Net change in unrealised gains	EUR	-34,333,137.35
2. Net change in unrealised losses	EUR	-28,607,903.87

VI. Unrealised earnings for the fiscal year

EUR	-62,941,041.22
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VII. Earnings for the fiscal year

EUR	-87,940,625.44
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Lupus alpha Sustainable Smaller Pan European Champions R annual report

Profit and loss account (including income equalisation) for the period from 1 January 2022 to 31 December 2022

I. Income

1. Interest on investments in liquid assets, domestic	EUR	164.25
2. Dividends from domestic issuers	EUR	3,542.07
3. Dividends from foreign issuers (gross) with deduction of withholding tax	EUR	20,299.10
4. Dividends from foreign issuers (gross) without deduction of withholding tax	EUR	24,829.26
5. Dividend withholding tax	EUR	-4,397.62
6. Other income	EUR	73.99

Total income	EUR	44,511.05
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II. Expenses

1. Interest from borrowings	EUR	-207.94
2. Auditing and publication charges	EUR	-1,151.57
3. Custodian fee	EUR	-1,577.72
4. Management fee	EUR	-40,586.50
5. Other expenses	EUR	-1,323.77

Total expenses	EUR	-44,847.50
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III. Ordinary net income	EUR	-336.45
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IV. Disposals

1. Realised gains	EUR	91,455.05
2. Realised losses	EUR	-502,608.43

Income from disposals	EUR	-411,153.38
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V. Realised earnings for the fiscal year	EUR	-411,489.83
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1. Net change in unrealised gains	EUR	-288,902.37
2. Net change in unrealised losses	EUR	-240,726.37

VI. Unrealised earnings for the fiscal year	EUR	-529,628.74
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VII. Earnings for the fiscal year	EUR	-941,118.57
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Lupus alpha Sustainable Smaller Pan European Champions CT annual report

**Profit and loss account (including income equalisation)
for the period from 3 February 2022 to 31 December 2022**

I. Income

1. Interest on investments in liquid assets, domestic	EUR	2,141.03
2. Dividends from domestic issuers	EUR	45,893.27
3. Dividends from foreign issuers (gross) with deduction of withholding tax	EUR	263,034.52
4. Dividends from foreign issuers (gross) without deduction of withholding tax	EUR	313,977.55
5. Dividend withholding tax	EUR	-56,965.23
6. Other income	EUR	2.32

Total income	EUR	568,083.46
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II. Expenses

1. Interest from borrowings	EUR	-2,629.39
2. Auditing and publication charges	EUR	-2,533.38
3. Custodian fee	EUR	-18,039.90
4. Management fee	EUR	-189,543.08
5. Other expenses	EUR	-14,751.87

Total expenses	EUR	-227,497.62
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III. Ordinary net income	EUR	340,585.84
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IV. Disposals

1. Realised gains	EUR	880,327.41
2. Realised losses	EUR	-6,468,980.23

Income from disposals	EUR	-5,588,652.82
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V. Realised earnings for the short fiscal year	EUR	-5,248,066.98
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1. Net change in unrealised gains	EUR	-174,870.27
2. Net change in unrealised losses	EUR	-145,709.72

VI. Unrealised earnings for the fiscal year	EUR	-320,579.99
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VII. Earnings for the short fiscal year	EUR	-5,568,646.97
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Lupus alpha Sustainable Smaller Pan European Champions C annual report

Development of fund assets

2022

I. Value of the investment fund at the beginning of the fiscal year	EUR	257,848,633.47
1. Distribution for the previous year/tax allowance for the previous year	EUR	0.00
2. Interim dividends	EUR	0.00
3. Inflow/outflow of funds (net)	EUR	-18,412,468.71
a) Cash inflow from sale of units	EUR	42,453,000.28
b) Cash outflow from redemption of units	EUR	-60,865,468.99
4. Income/expense equalisation	EUR	-2,215,587.94
5. Earnings for the fiscal year	EUR	-87,940,625.44
of which unrealised gains	EUR	-34,333,137.35
of which unrealised losses	EUR	-28,607,903.87
II. Value of the investment fund at the end of the fiscal year	EUR	149,279,951.38

Lupus alpha Sustainable Smaller Pan European Champions R annual report

Development of fund assets

		2022
I. Value of the investment fund at the beginning of the fiscal year	EUR	1,958,159.89
1. Distribution for the previous year/tax allowance for the previous year	EUR	0.00
2. Interim dividends	EUR	0.00
3. Inflow/outflow of funds (net)	EUR	1,316,590.26
a) Cash inflow from sale of units	EUR	1,464,031.04
b) Cash outflow from redemption of units	EUR	-147,440.78
4. Income/expense equalisation	EUR	26,086.86
5. Earnings for the fiscal year	EUR	-941,118.57
of which unrealised gains	EUR	-288,902.37
of which unrealised losses	EUR	-240,726.37
II. Value of the investment fund at the end of the fiscal year	EUR	2,359,718.44

