

# ARCUS FUND SICAV

*Luxembourg Investment Company with Variable Capital  
Annual Report and Audited Financial Statements as at  
31 March 2023*

RCS Luxembourg B259759

*Subscriptions for Shares of the Company can only be accepted on the basis of the full Prospectus and the Key Investor Information Document (KIID), Key Information Document (KID), and the most recent annual report or semi-annual report of the Company (if more recent than such annual report) which are available from the registered office of the Company in Luxembourg and from the Placement Agent.*

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**DIRECTORS AND ADMINISTRATION**

**REGISTERED OFFICE OF THE COMPANY**

Arcus Fund SICAV  
10, rue du Château d'Eau  
L-3364 Leudelange  
Grand Duchy of Luxembourg

**BOARD OF DIRECTORS OF THE COMPANY**

Mr Richard Pavry  
Independent Non-Executive Director  
London, United Kingdom

Mr Joachim Kuske  
Independent Non-Executive Director  
Luxembourg, Grand Duchy of Luxembourg

Mrs Tracey McDermott  
Independent Non-Executive Director  
Luxembourg, Grand Duchy of Luxembourg

Until 11 August 2023

Mr Romain Denis  
Executive Director, Managing Director  
FundRock Management Company S.A., Luxembourg

**MANAGEMENT COMPANY**

FundRock Management Company S.A.  
33, rue de Gasperich,  
L-5826 Hesperange, Luxembourg

**BOARD OF DIRECTORS  
OF THE MANAGEMENT COMPANY**

*Chairman*

Mr Michel Marcel Vareika  
Independent Non-Executive Director, Luxembourg

*Members*

Until 17 July 2023  
Mr Romain Denis  
Executive Director – Managing Director  
FundRock Management Company S.A., Luxembourg

Mr Thibault Grégoire  
Executive Director – Chief Financial Officer  
FundRock Management Company S.A., Luxembourg

From 30 June 2022  
Mrs Carmel McGovern  
Independent Non-Executive Director  
FundRock Management Company S.A., Luxembourg

Until 10 February 2023  
Mr Xavier Parain  
Executive Director – Head of FundRock, Luxembourg  
FundRock Management Company S.A., Luxembourg

**INVESTMENT MANAGER, UK FACILITIES AGENT  
AND GLOBAL DISTRIBUTOR**

Arcus Investment Limited  
Highdown House  
Yeoman Way  
BN99 3HH Worthing  
West Sussex  
United Kingdom

**DELEGATE TRADE PLACEMENT MANAGER**

From 1 September 2022  
Arcus South East Asia Sdn Bhd  
Quest Secretarial Services SDN BHD  
Upper Penthouse, Wisma RKT, No. 2  
Jalan Raja Abdullah,  
Off Jalan Sultan Ismail  
50300 Kuala Lumpur, Malaysia

**DEPOSITARY AND PAYING AGENT**

Northern Trust Global Services SE  
10, rue du Château d'Eau,  
L-3364 Leudelange,  
Grand Duchy of Luxembourg

**ADMINISTRATIVE AGENT, REGISTRAR  
AND TRANSFER AGENT AND DOMICILIARY AGENT**

Northern Trust Global Services SE  
10, rue du Château d'Eau,  
L-3364 Leudelange,  
Grand Duchy of Luxembourg

**INDEPENDENT AUDITOR OF THE COMPANY**

From 8 April 2022  
KPMG Audit S.à r.l.  
39, avenue John F. Kennedy  
L-1855 Luxembourg,  
Grand Duchy of Luxembourg

Until 7 April 2022

Ernst & Young S.A.  
35E, avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**LEGAL ADVISERS**

*In Luxembourg*  
Elvinger Hoss Prussen  
2, Place Winston Churchill,  
L-1340 Luxembourg,  
Grand Duchy of Luxembourg

*In Japan*

Mori Hamada & Matsumoto  
Marunouchi Park Building,  
6-1, Marunouchi 2-chome,  
Chiyoda-Ku, Tokyo 100-8222, Japan

*In the United States of America*

Seward & Kissel LLP  
One Battery Park Plaza,  
New York, NY 10004, United States of America

*In England*

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20 Cursitor Street  
London EC4A 1LT, United Kingdom

**DIRECTORS AND ADMINISTRATION**

*In Finland*

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Pohjoisesplanadi 25 A,  
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Via Manfredo Camperio 9,  
20123 Milan, Italy

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Guernsey GY1 1WA, Channel Islands

*In Jersey*

Ogier (Jersey) LLP  
44, Esplanade, St. Helier,  
Jersey JE4 9WG, Channel Islands

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Simmons & Simmons JWS Pte. Ltd.  
168 Robinson Road #11-01, Capital Tower  
Singapore 068912 (UEN 201621350E)

*In Hong Kong*

Simmons & Simmons  
30th Floor One Taikoo Place  
979 King's Road, Hong Kong

*In Switzerland*

Naegeli & Partners Attorneys at Law Ltd.  
Stefan D. Naegeli, Attorney at Law, M.C.J.  
Klausstrasse 33, CH-8008 Zurich, Switzerland

*In Ireland*

A&L Goodbody LLP  
Brian Mc Dermott, Partner  
IFSC, 25-28 North Wall Quay, Dublin 1, DO1 H104, Ireland

## INFORMATION TO THE SHAREHOLDERS

ARCUS FUND SICAV (the “Company”) is an umbrella investment company with variable capital (“société d’investissement à capital variable”) incorporated under the form of a société anonyme in the Grand Duchy of Luxembourg. The Company qualifies as an undertaking for collective investment regulated by the provisions of Part I of the law of 17 December 2010 relating to undertakings for collective investment (the “2010 Law”).

The Company was incorporated on 19 August 2021 following the conversion of Arcus Japan Fund, a mutual investment fund (“fonds commun de placement”) organised under the laws of the Grand Duchy of Luxembourg, constituted on 2 March 2005, registered with the *Registre de Commerce et des Sociétés, Luxembourg* (Luxembourg register of commerce and companies, “RCS, Luxembourg”) under number K 192, into a Sub-Fund of the Company on the above incorporation date. As a result of the conversion, Arcus Japan Fund became a sub-fund of the Company (i.e. Arcus Fund SICAV – Arcus Japan Fund).

The Company is registered with the RCS, Luxembourg under number B259759. The Articles of Incorporation have been deposited with the RCS, Luxembourg and have been published in the *Recueil Electronique des Sociétés et Associations* (“RESA”), Luxembourg’s central electronic platform of official publication, on 5 October 2021.

The Board of Directors has adopted the ALFI Code of Conduct (the “Code”) in August 2021, which sets out principles of good governance. The Board of Directors considers that the Company has been in compliance with the Code in all material aspects throughout the financial year ended 31 March 2023.

The financial year of the Company begins on April 1st and ends on March 31st.

Shareholders of the Company may obtain the annual report and all semi-annual reports of the Company free of charge at the Registered Office of the Company.

Notices concerning the Company shall be published in the RESA of Luxembourg, in a Luxembourg newspaper and in such other newspapers as the Board of Directors of the Company may decide unless otherwise provided for in accordance with applicable laws and/or the provisions set forth in the Prospectus.

The issue price and the redemption price are made public at the Registered Office of the Company.

The Board of Directors of the Company has taken all reasonable steps to ensure business continuity post Brexit. In order to continue to distribute the Company in the United Kingdom post Brexit, the Management Company filed on behalf of the Company under the UK’s Temporary Permission Regime (“TPR”).

The European Securities and Markets Authorities (“ESMA”) and European securities regulators have also agreed a multilateral memorandum of understanding (“MMoU”) with the Financial Conduct Authority (“FCA”) in the UK.

The MMoU covers supervisory cooperation, enforcement and information exchange between the national competent authorities and the FCA. The MMoU came into effect on 1 January 2021. Supervisory cooperation between the national competent authorities is required notably in the context of delegation of portfolio management by Luxembourg management companies to authorised undertakings in the UK.

