

Annual report including audited financial statements as at 31st December 2020

ETHOS FUND

Investment Fund (F.C.P.), Luxembourg

R.C.S. Luxembourg K18

Notice

The sole legally binding basis for the purchase of units of the Fund described in this report is the latest valid sales prospectus with its terms of contract.

ETHOS FUND

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ETHOS FUND

Organisation

Management Company

FundRock Management Company S.A.
H2O building
33, rue de Gasperich
L-5826 Hesperange

Board of Directors of the Management Company

Chairman
Michel Marcel VAREIKA
Independent Non-Executive Director
Luxembourg

Members
Romain DENIS
Executive Director - Managing Director
FundRock Management Company S.A., Luxembourg

Thibault GREGOIRE
Executive Director - Chief Financial Officer
FundRock Management Company S.A., Luxembourg
(since 12th February 2021)

Eric MAY
Non-Executive Director
Founding Partner
BlackFin Capital Partners, Paris
(until 12th February 2021)

Tracey MCDERMOTT
Independent Non-Executive Director, Luxembourg

Grégory NICOLAS
Executive Director - Co-Managing Director
FundRock Management Company S.A., Luxembourg
(until 26th June 2020)

Xavier PARAIN
Executive Director - Chief Executive Officer
FundRock Management Company S.A., Luxembourg

Serge RAGOZIN
Executive Director - Deputy Chief Executive Officer
FundRock Management Company S.A., Luxembourg
(until 12th February 2021)

Central Administration Agent

FundRock Management Company S.A.
H2O building
33, rue de Gasperich
L-5826 Hesperange

Sub-Administrator including Registrar and Transfer Agent

European Fund Administration S.A.
2, rue d'Alsace
L-1122 Luxembourg

ETHOS FUND

Organisation (continued)

Depository	Skandinaviska Enskilda Banken AB (publ) - Luxembourg Branch (formerly: Skandinaviska Enskilda Banken S.A.) 4, rue Peternelchen L-2370 Howald
Paying Agents	In Sweden Skandinaviska Enskilda Banken AB (publ) Kungsträdgårdsgatan 8 SE-106 40 Stockholm In Luxembourg Skandinaviska Enskilda Banken AB (publ) - Luxembourg Branch (formerly Skandinaviska Enskilda Banken S.A.) 4, rue Peternelchen L-2370 Howald
Investment Manager	RobecoSAM AG Josefstraße 218 CH-8005 Zürich
Auditor	PricewaterhouseCoopers, Société coopérative 2, rue Gerhard Mercator L-2182 Luxembourg
Distributor	Skandinaviska Enskilda Banken AB (publ) Kungsträdgårdsgatan 8 SE-106 40 Stockholm

ETHOS FUND

Report of the Investment Manager

1. Market Review

Over the year 2020, the MSCI World Index increased by 16% in USD terms. Without the benefit of experience, at first glance, 2020 looks like a booming year and not one racked by a series of unforeseen and extraordinary events and measures. In the first quarter, the Covid-19 pandemic that initially surfaced in China, rapidly spread across Asia and Europe and finally the whole world. The subsequent shutdown of large parts of the world economy revealed the vulnerability of global supply chains and led to a historic fall in GDP. Millions lost jobs as manufacturing and service activities temporarily collapsed. In order to prevent a long and deep recession, central banks and governments responded with stimulus packages on an unprecedented scale. Interest rates were cut to zero around the globe, asset purchase programs were intensified and fiscal emergency liquidity programs were implemented. As a result, the economy has largely recovered in the third and fourth quarters. The industrial sector, in particular, benefited from a strong rebound in China after its relatively rapid recovery from the pandemic. The service sector, however, continued to struggle as a second wave of infections caused further lockdowns towards year end.

After the MSCI World Index crashed (nearly 35%) in March, large US technology and internet companies recovered first as “work-from-home” policies triggered a surge in demand for cloud computing, online shopping and media streaming. In their wake, the broader market gradually recovered. Driven by the expectation of a V-shaped economic rebound, a rising number of private investors began entering public markets, trading on commission-free platforms to speculate with their government-issued stimulus checks. Though dissent is still simmering, the US and the world was spared a potentially calamitous outcome in the US elections, and stocks benefited from the clarity brought by the election of Joe Biden as the 46th US president. Perhaps more importantly, markets went euphoric as Moderna, Pfizer-BioNTech and AstraZeneca announced breakthroughs in the search for a vaccine against the coronavirus. With an end to lockdowns and their economic carnage finally in sight, many stock indices ended the year around their all-time highs.