Lupus alpha Sustainable Smaller Pan European Champions CT annual report

Development of fund assets

	2022	
I. Value of the investment fund at the beginning of the short fiscal year	EUR	0.00
1. Distribution for the previous year/tax allowance for the previous year	EUR	0.00
2. Interim dividends	EUR	0.00
3. Inflow/outflow of funds (net)	EUR	35,400,451.23
a) Cash inflow from sale of units	EUR	35,430,116.61
b) Cash outflow from redemption of units	EUR	-29,665.38
4. Income/expense equalisation	EUR	924,235.96
5. Earnings for the short fiscal year	EUR	-5,568,646.97
of which unrealised gains	EUR	-174,870.27
of which unrealised losses	EUR	-145,709.72
II. Value of the investment fund at the end of the short fiscal year	EUR	30,756,040.22

Lupus alpha Sustainable Smaller Pan European Champions annual report

Appropriation of net income from unit class C

Calculation of distribution (overall and per unit)

	overall	per unit
I. Available for distribution	EUR 8,573,990.47	9.87
1. Carried forward from the previous year	EUR 33,573,574.69	38.66
2. Realised earnings for the fiscal year	EUR -24,999,584.22	-28.79
3. Addition from the investment fund	EUR 0.00	0.00
II. Not appropriated for distribution	EUR 8,573,990.47	9.87
1. Allocated to reinvestment	EUR 0.00	0.00
2. Amount carried forward	EUR 8,573,990.47	9.87
III. Total distribution	EUR 0.00	0.00
1. Interim distributions	EUR 0.00	0.00
2. Final dividend	EUR 0.00	0.00

Appropriation of net income from unit class R

Calculation of distribution (overall and per unit)

I. Available for distribution	EUR 0.00	0.00
1. Carried forward from the previous year	EUR 328,086.55	12.23
2. Realised earnings for the fiscal year	EUR -411,489.83	-15.34
3. Addition from the investment fund ²⁾	EUR 83,403.28	3.11
II. Not appropriated for distribution	EUR 0.00	0.00
1. Allocated to reinvestment	EUR 0.00	0.00
2. Amount carried forward	EUR 0.00	0.00
III. Total distribution	EUR 0.00	0.00
1. Interim distributions	EUR 0.00	0.00
2. Final dividend	EUR 0.00	0.00

²⁾ The addition from the investment fund results from the recognition of realised losses.

Appropriation of net income from unit class CT

Appropriation of net income

I. Available for reinvestment

1. Realised earnings for the short fiscal year
2. Addition from the investment fund ³⁾
3. Tax deduction amount made available

	<u>EUR</u>	<u>0.00</u>	<u>0.00</u>
1. Realised earnings for the short fiscal year	EUR	-5,248,066.98	-12.63
2. Addition from the investment fund ³⁾	EUR	5,248,066.98	12.63
3. Tax deduction amount made available	EUR	0.00	0.00
II. Reinvestment	<u>EUR</u>	<u>0.00</u>	<u>0.00</u>

³⁾ The addition from the investment fund results from the recognition of realised losses.

Lupus alpha Sustainable Smaller Pan European Champions annual report

Unit classes

The unit classes listed in the following table were issued in the reporting period

Unit class	Currency	Management fee (per cent p.a.)		Front load (per cent)		Minimum investment amount in currency	Appropriation of income
		maximum	current	maximum	current		
C	EUR	1.00	1.00	5.00	5.00	500,000.00	distributing
R	EUR	1.50	1.50	5.00	5.00	0.00	distributing
CT	EUR	1.00	0.58	5.00	5.00	1,000,000.00	accumulating

In addition, the management company receives a performance-related fee from the investment fund for managing the investment fund in accordance with the prospectus.

Pursuant to § 7 (9) KARBV

Information pursuant to the German Derivatives Regulation (Derivateverordnung)

underlying exposure through derivatives 0.00 EUR

counterparty to derivatives transactions

none

Total amount of securities pledged by third parties under derivatives transactions: 0.00 EUR

Securities holdings as a percentage of fund assets 97.59 %

Derivatives holdings as a percentage of fund assets 0.00 %

The use of the market risk limit for this investment fund was determined using the qualified approach in accordance with the Derivatives Regulation.

Information according to the qualified approach

Potential risk exposure for market risk

lowest potential risk exposure 9.537 %

highest potential risk exposure 12.717 %

average potential risk exposure 11.637 %

Risk model used in accordance with § 10 of the Derivatives Regulation

Monte Carlo simulation

Parameters used in accordance with § 11 of the Derivatives Regulation

Confidence level = 99 per cent, holding period 10 days

Effective historical observation period 12 months = 250 days

Average amount of leverage achieved during the fiscal year through derivative transactions 0.000

Composition of benchmark assets

Composition of the benchmark assets (§ 37 (5) of the Derivatives Regulation):

STOXX Europe Total Market Small Net Return Index EUR (XBBSG Index)

Other information

Unit value - Class C 171.90 EUR

Outstanding units - Class C 868,425.681 Qty.

Unit value - Class R 87.95 EUR

Outstanding units - Class R 26,831.574 Qty.