## RISK MANAGEMENT

The global exposure is determined by using the Commitment Approach.

**REPORT ON THE ACTIVITIES OF THE COMPANY\****Year ended 31 March 2023*

The Relative Institutional Units rose 17% over the period, while the benchmark TOPIX Total Return Index rose 5.7%. From their inception in 2006 the Relative units have risen 178.2% while TOPIX TR has risen 84.7%, representing 2.5% annualised outperformance after all costs and fees.

By sector, Materials were the largest contributor to fund performance (+3.2% relative performance contribution), followed by Automobiles (+2.5%) and Capital Goods (+2.3%). Pharmaceuticals (-0.6%) were the largest drag on performance.

Value indices experienced ups and downs during the period relative to the TOPIX, ultimately ending the period up by three percentage points. The fund managed to benefit from the periods of Value outperformance, while remaining relatively firm in the subsequent periods of Value decline.

The top individual contributor was Renesas Electronics (6723), which rose 33.6% during the annual period. The semiconductor manufacturer traditionally supplies crucial chips to the Auto industry, but in recent years it has been strengthening its non-Auto Electronics businesses. Both sides of the business showed a strong profit recovery in annual results announced in February. Shares were also boosted by a share buyback from a government-owned fund, whose intention to offload the shares had been a worry for investors.

The second highest contribution came from J Power (9513), which rose 29.4% during the period. The shares rose the most in May with full-year results in which operating profits came in 12% higher than the previous year, and guidance for the coming year at a further +26.5% increase. Profits have been boosted by higher wholesale energy prices, as spot prices of inputs such as oil and coal have risen. Though reliant on coal, the company owns stakes in Australian mines which saw profits boosted.

The greatest drag on performance was Rakuten Group (4755) which fell 36% during the period. The decline happened in the first three months of the period. Shares have since traded at their cheapest in over a decade, due to concerns over the heavy upfront investments required by the new mobile business. The company's decision to accelerate the rollout by 5 years has intensified the cash outflow, while also bringing forward the benefits; the business expects to break even on an operating level in 2024.

Following the strong outperformance, the fund has significantly rebalanced and fund valuations remain attractively low. In our opinion this positions the fund well for future performance.

June 2023  
Arcus Investment Limited

\* Comparisons and indications are drawn from past performance and are not necessarily indicative of future results.



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To the Shareholders of  
Arcus Fund SICAV  
10, rue du Château d'Eau  
L-3364 Leudelange  
Grand Duchy of Luxembourg

## **REPORT OF THE REVISEUR D'ENTREPRISES AGREE**

### ***Report on the audit of the financial statements***

#### ***Opinion***

We have audited the financial statements of Arcus Fund SICAV (“the Fund”), which comprise the statement of net assets and the statement of investments in securities and other net assets as at 31 March 2023 and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Arcus Fund SICAV as at 31 March 2023, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### ***Basis for opinion***

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (“Law of 23 July 2016”) and with International Standards on Auditing (“ISAs”) as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (“CSSF”). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of “réviseur d’entreprises agréé” for the Audit of the Financial Statements » section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (“IESBA Code”) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





### ***Other information***

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the “réviseur d’entreprises agréé” thereon.

Our opinion on the financial statements does not cover the other information 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 the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

### ***Responsibilities of the Board of Directors of the Fund for the financial statements***

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund 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, the Board of Directors of the Fund is responsible for assessing the Fund’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

### ***Responsibilities of the “réviseur d’entreprises agréé” for the audit of the financial statements***

The objectives of our audit 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 a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" 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 report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Luxembourg, 18 July 2023

KPMG Audit S.à r.l.  
Cabinet de révision agréé

A handwritten signature in black ink, appearing to be 'R. Beegun', written in a cursive style.

R. Beegun  
Partner

## STATEMENT OF NET ASSETS

31 March 2023

|   | Notes      | Arcus Japan Fund<br>JPY |
|---|------------|-------------------------|
| <b>ASSETS</b>   |            |                         |
| Portfolio:  | 2. a)      |                         |
| - Cost  |            | 138,163,272,982         |
| - Net unrealised result                                 |            | 3,897,903,798           |
|   |            | <b>142,061,176,780</b>  |
| Cash:   |            |                         |
| - Cash at sight   |            | 1,108,814,272           |
| Other assets:   |            |                         |
| - Dividends receivable, net of withholding tax          |            | 1,785,396,389           |
| - Receivable for capital shares subscribed              |            | 37,840,985              |
| - Receivables on securities sold                        |            | 1,415,866,079           |
| - Other receivables and prepaid expenses                |            | 386,292                 |
| - Unrealised gain on forward foreign exchange contracts | 2. f) & 10 | 20,318,178              |
| <b>TOTAL ASSETS</b>                                     |            | <b>146,429,798,975</b>  |
| <b>LIABILITIES</b>                                      |            |                         |
| Other liabilities                                       |            |                         |
| - Bank interest payable                                 |            | 403,089                 |
| - Payables on securities purchased                      |            | 1,625,235,811           |
| - Payables for capital shares redeemed                  |            | 2,004,025               |
| - Taxes and expenses payable                            | 2. e) & 7  | 1,176,539,392           |
| - Unrealised loss on forward foreign exchange contracts | 2. f) & 10 | 11,964,875              |
| <b>TOTAL LIABILITIES</b>                                |            | <b>2,816,147,192</b>    |
| <b>NET ASSETS</b>                                       |            | <b>143,613,651,783</b>  |

| Number of Shares<br>Outstanding | Share Class                                   | Ccy | Net Asset Value per<br>Share<br>(in local currency) |
|---------------------------------|---|-----|---|
| 1,265,963                       | Relative Institutional Shares Class JPY       | JPY | 27,821  |
| 22,095                          | Relative Institutional Shares Class EUR       | EUR | 217.82  |
| 27,366                          | Relative Institutional Shares Class USD       | USD | 314.16  |
| 5,750                           | Relative Institutional Shares Class GBP (Acc) | GBP | 211.53  |
| 17,501                          | Relative International Shares Class JPY       | JPY | 15,789  |
| 6,478                           | Relative International Shares Class EUR       | EUR | 146.48  |
| 1,948                           | Relative International Shares Class USD       | USD | 406.73  |
| 77,401                          | Restricted Shares Class JPY                   | JPY | 20,822  |
| 316,858                         | Associate Shares Class JPY                    | JPY | 36,578  |
| 760                             | Platform Shares Class GBP                     | GBP | 121.07  |
| 3,947,168                       | K Class JPY                                   | JPY | 23,463  |