2. Performance comments

The portfolio lagged slightly behind the benchmark, the S&P Dow Jones Sustainability World Index. In the first quarter, especially during the sell-off, the portfolio benefited from its rather defensive positioning and its significant weight in health care stocks. Swiss pharmaceutical company Roche, for example, profited from high demand for their coronavirus test kits as well as from strong initial sales in new product line-ups expected to replace current blockbusters that are losing patent protection.

As the year advanced however, the technology sector had an increasingly negative effect on performance. The investments in Cisco and Intel turned into significant negative contributors. Cisco lowered its outlook as enterprises shifted investments from on-premise IT infrastructure to cloud-based solutions. Intel disappointed with its announcement of further delays in the production of its new 7-nanometer chip series. In return, benchmark heavyweight Taiwan Semiconductor returned strongly, since the manufacturer of chips could potentially benefit from a production outsourcing from Intel. Some of this impact could be compensated by other technology stocks, such as Microsoft and Zebra Technology. Microsoft repeatedly reported strong numbers across all key business lines while Zebra experienced indirect windfalls as the pandemic accelerated global e-commerce transactions. Zebra manufactures barcode scanners and inventory-tracking software.

In the Health Care sector, the portfolio profited from its holdings in Thermo Fisher and Agilent Technologies. They produce scientific testing equipment and have high exposure to the growing Chinese market where safety and quality standards within food and health care are becoming continuously stricter. One of the most successful sectors in 2020 turned out to be clean energy as it benefited from global initiatives (Green Deals) that aim to translate the goals formulated in the Paris Climate Agreement into concrete policy and financing actions. EDP Renovaveis, which develop and operate renewable energy infrastructure, realized strong returns in response to a growing pipeline of new wind and solar projects and higher corporate demand for renewably-sourced electricity.

ETHOS FUND

Report of the Investment Manager (continued)

Resting at the low end of the performance contributors are financial stocks, which were hammered twice this year, first by the pandemic and then by interest rate cuts. As a result, provisions for non-performing loans and defaults had to be increased. In addition, Discover Financials which operates its own credit card business, realized lower income due to reduced travel and leisure activities.

3. Market Outlook

The consensus among economists and strategists holds that global GDP will grow around 4 to 5% in 2021. A key assumption behind this positive outlook is that the course of mass vaccinations beginning now will run smoothly. It is expected that up to 700 million doses can be made available until the end of Q1. Easing social distancing and travel restrictions will come not only with a positive effect on the collective psyche but should also trigger a substantial economic impulse. Support also comes from policymakers who will maintain their stimulating fiscal policy. As opposed to after the financial crisis, there is now a broad acceptance of running large budget deficits and intervening immediately when this is necessary. Monetary policy is also very unlikely to change. The FED, the ECB and many other central banks will continue to buy treasury securities and stay away from interest rate hikes for a very long time. Another catalyst for economic growth is China, which has been able to recover from the virus much more strongly than anticipated. Leading indicators suggest that following manufacturing, consumption is also gaining momentum. China just recently signed the world's largest free-trade agreement with 14 other Asian-Pacific countries, a strong commitment to boosting growth and prosperity in the region. It is also likely that Joe Biden's administration will approach China with more conciliatory trade policies.

One of the biggest economic risk factors is inflation. Despite the seemingly endless supply of liquidity, consumer prices have not increased so far. To the contrary, globalization, digitalization, low energy prices and most recently Covid-19 have been strong deflationary forces. However, if this trend turns unexpectedly and suddenly, this will pose a challenge for the central banks. These have already indicated that they will accept inflation rising above the 2% target, but a prolonged overshoot will put their policy of an active yield curve control at risk. We expect a somewhat more volatile environment but remain constructive on equities over the full year. Some tactical indicators (e.g. put/call ratio) are at extreme levels, which is why it is not unrealistic to expect markets to pause in the near term. We also predict investors' portfolios becoming more diversified again after the recent extraordinary concentration in technology stocks.

Luxembourg, 4th February 2021

The Investment Manager

Note: The information in this report represents historical data and is not an indication of future results.



Audit report

To the Unitholders of
ETHOS FUND

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of ETHOS FUND (the “Fund”) as at 31 December 2020, 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.