Unit value - Class CT 73.99 EUR

Outstanding units - Class CT 415,667.000 Qty.

Information on the asset valuation method

Additional information pursuant to § 16 (1) (2) KARBV - Information about the valuation method

Valuation is done by the management company. The management company generally relies on external sources for this purpose.

If no trading prices are available, valuation models are used to determine prices (i.e., derived fair values) that are agreed between the custodian and the management company and are based as much as possible on market parameters. This procedure is subject to a permanent control process. Price information from third parties is checked for plausibility by other price sources, model invoices or by other appropriate procedures.

In accordance with §27 KARBV, the latest available market price that ensures a reliable valuation is used as a basis for assets that are admitted for trading on a stock exchange or other organised market or that are included in such. For assets that are neither admitted for trading on an exchange or other organised market or included in such, or for which no trading price is available, market values are used in accordance with §28 KARBV in connection with §168, Para. 3 KAGB, based on careful assessment using suitable valuation models and taking current market conditions into account. Underlying fair value may also be determined and communicated by an issuer, counterparty or other third party. If so, such a value is checked for plausibility by the management company or custodian, and this plausibility check is documented. Units in domestic investment funds, EU investment funds and foreign investment funds are valued at their latest redemption price or at a current price in accordance with § 27 (1) KARBV. If current values are not available, the value of units is determined in accordance with §28 KARBV; reference is made to this in the annual report. Bank deposits are valued at their nominal value plus accrued interest. Fixed-term deposits are valued at market values. Liabilities are recognised at their repayment amount.

Information on transparency and the total expense ratio

The total expense ratio expresses all costs and payments (excluding transaction costs) borne by the fund over the course of the year in relation to the fund's average net asset value; it is expressed as a percentage.

1.11 Unit class C
1.67 Unit class R
0.71 Unit class CT

Performance-related fee as a percentage of average net asset value

0.00 Unit class C
0.00 Unit class R
0.00 Unit class CT

The management company does not receive any rebates on fees and expense reimbursements paid from the fund to the custodian or any third parties.

The management company does not grant any follow-up commissions to brokers to a significant extent from the remuneration paid to them by the fund.

Significant other income and other expenditure

no significant other income and other expenditure

Transaction charges (total of incidental acquisition charges plus selling charges)

767,226.04 EUR

Information pursuant to Regulation (EU) 2015/2365 on securities financing transactions

During the reporting period, the fund was not invested in any securities financing transactions under Regulation (EU) 2015/2365, which is why no disclosure of this type of transaction has been made below.

Other information required for understanding the report
Explanation of net change in unrealised gains and losses

The net change in unrealised gains and losses is determined by comparing the valuations of the assets reflected in unit prices with the respective historical acquisition costs in each fiscal year, the amount of positive differences in total unrealised gains, the amount of negative differences in total unrealised losses, and the net charges, and by comparing total items at the end of the fiscal year with the total items at the beginning of the fiscal year.

Information on staff remuneration

Lupus alpha Group remuneration policy

Management company's remuneration system

Lupus alpha Investment GmbH is a subsidiary of Lupus alpha Asset Management AG. Lupus alpha (which means "alpha wolf") is an owner-operated, independent asset management group that offers specialist investment products to institutional and private investors. We focus on a few, attractive asset classes that require special expertise and in which we can achieve sustainable added value for our customers. We focus on European small caps and on offering alternative solutions. As a special provider, we routinely avail institutional investors of new sources of alpha through specialised, innovative strategies and provide them with ways to broaden and deepen diversification of their overall portfolios.

Lupus alpha's partnership-based corporate structure creates the conditions for the highest possible level of staff continuity at management level. By acting as a specialist provider and by focusing its own investments on liquid investments, we ensure control over the usual risks of a medium-sized asset manager

Performance-related and entrepreneurial-oriented remuneration for employees is a central component in the design of Lupus alpha's compensation packages. Through comprehensive compensation packages, management intends to support medium- to long-term corporate goals set within the strategy-finding process. All requirements are met from the Ordinance on Supervisory Requirements for Institutional Compensation (InstitutsVergV), Articles 13 and 22 of Directive 2011/61/EU of the European Parliament and Council of 8 June 2011 on Alternative Investment Fund Managers (AIFM Directive), the guidelines for sound compensation policies based on the AIFMD (the German translation of the ESMA guidelines) and Annex II of the remuneration policy of the AIFM directive.

Results of the annual review of the remuneration policy

Lupus alpha regularly reviews the appropriateness of the remuneration concept with the involvement of compliance and makes adjustments if necessary. The remuneration policy and its application are also subject to review by the internal audit department and monitoring by the Supervisory Board. There were no complaints.

Significant changes to the established remuneration policy

There were no significant changes to the remuneration system in the reporting period.

Total amount of employee compensation paid to the management company in 2021 in EUR million 8.1

of which fixed remuneration 39.25 per cent

of which variable remuneration 60.75 per cent

Remuneration paid directly out of the fund in EUR million 0.00

Total employees incl. management 85

Total amount of remuneration paid to risk takers in the past fiscal year at the management company in EUR million 4.59

of which indirectly via cost allocation by the parent company to the shareholders in EUR million 4.59

Information for institutional investors pursuant to § 101 para. 2 Section 5 KAGB in conjunction with § 134c para. 4 AktG.