The accompanying notes are an integral part of these financial statements

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Year ended 31 March 2023

|  | Notes | Arcus Japan Fund<br>JPY |
|--|-------|-------------------------|
| <b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>                 |       | <b>120,072,300,010</b>  |
| <b>INCOME</b>  |       |                         |
| Income from investments:                                       |       |                         |
| - Dividends, net of withholding tax                            | 2. e) | 3,374,827,591           |
|  |       | <b>3,374,827,591</b>    |
| <b>EXPENSES</b>  |       |                         |
| Bank interest, net   | 2. e) | 4,506,848               |
| Fees:  |       |                         |
| - Investment Management fee                                    | 4     | 724,715,960             |
| - Performance fee  | 5     | 1,121,404,947           |
| - Agent Company fee  |       | 349,700                 |
| - Central administration and depositary fee                    |       | 74,978,147              |
| Other expenses:  |       |                         |
| - Annual tax   | 7     | 13,473,408              |
| - Audit fees   |       | 6,169,854               |
| - Legal fees   |       | 36,629,779              |
| - Transaction fees   | 6     | 119,529,003             |
| - Administration and other expenses                            |       | 62,412,555              |
|  |       | <b>2,164,170,201</b>    |
| <b>NET OPERATING RESULT</b>                                    |       | <b>1,210,657,390</b>    |
| <b>Net realised result on</b>                                  |       |                         |
| - Sale of investments  | 2. b) | 16,678,768,123          |
| - Foreign exchange   | 2. c) | (275,067,912)           |
| - Forward foreign exchange contracts                           | 2. f) | 675,322,708             |
| <b>NET REALISED RESULT</b>                                     |       | <b>18,289,680,309</b>   |
| <b>Change in net unrealised appreciation/(depreciation) on</b> |       |                         |
| - Investments  |       | 4,184,057,583           |
| - Foreign exchange   |       | (1,130,724)             |
| - Forward foreign exchange contracts                           |       | (187,496,665)           |
| <b>NET INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS</b>    |       | <b>22,285,110,503</b>   |
| <b>Movement in capital</b>                                     |       |                         |
| Subscription of shares   |       | 17,907,121,613          |
| Redemption of shares   |       | (16,541,478,735)        |
| Income distribution  | 9     | (109,401,608)           |
|  |       | <b>1,256,241,270</b>    |
| <b>NET ASSETS AT THE END OF THE YEAR</b>                       |       | <b>143,613,651,783</b>  |

The accompanying notes are an integral part of these financial statements

## STATISTICAL INFORMATION

Year ended 31 March 2023

### Arcus Japan Fund

|  | *Absolute<br>Institutional<br>Shares Class<br>JPY      | **Absolute<br>International<br>Shares Class<br>JPY        | Relative<br>Institutional<br>Shares Class<br>JPY     | Relative<br>Institutional<br>Shares Class<br>EUR      | Relative<br>Institutional<br>Shares Class<br>USD |
|--|--|---|--|---|--|
| <b>CHANGE IN SHARES</b>                          |  |   |  |   |  |
| Shares outstanding at the beginning of the year  | 2,841  | 5,582   | 853,884  | 21,505  | 22,387   |
| Subscription of shares                           | –  | –   | 600,861  | 4,935   | 5,639  |
| Redemption of shares                             | (2,841)  | (5,582)   | (188,782)  | (4,345)   | (660)  |
| <b>Shares outstanding at the end of the year</b> | <b>–</b>   | <b>–</b>  | <b>1,265,963</b>                                     | <b>22,095</b>   | <b>27,366</b>                                    |
| <b>NET ASSET VALUE PER SHARE</b>                 |  |   |  |   |  |
| Highest  | 25,049<br>08.06.22                                     | 15,616<br>08.06.22  | 28,761<br>09.03.23                                   | 225<br>09.03.23                                       | 324<br>09.03.23                                  |
| Lowest   | 22,532<br>12.04.22                                     | 14,149<br>12.04.22  | 22,927<br>12.04.22                                   | 179<br>12.04.22                                       | 254<br>12.04.22                                  |
| <b>At the end of the year</b>                    | <b>–</b>   | <b>–</b>  | <b>27,821</b>  | <b>217.82</b>   | <b>314.16</b>                                    |
|  | Relative<br>Institutional<br>Shares Class<br>GBP (Acc) | ***Relative<br>Institutional<br>Shares Class<br>GBP (Dis) | ****Relative<br>International<br>Shares Class<br>JPY | *****Relative<br>International<br>Shares Class<br>EUR | Relative<br>International<br>Shares Class<br>USD |
| <b>CHANGE IN SHARES</b>                          |  |   |  |   |  |
| Shares outstanding at the beginning of the year  | 7,968  | 157,080   | –  | –   | 1,948  |
| Subscription of shares                           | 53   | –   | 17,501   | 6,552   | –  |
| Redemption of shares                             | (2,271)  | (157,080)   | –  | (74)  | –  |
| <b>Shares outstanding at the end of the year</b> | <b>5,750</b>   | <b>–</b>  | <b>17,501</b>  | <b>6,478</b>  | <b>1,948</b>                                     |
| <b>NET ASSET VALUE PER SHARE</b>                 |  |   |  |   |  |
| Highest  | 219<br>09.03.23  | 168<br>13.09.22   | 16,324<br>09.03.23                                   | 152<br>09.03.23                                       | 419<br>09.03.23                                  |
| Lowest   | 172<br>12.04.22  | 149<br>12.04.22   | 13,794<br>28.09.22                                   | 127<br>13.10.22                                       | 328<br>12.04.22                                  |
| <b>At the end of the year</b>                    | <b>211.53</b>  | <b>–</b>  | <b>15,789</b>  | <b>146.48</b>   | <b>406.73</b>                                    |

\*The Absolute Institutional Shares Class JPY has been inactive since 12 August 2022.

\*\*The Absolute International Shares Class JPY has been inactive since 1 August 2022.

\*\*\* The Relative Institutional Shares Class GBP (Dis) has been inactive since 12 October 2022.

\*\*\*\*The Relative International Shares Class JPY has been inactive since 20 June 2020 and relaunched on 20 July 2022.

\*\*\*\*\*The Relative International Shares Class EUR has been inactive since 12 July 2019 and was relaunched on 21 September 2022.

**STATISTICAL INFORMATION**

Year ended 31 March 2023 (continued)

**Arcus Japan Fund (continued)**

|  | <b>Restricted<br/>Shares Class<br/>JPY</b> | <b>Associate<br/>Shares Class<br/>JPY</b> | <b>*Platform<br/>Shares Class<br/>GBP</b> | <b>K Class<br/>JPY</b> |
|--|--|---|---|------------------------|
| <b>CHANGE IN SHARES</b>                          |  |   |   |                        |
| Shares outstanding at the beginning of the year  | 3,932                                      | 556,389                                   | –   | 3,947,168              |
| Subscription of shares                           | 73,469                                     | –   | 760                                       | –                      |
| Redemption of shares                             | –  | (239,531)                                 | –   | –                      |
| <b>Shares outstanding at the end of the year</b> | <b>77,401</b>                              | <b>316,858</b>                            | <b>760</b>                                | <b>3,947,168</b>       |
| <b>NET ASSET VALUE PER SHARE</b>                 |  |   |   |                        |
| Highest  | 21,590<br>09.03.23                         | 37,947<br>09.03.23                        | 125<br>09.03.23                           | 24,321<br>09.03.23     |
| Lowest   | 16,601<br>12.04.22                         | 29,318<br>12.04.22                        | 99<br>27.04.22                            | 18,866<br>12.04.22     |
| <b>At the end of the year</b>                    | <b>20,822</b>                              | <b>36,578</b>                             | <b>121.07</b>                             | <b>23,463</b>          |

\*The Platform Shares Class GBP was launched on 25 April 2022.