What we have audited

The Fund’s financial statements comprise:

- the statement of net assets as at 31 December 2020;
- the statement of investments and other net assets as at 31 December 2020;
- the statement of operations and other changes in net assets for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

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

We are 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. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors of the Management Company 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 audit report 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 identified above 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 that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Management Company for the financial statements

The Board of Directors of the Management Company is responsible for the preparation and fair presentation of the 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 Management Company 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 Management Company 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 Management Company 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 an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Management Company;



- conclude on the appropriateness of the Board of Directors of the Management Company'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 audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. 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.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 15 April 2021

Philippe Sergiel

ETHOS FUND - Ethos Global Equities

Statement of net assets (in SEK)

as at 31st December 2020

Assets

Securities portfolio at market value	1,678,801,823.93
Cash at banks	40,404,671.75
Receivable on treasury transactions	1,114,575.45
Income receivable on portfolio	1,071,539.78
Other receivables	686,045.99
Total assets	1,722,078,656.90

Liabilities

Bank overdrafts	1,107,159.86
Expenses payable	1,847,039.35
Total liabilities	2,954,199.21
Net assets at the end of the year	1,719,124,457.69

Breakdown of net assets per unit class

Unit class	Number of units	Currency of unit class	NAV per unit in currency of unit class	Net assets per unit class (in SEK)
IC (SEK)	3,827,715.112	SEK	292.74	1,120,526,736.23
ID (SEK)	2,597,814.952	SEK	230.42	598,597,721.46
				1,719,124,457.69

The accompanying notes are an integral part of these financial statements.

ETHOS FUND - Ethos Global Equities

Statement of operations and other changes in net assets (in SEK)

from 1st January 2020 to 31st December 2020

<u>Income</u>	
Dividends, net	23,155,402.76
Bank interest	2,706.42
Total income	23,158,109.18
<u>Expenses</u>	
Management fees	5,870,560.05
Transaction fees	400,854.88
Central administration costs	1,411,696.33
Professional fees	174,949.37
Other administration costs	1,161,150.30
Subscription duty ("taxe d'abonnement")	161,150.88
Bank interest paid	75,731.11
Other expenses	264,505.43
Total expenses	9,520,598.35
Net investment income	13,637,510.83
<u>Net realised gain/(loss)</u>	
- on securities portfolio	107,955,884.28
- on forward foreign exchange contracts	-11,635.21
- on foreign exchange	63,734.08
Realised result	121,645,493.98
<u>Net variation of the unrealised gain/(loss)</u>	
- on securities portfolio	-126,496,665.31
Result of operations	-4,851,171.33
Dividends paid	-16,488,720.81
Subscriptions	134,141,662.35
Redemptions	-73,053,667.94
Total changes in net assets	39,748,102.27
Total net assets at the beginning of the year	1,679,376,355.42
Total net assets at the end of the year	1,719,124,457.69

The accompanying notes are an integral part of these financial statements.

ETHOS FUND - Ethos Global Equities

Statistical information (in SEK)

as at 31st December 2020

Total net assets	Currency	31.12.2018	31.12.2019	31.12.2020
	SEK	1,389,583,805.48	1,679,376,355.42	1,719,124,457.69

Net asset value per unit class	Currency	31.12.2018	31.12.2019	31.12.2020
IC (SEK)	SEK	217.72	294.23	292.74
ID (SEK)	SEK	182.05	238.58	230.42

Number of units	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
IC (SEK)	3,804,173.556	118,567.071	-95,025.515	3,827,715.112
ID (SEK)	2,347,545.975	449,451.849	-199,182.872	2,597,814.952

Dividends paid	Currency	Dividend per unit	Ex-dividend date
ID (SEK)	SEK	6.69	27.05.2020