Information on medium to long-term risks

Information on the medium to long-term risks of the investment fund is provided in the activity report.

Portfolio composition, portfolio turnover and portfolio turnover charges

Information about the composition of the portfolio, portfolio turnover and portfolio turnover costs is provided in the annual report in the sections "Statement of net assets", "Transactions completed during the reporting period, not included in the statement of net assets", and "Information on transparency and the total expense ratio".

Consideration of the medium to long-term development of the management company in the investment decision

Shares traded on a regulated market are subject to various medium and long-term risks.

The assessment of these risks is a fundamental part of the investment strategy and policy.

The description of whether or how the medium to long-term development of the management company is taken into account in the investment decision is made in the activity report.

Use of proxies

Information on exercising voting rights is available on the Lupus alpha Asset Management AG website in the strategies for exercising voting rights.

Handling securities lending and dealing with conflicts of interest in the context of participation in companies, in particular through the use of shareholder rights

No securities lending transactions were concluded for the fund during the reporting period.

Information on the handling of conflicts of interest is available on the Lupus alpha Asset Management AG website.

Lupus alpha Sustainable Smaller Pan European Champions annual report

Comparative table covering the last three fiscal years

Fiscal year		Fund assets at the end	Unit value
Unit class C			
2022	EUR	149,279,951.38	171.90
2021	EUR	257,848,633.47	257.74
2020	EUR	111,495,084.27	205.62
Unit class R			
2022	EUR	2,359,718.44	87.95
2021	EUR	1,958,159.89	132.59
2020	EUR	536,422.83	106.22
Unit class CT ⁴⁾			
2022	EUR	30,756,040.22	73.99

Frankfurt, 08 February 2023

Lupus alpha Investment GmbH

Michael Frick
Managing Director

Dr. Götz Albert
Managing Director

⁴⁾ The Lupus alpha Sustainable Smaller Pan European Champions CT unit class was relaunched on 3 February 2022.

Product name:

Lupus alpha Sustainable Smaller Pan
European Champions

Company identifier code (LEI code):

529900PG151NHRHZ0A29

A sustainable investment

is an investment in an economic activity that contributes to achieving an environmental or social objective, provided that said investment does not materially impair environmental or social objectives and that the invested companies follow good corporate governance practices.

The **EU Taxonomy** is a classification system that has been established in Regulation (EU) 2020/852 and that lists **environmentally sustainable economic activities**. This regulation does not specify a list of socially sustainable economic activities. Sustainable investments with an environmental goal may or may not be Taxonomy-compliant.

Environmental and/or social characteristics

Were sustainable investments targeted with this financial product?

Yes

No

- Investments were made in **sustainable investments with an environmental objective:** ___%

 - in economic activities that are classified as environmentally sustainable by the EU Taxonomy
 - in economic activities that are not classified as environmentally sustainable by the EU Taxonomy

- Investments were made in **sustainable investments with a social objective:** ___%

- It promoted **environmental/social characteristics and**, although no sustainable investments were targeted, it consists of ___% sustainable investments.
 - with an environmental target in economic activities that are classified as environmentally sustainable by the EU Taxonomy
 - with an environmental target in economic activities that are not classified as environmentally sustainable by the EU Taxonomy
 - with a social objective
- It promoted environmental/social characteristics, but makes no **sustainable investments..**



To what extent were the environmental or social characteristics advertised achieved with the financial product?

Sustainability

indicators are used to measure the extent to which the environmental or social characteristics advertised with the financial product are indeed achieved.

The Fund's strategy weighted environmental and social standards to various degrees. Investments were made in quality companies (small & mid-caps) to the exclusion of non-sustainable business models (e.g. mining of thermal coal or generation of nuclear energy) while complying with minimum standards (e.g. violations of the UN Global Compact). ESG criteria were also incorporated into fundamental bottom-up research. The Fund was thus not based on a benchmark value; nor was any benchmark value replicated.

● ***How did the sustainability indicators perform?***

All investable companies were classified according to environmental, social, ethical and governance criteria. Research included social standards, environmental management, product portfolio and corporate governance. Under comprehensive negative screening, values that do not meet certain minimum standards were excluded. These applied to all securities (such as equities) and money-market instruments in the portfolio:

Environment

- Thermal coalmining > 5% of revenues
- Power generation from thermal coal > 10% of revenues
- Production and sale of nuclear energy > 5% of revenues
- Products and services for the nuclear energy industry > 5% of revenues
- Mining and exploration of oil sands & shale oil

Social

- Violations of the UN Global Compact
- Violations of international human rights conventions and inadequate reaction or processing by the company
- Violations of ILO core labour standards within companies themselves and in their supply chains, as well as inadequate reaction or processing by the company

Governance

- Very serious controversies
- Violations of international corruption conventions and inadequate reaction or processing by the company

Ethics

- Production/sale/servicing of anti-personnel mines and other controversial weapons
- Production & sale of military weapons > 5% of revenues
- Tobacco production > 5% of revenues

All companies that did not violate any of the aforementioned exclusion criteria and were not excluded on the basis of adverse impacts on sustainability factors (see “principal adverse impacts (PAIs)) below could, in principle, be invested in.