**CHANGES IN THE NUMBER OF SHARES, IN NET  
ASSETS AND IN NET ASSET VALUE PER SHARE**

## Arcus Japan Fund

| Date            | Share Class                                       | Number of Shares<br>Outstanding | Net<br>Assets  | Ccy    | Net Asset<br>Value per<br>Shares |
|-----------------|---|---------------------------------|----------------|--------|----------------------------------|
| <b>31.03.21</b> | Absolute Institutional Shares Class JPY           | 2,841                           | 62,235,326     | JPY    | 21,906                           |
|                 | Relative Institutional Shares Class JPY           | 722,254                         | 16,100,314,493 | JPY    | 22,292                           |
|                 | Relative Institutional Shares Class EUR*          | 23,617                          | 4,176,858      | EUR    | 176.86                           |
|                 | Relative Institutional Shares Class USD*          | 500                             | 123,815        | USD    | 247.63                           |
|                 | Relative Institutional Shares Class GBP (Acc)*    | 9,411                           | 1,589,971      | GBP    | 168.94                           |
|                 | Relative Institutional Shares Class GBP (Dis)*    | 157,080                         | 24,080,014     | GBP    | 153.30                           |
|                 | Relative International Shares Class USD*          | 1,948                           | 623,979        | USD    | 320.32                           |
|                 | Restricted Shares Class JPY                       | 2,969                           | 47,069,056     | JPY    | 15,854                           |
|                 | Associate Shares Class JPY                        | 765,298                         | 21,483,934,982 | JPY    | 28,073                           |
|                 | K Class JPY                                       | 3,947,168                       | 71,799,475,980 | JPY    | 18,190                           |
| <b>31.03.22</b> | Absolute Institutional Shares Class JPY**         | 2,841                           | 66,309,269     | JPY    | 23,340                           |
|                 | Absolute International Shares Class JPY***        | 5,582                           | 81,220,751     | JPY    | 14,550                           |
|                 | Relative Institutional Shares Class JPY           | 853,884                         | 20,312,430,344 | JPY    | 23,788                           |
|                 | Relative Institutional Shares Class EUR           | 21,505                          | 4,000,343      | EUR    | 186.02                           |
|                 | Relative Institutional Shares Class USD           | 22,387                          | 5,886,787      | USD    | 262.96                           |
|                 | Relative Institutional Shares Class GBP (Acc)     | 7,968                           | 1,421,964      | GBP    | 178.46                           |
|                 | Relative Institutional Shares Class GBP (Dis)**** | 157,080                         | 24,649,007     | GBP    | 156.92                           |
|                 | Relative International Shares Class USD           | 1,948                           | 663,430        | USD    | 340.57                           |
|                 | Restricted Shares Class JPY                       | 3,932                           | 67,599,927     | JPY    | 17,191                           |
|                 | Associate Shares Class JPY                        | 556,389                         | 16,892,933,544 | JPY    | 30,362                           |
|                 | K Class JPY                                       | 3,947,168                       | 77,148,588,465 | JPY    | 19,545                           |
| <b>31.03.23</b> | Relative Institutional Shares Class JPY           | 1,265,963                       | 35,220,861,659 | JPY    | 27,821                           |
|                 | Relative Institutional Shares Class EUR           | 22,095                          | 4,812,735      | EUR    | 217.82                           |
|                 | Relative Institutional Shares Class USD           | 27,366                          | 8,597,272      | USD    | 314.16                           |
|                 | Relative Institutional Shares Class GBP (Acc)     | 5,750                           | 1,216,334      | GBP    | 211.53                           |
|                 | Relative International Shares Class JPY*****      | 17,501                          | 276,312,766    | JPY    | 15,789                           |
|                 | Relative International Shares Class EUR*****      | 6,478                           | 948,886        | EUR    | 146.48                           |
|                 | Relative International Shares Class USD           | 1,948                           | 792,306        | USD    | 406.73                           |
|                 | Restricted Shares Class JPY                       | 77,401                          | 1,611,619,852  | JPY    | 20,822                           |
|                 | Associate Shares Class JPY                        | 316,858                         | 11,590,069,371 | JPY    | 36,578                           |
|                 | Platform Shares Class GBP*****                    | 760                             | 92,015         | GBP    | 121.07                           |
| K Class JPY     | 3,947,168   | 92,611,715,229                  | JPY            | 23,463 |                                  |

\* The following 31 March 2021 Net Assets have been amended to conform with the current year's presentation whereby Net Assets are presented in local currency.

\*\*The Absolute Institutional Shares Class JPY has been inactive since 12 August 2022.

\*\*\*The Absolute International Shares Class JPY has been inactive since 1 August 2022.

\*\*\*\*The Relative Institutional Shares Class GBP (Dis) has been inactive since 12 October 2022.

\*\*\*\*\*The Relative International Shares Class JPY has been inactive since 20 June 2020 and was relaunched on 20 July 2022.

\*\*\*\*\*The Relative International Shares Class EUR has been inactive since 12 July 2019 and was relaunched on 21 September 2022.

\*\*\*\*\*The Platform Shares Class GBP was launched on 25 April 2022.

## STATEMENT OF INVESTMENTS IN SECURITIES AND OTHER NET ASSETS

31 March 2023

(in JPY)

| Quantity   | Description                        | Ccy | Cost          | Value per security | Market Value  | % of Net Assets |
|--|------------------------------------|-----|---------------|--------------------|---------------|-----------------|
| <b>TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET</b> |                                    |     |               |                    |               |                 |
| <b>EQUITIES</b>  |                                    |     |               |                    |               |                 |
| <b>JAPAN</b>   |                                    |     |               |                    |               |                 |
| 1,339,000  | Air Water Inc                      | JPY | 2,222,567,612 | 1,660              | 2,222,740,000 | 1.55            |
| 326,000  | Aisin Corp                         | JPY | 1,151,206,185 | 3,645              | 1,188,270,000 | 0.83            |
| 911,100  | Alfresa Holdings Corp              | JPY | 1,521,990,827 | 1,696              | 1,545,225,600 | 1.08            |
| 2,384,000  | Alps Alpine Co Ltd                 | JPY | 2,905,824,100 | 1,269              | 3,025,296,000 | 2.11            |
| 1,384,000  | Asahi Kasei Corp                   | JPY | 1,382,340,163 | 926                | 1,281,999,200 | 0.89            |
| 2,588,500  | Chugoku Electric Power Co Inc      | JPY | 2,278,579,725 | 673                | 1,742,060,500 | 1.21            |
| 780,000  | Daicel Corp                        | JPY | 665,795,140   | 1,000              | 780,000,000   | 0.54            |
| 407,900  | DIC Corp                           | JPY | 985,273,825   | 2,380              | 970,802,000   | 0.68            |
| 4,000,000  | ENEOS Holdings Inc                 | JPY | 1,896,591,263 | 465                | 1,860,800,000 | 1.30            |
| 1,830,000  | Fuji Media Holdings Inc            | JPY | 2,104,759,497 | 1,195              | 2,186,850,000 | 1.52            |
| 612,000  | Furukawa Electric Co Ltd           | JPY | 1,568,812,539 | 2,461              | 1,506,132,000 | 1.05            |
| 92,000   | Hanwa Co Ltd                       | JPY | 313,478,739   | 3,945              | 362,940,000   | 0.25            |
| 1,439,000  | Hokkaido Electric Power Co Inc     | JPY | 666,148,005   | 486                | 699,354,000   | 0.49            |
| 450,000  | Idemitsu Kosan Co Ltd              | JPY | 1,361,624,381 | 2,900              | 1,305,000,000 | 0.91            |
| 629,000  | Japan Post Bank Co Ltd             | JPY | 713,274,768   | 1,083              | 681,207,000   | 0.47            |
| 360,000  | Japan Post Holdings Co Ltd         | JPY | 399,523,902   | 1,077              | 387,540,000   | 0.27            |
| 1,822,000  | JTEKT Corp                         | JPY | 1,712,153,394 | 1,021              | 1,860,262,000 | 1.30            |
| 492,000  | Kaneka Corp                        | JPY | 1,732,126,213 | 3,450              | 1,697,400,000 | 1.18            |
| 787,000  | Komatsu Ltd                        | JPY | 2,223,577,647 | 3,277              | 2,578,999,000 | 1.80            |
| 234,000  | Komeri Co Ltd                      | JPY | 615,407,726   | 2,736              | 640,224,000   | 0.45            |
| 460,000  | Konica Minolta Inc                 | JPY | 246,820,230   | 569                | 261,740,000   | 0.18            |
| 2,533,000  | Kyushu Electric Power Co Inc       | JPY | 1,836,211,678 | 757                | 1,917,481,000 | 1.34            |
| 196,000  | Lintec Corp                        | JPY | 465,919,329   | 2,165              | 424,340,000   | 0.30            |
| 763,000  | Medipal Holdings Corp              | JPY | 1,422,126,663 | 1,804              | 1,376,452,000 | 0.96            |
| 240,000  | Mitsubishi Electric Corp           | JPY | 353,685,292   | 1,579              | 378,840,000   | 0.26            |
| 2,321,000  | Mitsubishi Estate Co Ltd           | JPY | 3,750,573,119 | 1,577              | 3,659,056,500 | 2.55            |
| 2,012,000  | Mitsubishi Gas Chemical Co Inc     | JPY | 3,923,745,209 | 1,963              | 3,949,556,000 | 2.75            |
| 138,000  | Mitsubishi Logistics Corp          | JPY | 446,729,564   | 3,110              | 429,180,000   | 0.30            |
| 2,417,800  | Mitsubishi Materials Corp          | JPY | 5,320,027,348 | 2,157              | 5,215,194,600 | 3.63            |
| 57,000   | Mitsubishi Shokuhin Co Ltd         | JPY | 179,821,535   | 3,250              | 185,250,000   | 0.13            |
| 457,000  | Mitsui Chemicals Inc               | JPY | 1,279,582,276 | 3,410              | 1,558,370,000 | 1.09            |
| 1,320,000  | Mitsui Fudosan Co Ltd              | JPY | 3,248,685,749 | 2,484              | 3,278,880,000 | 2.28            |
| 724,000  | Mitsui Mining & Smelting Co Ltd    | JPY | 2,375,920,110 | 3,215              | 2,327,660,000 | 1.62            |
| 1,800,000  | Mizuho Financial Group Inc         | JPY | 2,727,362,217 | 1,878              | 3,380,400,000 | 2.35            |
| 897,500  | Modec Inc                          | JPY | 1,785,566,187 | 1,398              | 1,254,705,000 | 0.87            |
| 65,000   | MS&AD Insurance Group Holdings Inc | JPY | 251,434,608   | 4,106              | 266,890,000   | 0.19            |
| 1,011,000  | NEC Corp                           | JPY | 4,975,428,635 | 5,100              | 5,156,100,000 | 3.59            |
| 28,000   | Nippon Shokubai Co Ltd             | JPY | 150,987,895   | 5,280              | 147,840,000   | 0.10            |
| 2,375,000  | Nippon Television Holdings Inc     | JPY | 3,052,256,472 | 1,141              | 2,709,875,000 | 1.89            |
| 4,700,000  | Nissan Motor Co Ltd                | JPY | 2,418,314,276 | 501                | 2,355,170,000 | 1.64            |