ETHOS FUND - Ethos Global Equities

Statement of investments and other net assets (in SEK) as at 31st December 2020

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets*
Investments in securities					
Transferable securities admitted to an official stock exchange listing					
Shares					
CHF	50,000	Nestlé SA Reg	28,092,326.57	48,472,230.17	2.82
CHF	21,000	Roche Holding Ltd Pref	35,360,270.67	60,336,908.03	3.51
CHF	7,000	Schindler Holding Ltd Partizipsch	16,817,059.19	15,530,082.26	0.90
			80,269,656.43	124,339,220.46	7.23
DKK	50,000	Novo Nordisk AS B	18,339,516.97	28,820,651.29	1.68
EUR	7,000	Adidas AG Reg	20,233,776.85	20,970,868.75	1.22
EUR	20,000	Allianz SE Reg	25,315,451.94	40,366,885.90	2.35
EUR	15,000	Deutsche Boerse AG Reg	24,642,918.64	21,005,563.76	1.22
EUR	160,000	EDP Renovaveis SA	20,135,329.93	36,686,198.25	2.13
EUR	95,000	Infineon Technologies AG Reg	11,601,862.52	29,989,056.33	1.74
EUR	140,000	Koninklijke Ahold Delhaize NV	28,217,362.71	32,536,876.59	1.89
EUR	22,000	Koninklijke DSM NV	8,904,768.20	31,151,087.64	1.81
EUR	18,500	Linde PLC Reg	15,839,564.55	39,627,731.41	2.31
EUR	37,000	SAP SE	22,499,480.31	39,895,637.20	2.32
EUR	27,000	Schneider Electric SE	31,311,728.54	32,121,542.17	1.87
EUR	83,000	Unilever Plc Reg	29,567,155.35	41,371,482.33	2.41
			238,269,399.54	365,722,930.33	21.27
GBP	37,000	Croda International Plc Reg	13,042,990.09	27,416,476.45	1.59
GBP	157,000	GlaxoSmithKline Plc	28,043,178.19	23,669,083.19	1.38
GBP	120,000	Relx Plc	24,565,568.21	24,164,047.35	1.41
GBP	112,000	Smith & Nephew Plc	17,304,176.15	18,998,715.43	1.11
			82,955,912.64	94,248,322.42	5.49
JPY	13,000	Daikin Industries Ltd	18,777,127.67	23,721,350.00	1.38
JPY	80,000	Honda Motor Co Ltd	18,882,916.11	18,326,804.84	1.07
JPY	36,000	Kao Corp	19,820,164.32	22,842,427.65	1.33
JPY	160,000	Panasonic Co Ltd	12,394,283.37	15,164,595.08	0.88
JPY	34,000	Secom Co Ltd	27,398,072.00	25,760,863.85	1.50
			97,272,563.47	105,816,041.42	6.16
NOK	250,000	Leroy Seafood Group ASA	15,972,326.65	14,523,966.64	0.84
SEK	50,000	Atlas Copco AB A Reg	10,298,382.96	21,055,000.00	1.22
SEK	240,000	Svenska Handelsbanken AB A	22,211,439.55	19,824,000.00	1.15
			32,509,822.51	40,879,000.00	2.37
USD	13,500	Accenture Plc A	25,625,950.64	28,982,241.99	1.69
USD	45,000	Adtalem Global Education Inc Reg	12,175,064.56	12,556,271.65	0.73
USD	37,500	Agilent Technologies Inc Reg	23,029,341.20	36,519,210.32	2.12
USD	19,000	Akamai Technologies Inc	17,737,668.70	16,394,944.37	0.95
USD	3,500	Alphabet Inc A	44,616,023.73	50,416,091.53	2.93
USD	20,000	American Water Works Co Inc New	23,770,110.28	25,226,784.63	1.47
USD	16,000	Aon Plc A Reg	17,036,510.41	27,782,173.91	1.62
USD	24,000	Apple Inc Reg	11,242,323.18	26,173,261.63	1.52
USD	25,000	Cerner Corp	12,361,718.42	16,125,285.54	0.94
USD	3,000	Charter Communications Inc A	14,803,853.47	16,311,441.36	0.95
USD	7,000	Ecolab Inc	12,349,394.85	12,447,536.93	0.72
USD	18,000	First Republic Bank	13,103,306.07	21,736,589.03	1.26
USD	18,000	Gilead Sciences Inc	16,373,951.78	8,618,891.15	0.50
USD	11,500	IPG Photonics Corp	17,596,715.90	21,151,780.32	1.23
USD	3,000	Linde PLC Reg	6,425,521.02	6,497,207.94	0.38
USD	28,000	Lowe's Companies Inc	21,905,095.24	36,937,588.33	2.15
USD	13,000	Mastercard Inc A	10,763,650.21	38,137,040.00	2.22
USD	27,000	Medtronic Plc Reg	22,957,768.98	25,994,256.17	1.51
USD	30,000	Merck & Co Inc	22,115,639.88	20,168,935.13	1.17
USD	23,000	Microchip Technology Inc	24,988,814.09	26,107,264.67	1.52
USD	70,000	Microsoft Corp	30,426,976.65	127,961,784.25	7.44
USD	25,000	PNC Financial Serv Group	20,814,252.38	30,615,029.89	1.78
USD	24,500	Procter & Gamble Co	23,044,214.99	28,017,313.78	1.63

* Minor differences may arise due to rounding in the calculation of percentages.