Both the aforementioned, norm-based violations and controversies and the inclusion of principal adverse impacts (PAIs) were verified through our external research provider MSCI, based on its methodology. Companies that MSCI has not researched were researched internally. The information provided by MSCI was also checked internally, as portfolio managers usually have direct access to the management of researched companies and could cast a critical light on such information. Generally speaking, external ESG coverage is worse for small and mid caps than for large caps.

The fund met the aforementioned exclusion criteria during the reported period. Compliance with exclusion criteria was checked on an ongoing basis using internal control systems.

● ***... and compared with previous periods?***

No sustainability indicators were recorded for the previous period.

● ***What were the goals of the sustainable investments made partly with the financial product, and how does sustainable investment contribute to these goals?***

The most important **principal adverse impacts of investment decisions** are in the environmental, social and employment areas, as well as in respect for human rights and anti-corruption and bribery.

The fund did not aim for sustainable investments and therefore no sustainable investments were made.

● ***To what extent did the sustainable investments made in part with the financial product have a significant adverse effect on environmental or social sustainable investment goals?***

The fund did not aim for sustainable investments and therefore no sustainable investments were made.

— — *How have principal adverse impact indicators been taken into account?*

The fund did not aim for sustainable investments and therefore no sustainable investments were made.

— — *Do the sustainable investments align with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights?
More details:*

The financial product has not made any sustainable investments.

The EU Taxonomy establishes the “do no significant harm” principle, under which taxonomy-compliant investments must not significantly harm the objectives of the EU taxonomy. This is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments on which the financial product is based, which take into account the EU criteria for environmentally sustainable economic activities. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

All other sustainable investments must also do no significant harm.



How did this financial product take into account the main principal adverse impacts on sustainability?

The most important principal adverse impacts (PAIs) were taken into account in the investment process. For this purpose, we have introduced measurement and assessment methods and expanded our ESG methodology in such a way that there were few negative influences caused by investments. The following PAIs were explicitly incorporated into our investment process:

Environment

- CO2 footprint
- Activities that adversely affect areas of vulnerable biodiversity

Social

- Violations of UNGC principles and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Exposure to controversial weapons (anti-personal mines, cluster munitions, biological weapons)

Governance

- Gender diversity on management and supervisory bodies
- Inadequate measures taken against violations of anti-corruption standards

If a company had adverse impacts on the aforementioned sustainability factors, it was generally excluded. However, to give companies a transitional period to improve on certain factors, we engaged with them on the following factors under certain conditions:

- CO2 footprint (if the company is in the bottom quartile of the corresponding industry IVA). The underlying percentiles were calculated by the management company itself based on CO2 data provided by MSCI. If no data was available from MSCI, the management company established the data using its own calculations.

or

- lack of minimum gender diversity on management and supervisory committees (no women on those committees)

We could invest in a company only if we had a clear path for remedying these adverse impacts or if such could be agreed on with the company via direct dialogue. In this case, we documented the plans, along with the targeted and implemented changes. If the changes were not made or if the company did not display the agreed willingness, the position was sold as a last resort after several escalations.

The aforementioned engagement could be applied to only one PAI at a time. If an investment in a company required commitment to more than one PAI, we refrained from investing.

The aforementioned PAIs were checked with the assistance of our external research provider MSCI. Companies that MSCI has not researched were researched internally. The information provided by MSCI was also checked internally, as portfolio managers usually have direct access to the management of researched companies and could cast a critical light on such information. (The issuers' carbon footprint percentile was calculated internally based on MSCI carbon footprint data and the respective industry IVA.)



What are the main investments of this financial product?

The list comprises the following investments, which accounted for the majority of the financial product's investments made during the reference period:

Biggest investments	Sector	% of assets	Country
D'leteren S.A. BE0974259880	Automotive and components	3.29	Belgium
DCC PLC IE0002424939	Commercial services and supplies	2.92	Ireland
Arcadis N.V. NL0006237562	Capital goods	2.86	Netherlands
Software AG DE000A2GS401	Technology	2.51	Germany
Hellofresh AG DE000A161408	Food and consumer staples	2.27	Germany
Loomis AB SE0014504817	Commercial services and supplies	2.18	Sweden
Pandora A/S DK0060252690	Consumer services	2.03	Denmark
Viaplay Group AB SE0012116390	Media and entertainment	2.00	Sweden
Evotec SE DE0005664809	Healthcare	1.99	Germany
IPSOS FR0000073298	Media and entertainment	1.93	France
Aryzta AG CH0043238366	Food, beverages and tobacco	1.82	Switzerland
Embracer Group AB SE0016828511	Consumer services	1.79	Sweden
Diploma Plc GB0001826634	Commercial services and supplies	1.76	Great Britain
ALK-Abelló AS DK0061802139	Healthcare	1.70	Denmark
ISS A/S DK0060542181	Commercial services and supplies	1.66	Denmark