The accompanying notes are an integral part of these financial statements



## STATEMENT OF INVESTMENTS IN SECURITIES AND OTHER NET ASSETS

31 March 2023 (continued)

(in JPY)

| Quantity   | Description                          | Ccy | Cost                   | Value per security | Market Value           | % of Net Assets |
|--|--------------------------------------|-----|------------------------|--------------------|------------------------|-----------------|
| <b>TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET (continued)</b> |                                      |     |                        |                    |                        |                 |
| <b>EQUITIES (continued)</b>  |                                      |     |                        |                    |                        |                 |
| <b>JAPAN (continued)</b>   |                                      |     |                        |                    |                        |                 |
| 1,329,000  | NOK Corp                             | JPY | 1,618,642,527          | 1,463              | 1,944,327,000          | 1.35            |
| 1,437,000  | Obayashi Corp                        | JPY | 1,326,328,854          | 1,013              | 1,455,681,000          | 1.01            |
| 213,000  | Open House Group Co Ltd              | JPY | 1,062,077,576          | 4,950              | 1,054,350,000          | 0.73            |
| 1,811,000  | Outsourcing Inc                      | JPY | 2,027,384,984          | 1,297              | 2,348,867,000          | 1.64            |
| 2,360,000  | Panasonic Holdings Corp              | JPY | 2,585,867,881          | 1,182              | 2,789,520,000          | 1.94            |
| 575,000  | Penta-Ocean Construction Co Ltd      | JPY | 364,084,216            | 632                | 363,400,000            | 0.25            |
| 9,638,000  | Rakuten Group Inc                    | JPY | 6,804,658,750          | 614                | 5,917,732,000          | 4.12            |
| 4,200,000  | Renesas Electronics Corp             | JPY | 5,425,228,021          | 1,914              | 8,036,700,000          | 5.60            |
| 249,000  | Rengo Co Ltd                         | JPY | 185,299,040            | 859                | 213,891,000            | 0.15            |
| 457,200  | Resonac Holdings Corp                | JPY | 912,248,942            | 2,176              | 994,867,200            | 0.69            |
| 108,000  | Rohm Co Ltd                          | JPY | 1,096,911,172          | 10,970             | 1,184,760,000          | 0.83            |
| 1,492,000  | Ryohin Keikaku Co Ltd                | JPY | 2,261,287,650          | 1,504              | 2,243,968,000          | 1.56            |
| 84,500   | Sawai Group Holdings Co Ltd          | JPY | 419,039,097            | 3,650              | 308,425,000            | 0.21            |
| 1,381,000  | SBI Holdings Inc                     | JPY | 3,703,615,157          | 2,624              | 3,623,744,000          | 2.52            |
| 2,010,000  | Shimizu Corp                         | JPY | 1,589,784,560          | 750                | 1,507,500,000          | 1.05            |
| 160,000  | Shizuoka Financial Group Inc         | JPY | 127,706,185            | 951                | 152,160,000            | 0.11            |
| 158,000  | Sohgo Security Services Co Ltd       | JPY | 566,599,687            | 3,565              | 563,270,000            | 0.39            |
| 1,070,000  | Subaru Corp                          | JPY | 2,334,636,003          | 2,115              | 2,262,515,000          | 1.58            |
| 1,157,000  | Sumitomo Heavy Industries Ltd        | JPY | 3,350,841,556          | 3,240              | 3,748,680,000          | 2.61            |
| 3,194,120  | Sumitomo Mitsui Construction Co Ltd  | JPY | 1,899,995,211          | 384                | 1,226,542,080          | 0.85            |
| 274,100  | Sumitomo Mitsui Trust Holdings Inc   | JPY | 1,040,597,038          | 4,541              | 1,244,688,100          | 0.87            |
| 883,000  | Sumitomo Realty & Development Co Ltd | JPY | 2,700,798,879          | 2,982              | 2,633,106,000          | 1.83            |
| 293,800  | Suzuken Co Ltd/Aichi Japan           | JPY | 982,854,766            | 3,345              | 982,761,000            | 0.68            |
| 240,000  | Suzuki Motor Corp                    | JPY | 1,051,939,147          | 4,804              | 1,152,960,000          | 0.80            |
| 550,000  | T&D Holdings Inc                     | JPY | 874,054,153            | 1,641              | 902,550,000            | 0.63            |
| 609,000  | Taiheiyo Cement Corp                 | JPY | 1,434,338,775          | 2,487              | 1,514,583,000          | 1.05            |
| 504,000  | Takeda Pharmaceutical Co Ltd         | JPY | 1,640,993,691          | 4,350              | 2,192,400,000          | 1.53            |
| 950,000  | TBS Holdings Inc                     | JPY | 1,647,123,871          | 1,905              | 1,809,750,000          | 1.26            |
| 1,957,000  | Teijin Ltd                           | JPY | 2,612,565,956          | 1,396              | 2,731,972,000          | 1.90            |
| 4,329,000  | Tohoku Electric Power Co Inc         | JPY | 2,921,332,627          | 659                | 2,852,811,000          | 1.99            |
| 1,039,000  | Tokuyama Corp                        | JPY | 2,068,064,093          | 2,105              | 2,187,095,000          | 1.52            |
| 721,000  | Towa Corp                            | JPY | 1,273,257,424          | 2,094              | 1,509,774,000          | 1.05            |
| 450,000  | Toyota Industries Corp               | JPY | 3,326,299,228          | 7,350              | 3,307,500,000          | 2.30            |
| 247,000  | Transcosmos Inc                      | JPY | 787,490,584            | 3,135              | 774,345,000            | 0.54            |
| 989,000  | UBE Corp                             | JPY | 2,022,199,959          | 2,055              | 2,032,395,000          | 1.42            |
| 458,000  | Ushio Inc                            | JPY | 714,804,707            | 1,665              | 762,570,000            | 0.53            |
| 6,081,000  | Yamada Holdings Co Ltd               | JPY | 2,770,066,972          | 456                | 2,772,936,000          | 1.93            |
|  | <b>TOTAL JAPAN</b>                   |     | <b>138,163,272,982</b> |                    | <b>142,061,176,780</b> | <b>98.92</b>    |
|  | <b>TOTAL EQUITIES</b>                |     | <b>138,163,272,982</b> |                    | <b>142,061,176,780</b> | <b>98.92</b>    |