The accompanying notes are an integral part of these financial statements.

ETHOS FUND - Ethos Global Equities

Statement of investments and other net assets (in SEK) (continued) as at 31st December 2020

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets *
USD	18,000	Stanley Black & Decker Inc	20,553,622.33	26,415,880.61	1.54
USD	10,000	Synopsys Inc	17,270,682.72	21,306,417.04	1.24
USD	11,000	Thermo Fisher Scientific Inc	14,929,121.13	42,109,679.15	2.45
USD	22,000	Travelers Cies Inc	23,421,666.80	25,380,804.94	1.48
USD	21,000	United Health Group Inc	20,760,900.44	60,525,544.24	3.52
USD	32,000	Xylem Inc	9,687,215.75	26,770,932.77	1.56
USD	13,000	Zebra Technologies Corp A	30,367,719.09	41,063,508.10	2.39
			<u>582,254,794.89</u>	<u>904,451,691.37</u>	<u>52.61</u>
		Total investments in securities	1,147,843,993.10	1,678,801,823.93	97.65
		Cash at banks		40,404,671.75	2.35
		Bank overdrafts		-1,107,159.86	-0.06
		Other net assets/(liabilities)		1,025,121.87	0.06
		Total		<u><u>1,719,124,457.69</u></u>	<u><u>100.00</u></u>

* Minor differences may arise due to rounding in the calculation of percentages.

The accompanying notes are an integral part of these financial statements.

ETHOS FUND - Ethos Global Equities

Industrial and geographical classification of investments as at 31st December 2020

Industrial classification

(in percentage of net assets)

Technologies	24.44 %
Healthcare	19.89 %
Industrials	13.34 %
Non-cyclical consumer goods	10.92 %
Financials	10.86 %
Cyclical consumer goods	7.79 %
Raw materials	6.81 %
Utilities	3.60 %
Total	<u>97.65 %</u>

Geographical classification

(by domicile of the issuer)
(in percentage of net assets)

United States of America	47.41 %
Germany	8.85 %
United Kingdom	7.90 %
Ireland	7.51 %
Switzerland	7.23 %
Japan	6.16 %
The Netherlands	3.70 %
Sweden	2.37 %
Spain	2.13 %
France	1.87 %
Denmark	1.68 %
Norway	0.84 %
Total	<u>97.65 %</u>

ETHOS FUND

Notes to the financial statements

as at 31st December 2020

Note 1 - General information

ETHOS FUND (hereafter the "Fund") is a mutual investment fund organised as an umbrella and governed by Part I of the amended Law of 17th December 2010 relating to Undertakings for Collective Investment.

The Fund's assets are the undivided joint property of the unitholders and are separated from the assets of the Management Company, FundRock Management Company (the "Management Company") registered with the Luxembourg Register of Commerce ("RCS") under the number B 104 196.

The Fund is set up in accordance with Management Regulations signed in Luxembourg on 26th April 2011 (the "Management Regulations") which entered into force on the same day. The Management Regulations have been deposited with the RCS. A notice of the deposit of the lastly amended Management Regulations was published in the Recueil Electronique des Sociétés et Associations, official gazette of the Grand Duchy of Luxembourg (the "RESA") on 28th February 2019.

The Net Asset Value per unit of the Sub-Fund is calculated, under the overall responsibility of the Management Company, daily as of each business day in Luxembourg (the "Valuation Day"). A business day is a day on which banks are normally open for business in Luxembourg.

The financial year of the Fund starts on 1st January and ends on 31st December in each year.

The accounts and the financial statements of the Fund are expressed in SEK and correspond to the financial statements of the sole Sub-Fund open.

Copies of the Management Regulations, of the current Prospectus, of the Key Investor Information Document (KIID) and of the latest annual and semi-annual reports of the Fund may be obtained free of charge at the registered office of the Management Company.

Note 2 - Significant Accounting policies

a) Presentation of the financial statements

The financial statements of the Fund are established in accordance with the Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment and with generally accepted accounting principles in Luxembourg.