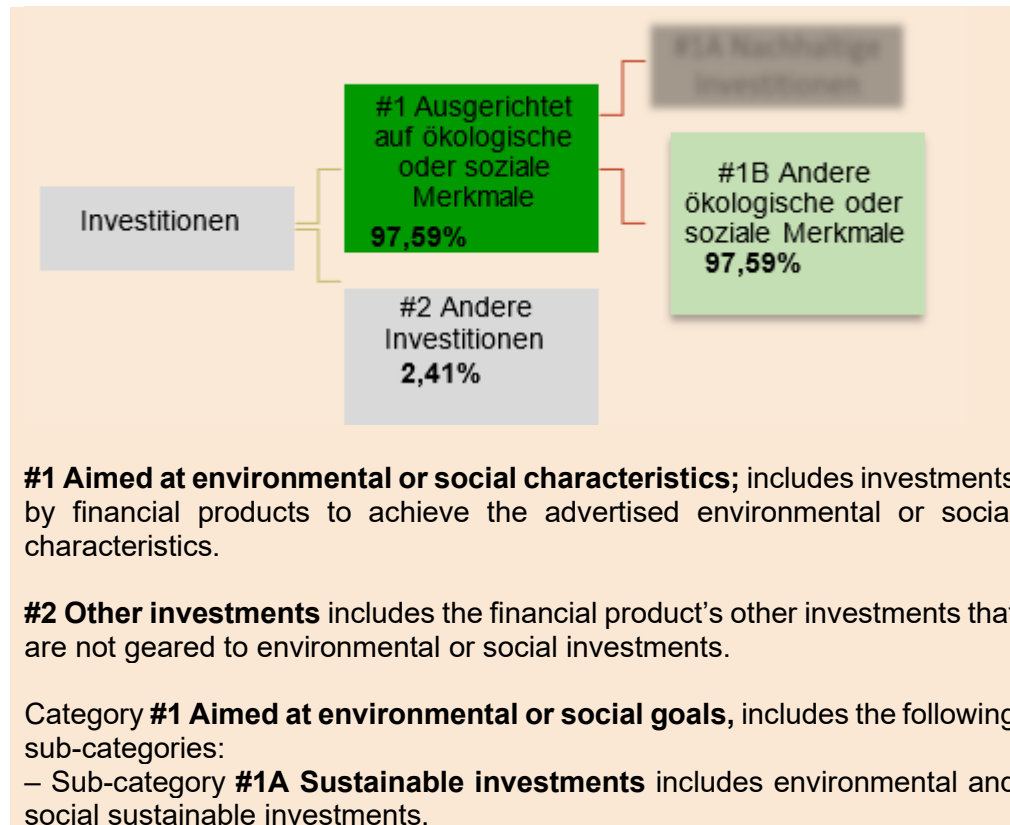


What was the proportion of sustainability-related investments?

Sustainability-related investments are all investments that contribute achieving environmental and/or social characteristics as part of the investment strategy. The percentage was 97.59%.

The **asset allocation** indicates the respective share of investments in certain assets.

● *What was the asset allocation?*



– Sub-category **#1B Other environmental or social characteristics** includes investments that target environmental or social goals but are not classified as sustainable investments.

● ***In which economic sectors were investments made?***

The table below shows the economic sectors and sub-sectors in which the financial product was invested on the valuation date. Investments were allocated to sectors and subsectors based on data from external research providers and internal research. In addition, 4.76% of investments were in fossil fuels during the reporting period. Data from the external research provider MSCI ESG Research was used to calculate the proportion of investments in the fossil fuels sectors and subsectors. This percentage includes companies that generate revenues from the fossil fuels sector, including the extraction, processing, storage and transportation of petroleum products, natural gas, and thermal and metallurgical coal.

Sector	Percentage
Automotive and components	1.54%
Diversified financial services	3.54%
Energy	2.19%
Consumer goods and clothing	6.32%
Healthcare: Equipment and services	2.51%
Commercial services and supplies	11.36%
Wholesale and retail	7.31%
Semiconductors and semiconductor production equipment	0.91%
Hardware and equipment	1.57%
Capital goods	20.78%
Food, beverages and tobacco	4.55%
Food and consumer staples	2.26%
Media and entertainment	6.16%
Pharmaceuticals, biotechnology and life sciences	8.62%
Raw materials, consumables and supplies	4.00%

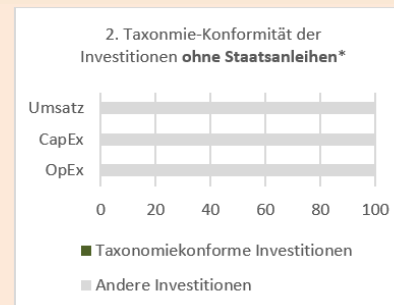
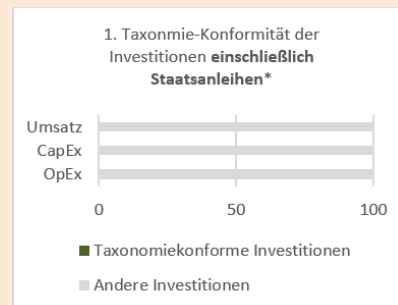
Software and services	7.81%
Telecommunications services	0.73%
Transport	0.77%
Consumer services	4.81%
Insurance	1.26%
Utilities	1.02%



To what extent were sustainable investments with an environmental objective compliant with the EU taxonomy?