The accompanying notes are an integral part of these financial statements

**STATEMENT OF INVESTMENTS IN SECURITIES AND OTHER NET ASSETS**

31 March 2023 (continued)

(in JPY)

|  | Cost                   | Market Value           | % of Net Assets |
|--|------------------------|------------------------|-----------------|
| <b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET</b> | <b>138,163,272,982</b> | <b>142,061,176,780</b> | <b>98.92</b>    |
| <b>TOTAL INVESTMENTS IN SECURITIES</b>   | <b>138,163,272,982</b> | <b>142,061,176,780</b> | <b>98.92</b>    |
| Cash   |                        | 1,108,814,272          | 0.77            |
| Other net assets   |                        | 443,660,731            | 0.31            |
| <b>TOTAL NET ASSETS</b>  |                        | <b>143,613,651,783</b> | <b>100.00</b>   |

The accompanying notes are an integral part of these financial statements

**GEOGRAPHICAL CLASSIFICATION OF THE INVESTMENTS IN SECURITIES**

31 March 2023

(in %)

|  | <b>% of Net Assets</b> |
|--|------------------------|
| <b>COUNTRY</b>                               |                        |
| Japan  | 98.92                  |
| <b>TOTAL INVESTMENTS IN SECURITIES</b>       | <b>98.92</b>           |
| Other assets/(liabilities) and liquid assets | 1.08                   |
| <b>NET ASSETS</b>                            | <b>100.00</b>          |

**ECONOMIC CLASSIFICATION OF THE INVESTMENTS IN SECURITIES**

31 March 2023

(in %)

|  | <b>% of Net<br/>Assets</b> |
|--|----------------------------|
| <b>ECONOMIC SECTORS</b>                      |                            |
| Chemicals                                    | 14.61                      |
| Tech Hardware & Semiconductors               | 8.90                       |
| Real Estate                                  | 7.39                       |
| Automobile Parts & Equipment                 | 5.78                       |
| Mining                                       | 5.25                       |
| Electric                                     | 5.03                       |
| Media  | 4.67                       |
| Pharmaceuticals                              | 4.46                       |
| Internet                                     | 4.12                       |
| Retail                                       | 4.07                       |
| Automobile Manufacturers                     | 4.02                       |
| Banks  | 3.80                       |
| Computers                                    | 3.59                       |
| Engineering & Construction                   | 3.16                       |
| Machinery Construction & Mining              | 2.67                       |
| Machinery-Diversified                        | 2.61                       |
| Financial Services                           | 2.52                       |
| Oil & Gas                                    | 2.21                       |
| Software & Tech Services                     | 2.18                       |
| Electronics                                  | 2.11                       |
| Electrical Components & Equipment            | 1.31                       |
| Miscellaneous Manufacturers                  | 1.23                       |
| Insurance                                    | 1.09                       |
| Building Materials                           | 1.05                       |
| Commercial Services                          | 0.39                       |
| Storage/Warehousing                          | 0.30                       |
| Metal Fabricate / Hardware                   | 0.25                       |
| Materials                                    | 0.15                       |
| <b>TOTAL INVESTMENTS IN SECURITIES</b>       | <b>98.92</b>               |
| Other assets/(liabilities) and liquid assets | 1.08                       |
| <b>NET ASSETS</b>                            | <b>100.00</b>              |

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2023

### 1. DESCRIPTION OF THE COMPANY

ARCUS FUND SICAV (the "Company") is an umbrella investment company with variable capital ("société d'investissement à capital variable") incorporated under the form of a société anonyme in the Grand Duchy of Luxembourg. It qualifies as an undertaking for collective investment in transferable securities ("UCITS") under Part I of the 2010 Law. As an umbrella structure, the Company may operate separate Sub-Funds, each being distinguished among others by their specific investment policy or any other specific feature as further detailed in the relevant Sub-Fund Particular. Within each Sub-Fund, different Classes with characteristics detailed in the relevant Sub-Fund Particular may be issued.

The Company constitutes a single legal entity, but the assets of each Sub-Fund are segregated from those of the other Sub-Fund(s) in accordance with the provisions of Article 181 of the 2010 Law. This means that the assets of each Sub-Fund shall be invested for the Shareholders of the corresponding Sub-Fund and that the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

The Board of Directors may at any time resolve to set up new Sub-Fund(s) and/or create within each Sub-Fund one or more Classes. The Company currently only has one Sub-Fund and the Board of Directors has decided not to create any further Sub-Funds at the moment. The Board of Directors may also at any time resolve to close a Sub-Fund, or one or more Classes within a Sub-Fund, to further subscriptions.

The Company was incorporated on 19 August 2021 following the conversion of Arcus Japan Fund, a mutual investment fund ("fonds commun de placement") organised under the laws of the Grand Duchy of Luxembourg, constituted on 2 March 2005, registered with the Registre de Commerce et des Sociétés, Luxembourg (Luxembourg register of commerce and companies, "RCS, Luxembourg") under number K 192, into a Sub-Fund of the Company on the above incorporation date. As a result of the conversion, Arcus Japan Fund became a Sub-Fund of the Company (i.e. Arcus Fund SICAV – Arcus Japan Fund).

The Company is registered with the RCS, Luxembourg under number B259759. The Articles of Incorporation have been deposited with the RCS, Luxembourg and have been published in the Recueil Electronique des Sociétés et Associations ("RESA"), Luxembourg's central electronic platform of official publication, on 5 October 2021.

As at 31 March 2023, the following classes of Shares have been subscribed:

- Relative Institutional Shares Class JPY
- Relative Institutional Shares Class EUR
- Relative Institutional Shares Class USD
- Relative Institutional Shares Class GBP (Acc)
- Relative International Shares Class JPY
- Relative International Shares Class EUR
- Relative International Shares Class USD
- Restricted Shares Class JPY
- Associate Shares Class JPY
- Platform Shares Class GBP
- K Class JPY

### 2. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Luxembourg legal and regulatory obligations relating to investment funds on a going concern basis.

The financial statements are presented on the basis of the last Net Asset Value ("NAV") calculated during the financial year (i.e. 31 March 2023). Since the Company consists of only one Sub-Fund as of 31 March 2023, the Arcus Japan Fund, the Statement of Net Assets and the Statement of Operations and Changes in Net Assets are at the same time the consolidated statements of the Company.

#### a) Valuation of the Investments

Securities quoted on an official stock exchange are valued on the basis of the last available price. Securities that are not quoted on a stock exchange but dealt in on a regulated market or on another organised market are also valued at the last available price.

Shares in collective investment funds of open-end type are valued on the basis of their last available net asset value.

Securities whose prices are not fair market prices and other securities not quoted on an official stock exchange or on other regulated markets which operate regularly and are recognised and open to the public are valued by the Management Company at their probable realisation value determined prudently and in good faith.

#### b) Net Realised Gain or Loss on Sales of Investments

Net realised gains or losses on sales of investments are calculated on the basis of average cost of the investments sold. The transactions on investments in securities are accounted for on a trade date +1 day basis.