The financial statements of the Fund have been prepared on a going concern basis.

b) Valuation

- 1) Securities listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued at the last available price; in the event that there should be several such markets, on the basis of the last available price of the main market for the relevant security. Should the last available price for a given security not truly reflect its fair market value, then that security is valued on the basis of the probable sales price which the Management Company deems it is prudent to assume.
- 2) Securities not listed on Regulated Markets, which operate regularly and are recognised and open to the public, are valued on the basis of their last available price. Should the last available price for a given security not truly reflect its fair market value, then that security is valued by the Management Company on the basis of the probable sales price which the Management Company deems it is prudent to assume.
- 3) Securities that are not officially quoted on a stock market are valued at a rate that may not be lower than the buying price and not higher than the selling price at the time of the valuation and which the Management Company maintains to be the best possible rate the securities can be sold for.

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Notes to the financial statements (continued)

as at 31st December 2020

- 4) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received are deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Management Company may consider appropriate in such case to reflect the true value thereof.

c) Net realised gain/(loss) on securities portfolio

The net realised gain/(loss) on securities portfolio is determined on the basis of the average cost of securities and is disclosed in the statement of operations and other changes in net assets.

d) Cost of securities

The acquisition cost of a security denominated in a currency other than that of the Sub-Fund is converted to the Sub-Fund's currency at the exchange rate prevailing on the date of purchase.

e) Receivable on treasury transactions

The item "Receivable on treasury transactions" comprises maturities of time deposits, new loans, foreign exchange transactions or forward foreign exchange transactions not yet disclosed under the item "Cash at banks".

f) Exchange translation

Bank balances, other assets and liabilities and the value of securities held that are denominated in other currencies than the Sub-Fund's currency are converted at the prevailing exchange rate of the closing day. Income and expenses incurred in currencies other than the Sub-Fund's currency are converted at the prevailing exchange rate of the day of each transaction. Exchange gains or losses are disclosed in the statement of operations and other changes in net assets.

At the date of the financial statements, the prevailing exchange rates on the closing day were as follows:

1	SEK	=	0.1577087	AUD	Australian Dollar
			0.1549740	CAD	Canadian Dollar
			0.1075461	CHF	Swiss Franc
			0.7401811	DKK	Danish Krona
			0.0994379	EUR	Euro
			0.0890165	GBP	Pound Sterling
			12.5608365	JPY	Japanese Yen
			1.0424150	NOK	Norwegian Krona
			0.1216723	USD	US Dollar

g) Investment income

Dividend income is recognised on an ex-dividend basis and is recorded net of withholding tax.

h) Transaction fees

Transaction costs disclosed under the caption "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the Fund relating to purchases or sales of securities, of fees relating to liquidation of transactions paid to the Depositary and of transaction fees on financial instruments.

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Notes to the financial statements (continued)

as at 31st December 2020

Note 3 - Subscription, redemption and conversion fees

No subscription, redemption or conversion fees are charged.

Note 4 - Management fees

- a) The Management Company receives an infrastructure fee, accrued daily and payable monthly in arrears, of 0.025% per annum of the net assets of the Sub-Fund, subject to an annual minimum of EUR 15,000. Furthermore the Management Company is entitled to be reimbursed out of the assets of the Sub-Fund for its reasonable out-of-pocket expenses and disbursements.
- b) The Investment Manager receives out of the Sub-Fund's assets a fee of maximum 0.50% per annum, subject to an annual minimum of SEK 600,000. This fee is payable quarterly in arrears based on the Sub-Fund's average net assets calculated each Valuation Day.

The applicable annual fee for the Investment Manager amounts to:

- Tranche < SEK 250 Mn:	0.50% p.a.
- Tranche > SEK 250 Mn < SEK 1,000 Mn:	0.35% p.a.
- Tranche > SEK 1,000 Mn:	0.25% p.a.

Note 5 - Central administration costs

The Central Administrator is entitled to receive an administration fee payable monthly in arrears based on the net assets of the Sub-Fund calculated on a daily basis. This fee includes the fee due to the Depository.

Central Administration fees are disclosed in the item "Central administration costs" in the statement of operations and other changes in net assets.

Note 6 - Distribution Fee

The Distributor receives out of the Sub-Fund's assets a fee of maximum 0.05% per annum. This fee is payable monthly in arrears based on the Sub-Fund's average net assets calculated each Valuation Day.

The Distribution fee is recorded under the caption "Other administration costs" in the statement of operations and other changes in net assets.