The fund does not target sustainable investments with an environmental objective that is compliant with the EU taxonomy. The proportion of taxonomy-fund investments was therefore 0% for all environmental goals during the reporting period.

In the graphs below, the percentage of investments aligned with the EU Taxonomy is shown in green. As there is no suitable method for determining the Taxonomy compliance of government bonds*. The first graph shows the Taxonomy compliance in relation to all investments of the financial product, including government bonds, while the second graph shows the Taxonomy compliance only in relation to the investments of the financial product that does not include government bonds.



* For the purpose of these charts, the term “government bonds” refers to all exposures to state-issued bonds.

Taxonomy-compliant activities, expressed as the proportion of:

- **Revenues** reflecting the current “environmental friendliness” of the investee companies.
- **Capital expenditure (CapEx)**, which shows the environmentally friendly investments made by the investee companies for the transition to a green economy.
- **Operating expenses (OpEx)**, which reflect the environmentally friendly operating activities of the investee companies.

Enabling activities directly enable other activities to make a significant contribution to environmental goals.

Transition activities are activities for which low-carbon alternatives do not yet exist and which, among other things have greenhouse gas emissions levels that correspond to the best performances.

● ***What is the percentage of investments made in transitional and enabling activities?***

Companies are not yet required to report the proportion of their economic activities in transition and enabling activities as part of their taxonomy reporting. Due to the lack of data, it was therefore not possible on the reporting date to reliably determine the proportion of investments made in transition and enabling activities during the reporting period. Therefore, a percentage of 0% is assumed.

● ***How has the proportion of investments aligned with the EU taxonomy changed compared with previous reference periods?***

No proportion of investments aligned with the EU taxonomy was recorded for the previous period.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmental sustainable economic activities, in accordance with Regulation (EU) 2020/852.



What was the proportion of sustainable investments with an environmental objective that did not comply with the EU taxonomy?

The fund did not aim for sustainable investments and therefore no sustainable investments were made.



What was the proportion of social sustainable investments?

The fund did not aim for social investments and therefore no social investments were made.



Which investments fell under “Other investments”? What was their investment objective and was there a minimum environmental or social protection?

#2 Other investments included bank deposits.



What measures were taken during the reference period to fulfil environmental and/or social characteristics?

Observance of the ESG criteria set was consistent and was or is continuously checked by both compliance and portfolio management. In terms of compliance, we work with the compliance manager from SimCorpDimensions. An internal ESG tool was developed for front office this year, which the portfolio management team can use to check the compliance of investments with ESG criteria, analyse individual stocks in detail and evaluate aggregate portfolio key figures (KPIs). This tool is based on data from MSCI. For issuers that are not covered by MSCI, independent checks were carried out with regard to the relevant ESG criteria. If an internal check was not possible in these cases, we decided not to invest. This ensured that investments were only made in companies that fit the environmental and social characteristics defined by us. If the investment requirements for a company changed for the worse (e.g. due to a new controversy not adequately addressed by the company), we reacted immediately and sold the holding with due consideration. We also responded to new regulatory requirements by including principal key adverse impacts on sustainability factors (PAIs) in the investment process this year. A formal engagement process has been adopted at some portfolio companies based on our methodology for taking PAIs into consideration. (We are currently in a formal engagement process with 17 companies in the portfolio.)

Report of the independent auditor

To Lupus alpha Investment GmbH, Frankfurt am Main

Audit opinion

We have audited the annual report of the Lupus alpha Sustainable Smaller Pan European Champions fund – consisting of the activity report for the fiscal year from 1 January 2022 to 31 December 2022, the statement of assets and the statement of net assets as of 31 December 2022, the profit and loss account, the statement of appropriation of income, the statement of changes in fund assets for the fiscal year from 1 January 2022 to 31 December 2022, as well as the comparative three-year overview, the statement of transactions completed during the reporting period not included in the statement of net assets, and the notes.

In our opinion, based on our audit, the accompanying annual report complies, in all material respects, with the provisions of the German Investment Code (Kapitalanlagegesetzbuch – KAGB) and the relevant European regulations, and presents a comprehensive and true picture of the position and developments of the investment fund in compliance with these provisions.

Basis for the audit opinion

We conducted our audit of the annual report in accordance with § 102 KAGB and the IDW Auditing Standards (German auditing standards promulgated by the Institute of Public Auditors in Germany) (Institut der Wirtschaftsprüfer – IDW). Our responsibility under these provisions and standards is described in more detail in the section “Responsibility of the auditor for the audit of the annual report” of our report. We are independent of Lupus alpha Investment GmbH in accordance with German commercial law and the professional rules and regulations and have fulfilled our other German professional duties in accordance with these requirements. We believe that the audit evidence we have obtained is suitable and sufficient to serve as a basis for our audit opinion of the annual report.