#### c) Foreign Currency Translation

The accounting and financial statements of the Company are maintained in JPY Assets and liabilities expressed in currencies other than JPY are converted into JPY at the exchange rates prevailing on the Valuation date.

Income and expenses expressed in currencies other than JPY are converted into JPY at the prevailing exchange rate at payment date. Profit or loss on foreign exchange is included in the financial statements.

#### d) Acquisition Costs of the Securities Held in the Portfolio

The cost of securities denominated in currencies other than JPY is converted at the exchange rate prevailing at the date of acquisition.

#### e) Income and Expense Recognition

Dividends are taken into account on the date upon which the relevant investments are first listed as ex-dividend. Interest income is accrued on a daily basis. Income is recorded net of withholding tax, if any.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2023 (continued)

### 2. **PRINCIPAL ACCOUNTING POLICIES (continued)**

Expenses are accounted for on an accrual basis. Expenses are charged to the Statement of Operations and Changes in Net Assets except for expenses incurred on the acquisition of an investment which are included within the cost of that investment and are deducted from the disposal proceeds.

Interest income and expenses are recognised on an accrual basis in line with the contractual terms. Interest is accrued on a daily basis using the effective interest rate method.

#### f) **Forward Foreign Exchange Contracts**

Forward foreign exchange contracts are valued at the forward rate applicable at the Statement of Net Assets date for the remaining period until maturity.

Realised and unrealised gains or losses resulting from forward foreign exchange contracts are recognised in the Statement of Operations and Changes in Net Assets under the captions net realised result on forward foreign exchange contracts and change in net unrealised appreciation/(depreciation) on forward foreign exchange contracts on currencies respectively.

Forward foreign exchange contracts have been entered either to hedge exchange risks on investments held by the Company or to hedge a unit class against adverse currency movements in the value of the investments that are denominated in another currency of such classes. Any costs associated with these classes specific hedging contracts are borne by the relevant unit class.

#### g) **Estimates and Assumptions**

The Company believes that its estimates of fair value are appropriate, however estimates and assumptions concerning the future, by definition, seldom equal the actual results and the estimated value may not be realised in a current sale or immediate settlement of the asset or liability. The use of different methodologies, assumptions or inputs would lead to different measurements of fair value and given the number of different factors affecting the estimate, specific sensitivity analysis cannot be reliably quantified.

### 3. **EXCHANGE RATES AS AT 31 MARCH 2023**

1 JPY = 0.007509 USD  
 1 JPY = 0.006861 CHF  
 1 JPY = 0.006058 GBP  
 1 JPY = 0.006886 EUR

### 4. **MANAGEMENT FEE**

The Management Company has appointed Arcus Investment Limited (the "Investment Manager") to act as Investment Manager and make investment decisions with respect to the investment and reinvestment of the assets of the Company.

The Management Company and the Investment Manager are entitled to receive an aggregate Management fee payable monthly, out of the assets of the relevant Sub-Fund, at an annual rate of 1% for Institutional, International and Platform classes of Shares, 0.45% for K Class of Shares and 0.90% for Associate Class of Shares of the average Net Asset Value.

Out of the abovementioned aggregate Investment Management fee, the Management Company will receive a monthly fee up to 0.06% of the Net Asset Value of the Sub-Fund per annum. The fee payable is subject to a minimum monthly fee of EUR 2,500.

The Management Company shall pay, out of the aforesaid aggregate Investment Management fee, the fees and expenses of the Investment Manager or any other third parties, with the exception of the Depositary and Administrative Agent, Registrar and Transfer Agent and Paying Agent, to which the Management Company may have delegated functions or from which the Management Company otherwise seeks assistance or advice in relation to the management of the Company.

No management fee will be due in respect of the Restricted Class of Shares.

All fees which are due to the Delegate Trade Placement Manager shall be paid by the Investment Manager out of its part of the Investment Management fee.

### 5. **PERFORMANCE FEE**

The Investment Manager is entitled to a Performance fee equal to 20% of the Excess Return, if any, achieved by the Institutional, International and Platform classes of Shares, which is paid annually.

The Investment Manager is entitled to a Performance fee equal to 25% of the relative outperformance over the Target Net Asset Value per Share, if any, achieved by the Associate Class of Shares, which is paid annually.

The Investment Manager is entitled to a Performance Fee for the K Class of Shares, calculated on a rolling 5-year basis, equivalent to a participation of 20% of the outperformance of the Company's portfolio, subject to an annual total fee cap of 2% of the gross asset value ("GAV").

No performance fee will be due in respect of the Restricted Class of Shares.

The method of computation of the Performance fee is described in detail in the latest prospectus of the Company dated March 2023.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2023 (continued)

## 5. PERFORMANCE FEE (continued)

During the year ended 31 March 2023, the Performance fees incurred are as follows:

## Arcus Japan Fund

|   | Performance fee in JPY | % of average share class NAV |
|---|------------------------|------------------------------|
| Absolute Institutional Shares Class JPY       | 1,005,555              | 1.51                         |
| Absolute International Shares Class JPY       | 1,058,851              | 1.28                         |
| Relative Institutional Shares Class JPY       | 588,957,652            | 2.47                         |
| Relative Institutional Shares Class EUR       | 14,963,002             | 2.72                         |
| Relative Institutional Shares Class USD       | 29,914,379             | 3.06                         |
| Relative Institutional Shares Class GBP (Acc) | 6,386,906              | 3.19                         |
| Relative Institutional Shares Class GBP (Dis) | 58,949,879             | 1.52                         |
| Relative International Shares Class JPY       | 2,830,840              | 1.58                         |
| Relative International Shares Class USD       | 3,006,454              | 3.10                         |
| Relative International Shares Class EUR       | 1,293,719              | 1.29                         |
| K Class JPY                                   | 413,037,710            | 0.49                         |

## 6. TRANSACTION FEE

The total amount of transaction fees included in the Statement of Operations and Changes in Net Assets of Arcus Japan Fund is JPY 119,529,003 and reflects commissions on purchases and sales of investments.

## 7. TAXATION

The Company is subject to Luxembourg law in respect of its tax status. Under legislation and regulations currently prevailing in Luxembourg the Company is subject to a capital tax on its net assets at an annual rate of 0.05% for International classes of Shares and 0.01% for Institutional classes of Shares, the Associate Class of Shares and the K Class of Shares calculated and payable quarterly.

## 8. CHANGES IN THE INVESTMENT PORTFOLIO

A copy of the changes in the investment portfolio for the year ended 31 March 2023 is available free of charge at the registered office of the Company.

## 9. DISTRIBUTION

Regarding the Relative Institutional GBP (Dis) Class of Shares, the Board of Directors may declare semi-annual, annual or interim distributions as it deems appropriate.

A distribution of GBP 405,472 was made with ex-dividend date 1 April 2022 and pay date 29 April 2022 intended to represent part of the allocated GBP equivalent 'net operating result' to the Share class of Arcus Japan Fund for the year to 31 March 2022.

A distribution of GBP 272,990 was made with ex-dividend date 3 October 2022 and pay date 31 October 2022 intended to represent part of the allocated GBP equivalent 'net operating result' to the Share class of Arcus Japan Fund for the period to 30 September 2022.