Note 7 - Subscription duty ("*taxe d'abonnement*")

The Fund is governed by Luxembourg law.

Pursuant to the legislation and regulations which are prevailing, the Fund is subject to an annual subscription duty ("*taxe d'abonnement*") of 0.05% which is payable quarterly and calculated on the basis of the net assets of each Sub-Fund on the last day of each quarter.

The rate of this tax is reduced to 0.01% of the value of the net assets for Sub-Funds or Classes of units reserved to institutional investors.

According to Article 175 (a) of the amended Law of 17th December 2010, the net assets invested in Undertakings for Collective Investments already subject to the "*taxe d'abonnement*" are exempt from this tax.

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Notes to the financial statements (continued)

as at 31st December 2020

Note 8 - Changes in the investment portfolio

The statement of changes in the investment portfolio for the period covered by the report is available free of charge upon request from the registered office of the Management Company.

Note 9 - Withholding tax refund

The Management Company of the Fund has instigated proceedings to reclaim tax withheld by certain Member States of the European Union on dividend payments it has received. The decision to initiate proceedings against any particular Member State is the result of an analysis of the likely costs and potential benefits of doing so. The likelihood of successfully reclaiming such amounts together with the estimated time to complete proceedings varies across Member States.

In 2017, the Management Company has claimed withholding tax to French Tax authorities for ETHOS FUND for the year 2016.

On the 29th March 2019, the claim withholding tax in French allowed a net refund of SEK 1,210,054.76.

On the 9th October 2019, there was a withholding tax refund from France amounted to SEK 1,198,279.25 for 2018.

Note 10 - Event

- a) On 2nd January 2020, the Depositary and Paying Agent in Luxembourg of the Fund, Skandinaviska Enskilda Banken S.A., transformed into the Luxembourg Branch of its parent company, Skandinaviska Enskilda Banken AB (publ.). This cross-border merger was done by way of absorption between Skandinaviska Enskilda Banken S.A. and Skandinaviska Enskilda Banken AB (publ.).
- b) During the reporting period there was a development of the COVID-19 outbreak across the world, at present it is not possible to assess a detailed impact of the emerging risk on the investments of the Fund, but there is growing concern about the impact on the economy worldwide.

There has been a significant correction in the financial markets especially at the begin of the pandemic in March 2020.

However, FundRock Management Company is of the opinion that these events do not impact the financial statements as of 31st December 2020, nor do they present any issues with regards to the going concerns of the Fund.

Note 11 - Subsequent events

On 12th February 2021, following regulatory approval by the Commission de Surveillance du Secteur Financier (the "CSSF") in Luxembourg, Apex Group Ltd. became the ultimate controlling shareholder of FundRock Management Company S.A and FundRock Management Company S.A is as of this date a subsidiary of Apex Group Ltd.

FundRock Management Company S.A has not changed its name or its operations.

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Additional information (unaudited)

as at 31st December 2020

1 - Risk management

As required by the amended Circular CSSF 11/512, the Board of Directors of the Management Company needs to determine the global risk exposure of the Fund by applying either the commitment approach or the VaR ("Value at Risk") approach.

The Board of Directors of the Management Company decided to adopt the commitment approach as a method of determining the global exposure.

2 - Remuneration disclosure

2.1. Remuneration of the Management Company

FundRock Management Company S.A. ("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. The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company 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.

As an independent management company relying on a full-delegation model (i.e. delegation of the collective portfolio management function), 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 under UCITS V 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.

The amount of remuneration for the financial year ending 31st December 2020 paid by FundRock to its staff:
EUR 12,070,862

Fixed remuneration: EUR 11,288,396

Variable remuneration: EUR 782,466

Number of beneficiaries: 133

The aggregated amount of remuneration for the financial year ending 31st December 2020 paid by FundRock to Identified staff/risk takers is EUR 1,948,900

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.

2.2. Remuneration of the Investment Manager

The remuneration to RobecoSAM AG for the period from 1st January 2020 till 31st December 2020:

Number of employees: 90

Total compensation to staff: approx. CHF 21,800,000

Of which compensation to management: (ExCo and Chairman of the BoD): approx CHF 1,300,000

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Additional information (unaudited) (continued)

as at 31st December 2020

3 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR")

During the reporting period, the Fund did not engage in transactions which are subject to the publication requirements of SFTR. Accordingly, no information concerning the transparency of securities financing transactions and of reuse of cash collateral should be reported.