Responsibility of the legal representatives for the annual report

The legal representatives of Lupus alpha Investment GmbH are responsible for preparing the annual report, which, in all respects, complies with the provisions of the KAGB and the relevant European regulations, as well as ensuring that the annual report presents a comprehensive and true picture of the position and developments of the investment fund in compliance with these provisions. Furthermore, the legal representatives are responsible for the internal controls they have deemed necessary under these provisions in order to ensure that the annual report is free of material misstatement, whether due to fraud or error (i.e. fraudulent financial reporting and misappropriation).

In preparing the annual report, the legal representatives are responsible for including in the report such events, decisions and factors that may materially affect the future growth of the investment fund. One thing this means is that, in preparing the annual report, the legal representatives must assess Lupus alpha Investment GmbH’s operation of the investment fund as a going concern and are responsible for disclosing facts concerning the continuation of the investment fund, if applicable.

Responsibility of the auditor for the audit of the annual report

Our aim is to obtain reasonable assurance that the annual report as a whole is free of material misstatement, whether due to fraud or error, and to issue a report containing our audit opinion on the annual report.

Reasonable assurance is a high degree of certainty but is no guarantee that an audit in accordance with § 102 KAGB and the IDW Auditing Standards will always uncover material misstatements. Misstatements may be due to fraud or error and are considered material when it may reasonably be expected that these, individually or as a whole, could influence economic decisions of users made on the basis of this annual report.

During the audit, we exercise professional judgement and adopt a critical stance. In addition:

- We identify and assess the risk of material misstatements in the annual report due to fraud or error, plan and carry out audit procedures in response to these risks, and obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion. The risk that material misstatements due to fraud will not be detected is higher than the risk that material misstatements due to error will not be detected, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or bypassing of internal controls.
- We obtain an understanding of internal controls 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 controls.
- We assess the appropriateness of the account methods used by the legal representatives of Lupus alpha Investment GmbH in preparing the annual report and the justifiability of the estimated values presented by the legal representatives and related information.
- On the basis of the audit evidence obtained, we reach a conclusion as to whether a material uncertainty exists in connection with events or circumstances that could raise serious doubt about Lupus alpha Investment GmbH's operation of the investment fund as a going concern. If we conclude that a material uncertainty exists, we are obliged to draw attention in our report to the relevant information in the annual report or, if such information is inadequate, to amend our audit opinion. We draw our conclusion on the basis of the audit evidence obtained up until the date of our report. However, future events or circumstances may result in Lupus alpha Investment GmbH's discontinuation of the investment fund.
- We assess the overall presentation, structure and content of the annual report, including figures and whether the annual report presents the underlying transactions and events in such a way that the annual report, in compliance with KAGB and the relevant European regulations, presents a picture of the fund's actual circumstances and performances.

Among other things, we consult with those responsible for monitoring the planned scope and timing of the audit and significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

Frankfurt am Main, 24 March 2023

KPMG AG Wirtschaftsprüfungsgesellschaft

Kuppler
Auditor

Neuf
Auditor

Information about the management company, custodian and auditor

Lupus alpha Investment GmbH
Speicherstraße 49-51
D-60327 Frankfurt am Main, Germany

Phone: 0049 69 365058-70 00
Fax: 0049 69 365058-80 00

Supervisory Board

Chairman
Dr. Oleg De Lousanoff, lawyer and notary
Vice Chairman
Dietrich Twietmeyer, Dipl.Agr.Ing.
Dr. Helmut Wölfel, Legal counsel

Mandates of the Executive Board

Michael Frick
Management Board of Directors of Lupus alpha Asset Management AG, Frankfurt am Main, Germany
Ralf Lochmüller
Spokesman of the Board of Directors of Lupus alpha Asset Management AG, Frankfurt am Main
Shareholder of Lupus alpha Holding GmbH, Frankfurt am Main, Germany
Dr. Götz Albert
Management Board of Directors of Lupus alpha Asset Management AG, Frankfurt am Main, Germany

Capital as of 31 December 2022
subscribed and paid-in: EUR 2.560 million

Shareholder

Lupus alpha Asset Management AG (100%)

Executive Board

Ralf Lochmüller
Michael Frick
Dr. Götz Albert

Information about the management company, custodian and auditor (Part II)

Custodian

Kreissparkasse Köln
Neumarkt 18-24
50667 Cologne

Liable equity capital as of 31 December 2021
EUR 2.573 bn

Auditor of the fund and the management company

KPMG AG Wirtschaftsprüfungsgesellschaft
THE SQUAIRE
Am Flughafen
D-60549 Frankfurt am Main, Germany

The above information is updated in the annual and semi-annual reports.

Other investment funds managed by the management company:

As of 30 December 2022, 9 mutual funds and 9 funds were managed by the management company.