## 10. FORWARD FOREIGN EXCHANGE CONTRACTS ON CURRENCIES

As at 31 March 2023, the following forward foreign exchange contracts on currencies were outstanding:

## Arcus Japan Fund

|     | Sale        |     | Purchase   | Maturity | Unrealised gain in JPY |
|-----|-------------|-----|------------|----------|------------------------|
| JPY | 648,413,529 | EUR | 4,575,760  | 05.31.23 | 12,536,034             |
| JPY | 194,949,060 | GBP | 1,215,333  | 05.31.23 | 4,183,766              |
| JPY | 129,431,792 | EUR | 913,381    | 05.31.23 | 2,502,355              |
| USD | 540,752     | JPY | 71,802,611 | 05.31.23 | 411,127                |
| JPY | 14,698,159  | GBP | 91,630     | 05.31.23 | 315,435                |
| JPY | 6,992,068   | USD | 53,894     | 05.31.23 | 123,132                |
| JPY | 32,950,658  | EUR | 228,595    | 05.31.23 | 68,867                 |
| JPY | 2,316,128   | EUR | 16,453     | 05.31.23 | 60,446                 |
| JPY | 5,926,201   | EUR | 41,300     | 05.31.23 | 39,413                 |
| USD | 50,047      | JPY | 6,645,369  | 05.31.23 | 38,050                 |
| JPY | 5,470,043   | EUR | 38,127     | 05.31.23 | 37,283                 |
| JPY | 105,088     | USD | 810        | 05.31.23 | 1,850                  |
| JPY | 11,446      | EUR | 81         | 05.31.23 | 299                    |
| JPY | 5,655       | GBP | 35         | 05.31.23 | 121                    |

Unrealised gain on forward foreign exchange contracts

20,318,178

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2023 (continued)

### 10. FORWARD FOREIGN EXCHANGE CONTRACTS ON CURRENCIES (continued)

#### Arcus Japan Fund (continued)

|     | Sale          |     | Purchase   | Maturity | Unrealised loss<br>in JPY |
|-----|---------------|-----|------------|----------|---------------------------|
| GBP | 3,972         | JPY | 634,908    | 05.31.23 | (15,824)                  |
| GBP | 5,261         | JPY | 843,936    | 05.31.23 | (18,081)                  |
| EUR | 16,453        | JPY | 2,327,994  | 04.03.23 | (61,238)*                 |
| JPY | 4,672,458     | USD | 34,672     | 05.31.23 | (94,912)                  |
| GBP | 49,570        | JPY | 7,924,559  | 05.31.23 | (197,506)                 |
| EUR | 46,774        | JPY | 6,558,236  | 05.31.23 | (198,140)                 |
| EUR | 195,685       | JPY | 27,987,817 | 05.31.23 | (278,121)                 |
| JPY | 104,102,910   | USD | 782,115    | 05.31.23 | (846,005)                 |
| JPY | 59,467,643    | USD | 441,286    | 05.31.23 | (1,207,969)               |
| JPY | 1,113,265,689 | USD | 8,363,860  | 05.31.23 | (9,047,079)               |

**Unrealised loss on forward foreign exchange contracts** **(11,964,875)**

**Unrealised result on forward foreign exchange contracts** **8,353,303**

\*Contract that is not related to Share Class Hedging.

As at 31 March 2023, all outstanding forward foreign exchange contracts were entered with Northern Trust Global Services SE without collateral. The unrealised result on the outstanding forward foreign exchange contracts on currencies as at 31 March 2023 is included in the Statement of Net Assets.

### 11. SIGNIFICANT EVENTS DURING THE YEAR

#### Russia/Ukraine war

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on 24 February 2022.

The situation, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, has driven a sharp increase in volatility across markets. The Directors of the Company regard these events for the Company and its Sub-Fund as non-adjusting events after the reporting period.

Although neither the Company and its Sub-Fund performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Directors of the Company continue to monitor the evolving situation and its impact on the financial position of the Company and its Sub-Fund.

On 8 April 2022, KPMG Audit S.à r.l. was appointed as the independent auditor (réviseur d'entreprises agréé) of the Company approving the accounts for the financial year ended 31 March 2023.

A new Prospectus was issued on March 2023.

There were no other significant events during the year.

### 12. SUBSEQUENT EVENTS

Mr Romain Denis resigned from the Board of Directors of the Management Company with effect from 17 July 2023 and from the Board of Directors of the Company with effect from 11 August 2023.

The Company's Prospectus has been recently updated in order to add new classes of Shares and to modify the designations of the different classes of Shares available within the Sub-Fund, Arcus Japan Fund.

There were no other material events subsequent to the year-end that require adjustment or disclosure in the notes to the financial statements.



**INFORMATION FOR INVESTORS IN SWITZERLAND (UNAUDITED)**

The Company has not been and will not be registered with the Swiss Financial Market Supervisory Authority ("FINMA") for distribution to non-qualified investors pursuant to Article 120 para. 1 to 3 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("CISA"). Accordingly, pursuant to Article 120 para. 4 CISA, the Company may only be offered and this document may only be distributed in or from Switzerland to qualified investors as defined in the CISA and its implementing ordinance. Further, AJF may be sold under the exemptions of Article 3 para. 2 CISA. Investors in AJF do not benefit from the specific investor protection provided by CISA and the supervision by the FINMA in connection with the licensing for distribution.

Home country of the Company: Luxembourg

**Representative for Switzerland:**

FundRock, Switzerland SA (formerly ARM Swiss Representatives SA)

Route de Cité-Ouest 2,

1196 Gland,

Switzerland

The Prospectus and Key Investor Information Document, Key Investor Document as well as the annual and semi-annual reports may be obtained free of charge from the representative.

In respect of the Shares distributed in Switzerland to Qualified Investors, place of performance and jurisdiction is at the registered office of the Representative.

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**APPENDIX I - ADDITIONAL INFORMATION (UNAUDITED)****REMUNERATION POLICY**

FundRock Management Company S.A. ("FundRock") as subject to CSSF Circular 18/698 has implemented a remuneration policy in compliance with Articles 111a and 111b of the 2010 Law and/or Article 12 of the 2013 Law respectively.

FundRock as subject to Chapter 15 of the 2010 Law and AIFM must also comply with the guidelines of the European Securities and Markets Authority ESMA/2016/5758 and ESMA/2016/5799 to have sound processes in place. FundRock has established and applies a remuneration policy in accordance with the ESMA Guidelines on sound remuneration policies under the UCITS V Directive (ESMA 2016/575) and AIFMD (ESMA 2016/579) and any related legal & regulatory provisions applicable in Luxembourg.

Further, consideration has been given to the requirements as outlined in Regulation (EU) 2019/2088 on sustainability – related disclosures in the financial sector, the SFDR Requirements.

The remuneration policy is aligned with the business strategy, objectives, values and interests of FundRock and the Funds that it manages and of the investors in such Funds, and which includes, inter alia, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Funds that the Management Company manages.

FundRock ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that FundRock's employees who are identified as risk-takers are not remunerated based on the performance of the funds under management.

A paper version of the remuneration policy is made available free of charge to investors at FundRock's registered office. FundRock's remuneration policy can also be found at: <https://www.fundrock.com/policies-and-compliance/remuneration-policy/>

The total amount of remuneration for the financial year ended 31 December 2022 paid by FundRock to its staff: EUR 12,587,217

Fixed remuneration: EUR 11,485,489

Variable remuneration: EUR 1,101,728

Number of beneficiaries: 147

The aggregated amount of remuneration for the financial year ended 31 December 2022 paid by FundRock to identified staff/risk takers was EUR 2,524,731

The total amount of remuneration is based on a combination of the assessment of the performance of the individual, the overall results of FundRock, and when assessing individual performance, financial as well as non-financial criteria are taken into account.

The policy is subject to annual review by the compliance officer and the update is performed by HR department of FundRock and is presented for review to the Remuneration Committee and approval by the Board of FundRock.

**SECURITIES FINANCING TRANSACTIONS REGULATION**

("SFTR") Regulation (EU) 2015/2365 on Transparency of Securities Financing Transactions and of Reuse (the "SFT Regulation"), which aims to improve the transparency of the securities financing markets, introduces additional financial reporting requirements for any financial statements published on or after 13 January 2017. During the year under review, the Company did not enter into any securities financing transactions.

**SUSTAINABLE FINANCE DISCLOSURE REGULATION**

("SFDR") Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector.

The Company complies with Article 6 requirements. As at 31 March 2023, for the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Company do not take into account the EU criteria for environmentally sustainable economic activities.