

Annual report including audited financial statements as at 31st December 2021

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 16th February 2021)

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

Tracey MCDERMOTT
Independent Non-Executive Director, Luxembourg
(until 31st December 2021)

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)

Administrator, including Transfer and Registrar Agent

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

Depositary

Skandinaviska Enskilda Banken AB (publ) - Luxembourg Branch
4, rue Peternelchen
L-2370 Howald

ETHOS FUND

Organisation (continued)

Paying Agents

In Sweden

Skandinaviska Enskilda Banken AB (publ)
Kungsträdgårdsgatan 8
SE-106 40 Stockholm

In Luxembourg

Skandinaviska Enskilda Banken AB (publ) - Luxembourg Branch
4, rue Peterelchen
L-2370 Howald

Investment Manager

Robeco Switzerland Ltd
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

Global equities had a record year capping a three-year run of double-digit gains powered by US equities which hit 70 new highs. Global real GDP growth has reached a peak not seen since 1973, accentuating a remarkable recovery that has lifted major economies above their pre-Covid recession levels. Corporate earnings also soared above pre-pandemic averages. The pandemic caused myriad disruptions to supply chains, consumer demand, trade flows and travel, among others. This backdrop contributed to soaring commodity prices and led to the outperformance of the MSCI World Energy (+45%) relative to typical defensive sectors Utilities (+15%) and Consumer Staples (+19%). Other leading sectors included Information Technology (+39%), Real Estate (+35%), and Financials (34%).

The developed markets MSCI US (25%) and MSCI Europe (13%) outperformed the MSCI Japan (1.9%). Here, key supports included U.S. consumer spending, which exceeded 2019 levels, and strong consumer sentiment in Europe. By region, Emerging Markets were the hardest hit. The MSCI Emerging Markets Index (0%) saw no gains dragged down by both Latin America (-8.6%) and China (-18.3%). China underperformed foremost on the government's growth-limiting policy restrictions and real-estate troubles. Several countries in Asia applied a "zero tolerance" Covid policy which dampened domestic demand and constrained global supply chains.

Over the course of Q4, concerns about inflation intensified and central banks around the world took action in order to combat surging prices. In the US, the Fed announced a faster end to its asset purchase program (likely March instead of June 2022), while three rate hikes of 25 basis points are expected during 2022. Some central banks (e.g., BoE and Norges Bank) even initiated rate increases before the 2021 year-end. Mid-December, the European Central Bank (ECB) announced it too would phase out an emergency bond-buying program, while ramping up other stimulus measures to keep the 19-nation Eurozone's recovery on track.

December could be characterized as a market see-saw with several positive market drivers piled on one side pitted against significant negative drivers on the other. Positive drivers include record U.S. corporate share buybacks, record U.S. and European IPO activity, and strong positive fund flows while negative factors include lagging vaccination rates in the developing world, Covid-variant uncertainty, and concerns around ongoing supply chain constraints. It is similar to the push-pull narrative of inflation which brings positive pricing power for some companies versus central bank tightening, which is generally considered a market negative.

2. Performance comments

Over the last year the fund underperformed the MSCI World driven predominantly by sector allocation and currency effects (USD underweight). Given our SDG focus, the fund suffered from a lack of exposure to the soaring Energy theme. Stock selection shows a mixed picture with most positive contributions coming from Materials and Healthcare while stocks in Financials and Consumers Discretionary sectors contributed negatively.

One of the biggest contributors was Lowe's Cos as the company continued benefiting from a surge in home improvement demand coupled with increased operating efficiency. Solid Q3 numbers announced in mid-November as well as the full-year guidance raise on top line and operating profit further fueled an exceptional year. Alphabet also contributed nicely as the company posted very strong results with impressive top-line growth combined with a margin expansion as its business segments continue to benefit from favourable persistent secular trends. Another large contributor was Zebra Technologies, a US manufacturer of enterprise mobile computers and advanced data capture devices. During 2021 the company posted an amazing performance as demand for its forward-looking, technology driven visibility solutions increased substantially.

Among the biggest detractors was Adtalem, a Chicago-based healthcare education company. Its share price tumbled in Q4 after the company reported slightly disappointing enrolments and operating profit numbers for Q3. The business of higher education in the US has suffered setbacks as a result of increasing opportunities and wages in the wider labor market as well as pandemic-related restrictions, both of which have depressed enrolments. Also, Charter's performance was dragged down by the weak broadband net adds that the company published with its Q3-21 results. Finally, IPG Photonics, a US producer of high-power fibre lasers and amplifiers, massively underperformed in H2-21 after the company's Q2-21 results fell short of expectations on weaker market conditions in China.

ETHOS FUND

Report of the Investment Manager (continued)

3. Market Outlook

Overall macro risks remain elevated given intensifying concerns on sticky inflation, increasing pressure on CBs to counter it, supply chain shortages and a potential slowdown of the overall economy. Also, geopolitical tensions continue to pose a risk to the overall global stability and will most likely have a significant impact on the stock markets. Given the high uncertainty linked to a diverse range of market factors, volatility looks poised to remain at elevated levels. However, previous positive trends on corporate earnings do not seem to be gone looking at the relatively young earning season and despite the negative start we see first signs of a potential inflection point in terms of valuations linking back to fundamentals which we believe would be a healthy development and supportive to our investment philosophy. Within this erratic environment we remain confident on our bottom-up approach that focuses on selecting companies with strong over-the-cycle fundamentals and resilient business models to identify high quality names at attractive valuations.

Luxembourg, 4th March 2022

The Management Company

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 2021, 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 2021;
- the statement of investments and other net assets as at 31 December 2021;
- 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, 25 April 2022

Philippe Sergiel

ETHOS FUND - Ethos Global Equities

Statement of net assets (in SEK)

as at 31st December 2021

Assets

Securities portfolio at market value	2,047,449,452.10
Cash at banks	49,970,608.36
Receivable on issues of units	1,224,999.52
Income receivable on portfolio	950,751.55
Other receivables	702,258.58
Total assets	2,100,298,070.11

Liabilities

Payable on redemptions of units	40,000.07
Expenses payable	2,072,400.56
Total liabilities	2,112,400.63
Net assets at the end of the year	2,098,185,669.48

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)	3,159,458.171	SEK	381.00	1,203,757,511.27
ID (SEK)	3,074,584.917	SEK	290.91	894,428,158.21
				2,098,185,669.48

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 2021 to 31st December 2021

Income	
Dividends, net	23,663,728.14
Bank interest	1.26
Total income	23,663,729.40
Expenses	
Management fees	6,726,848.44
Transaction fees	735,397.01
Central administration costs	1,536,919.78
Professional fees	167,498.14
Other administration costs	1,240,544.71
Subscription duty ("taxe d'abonnement")	198,633.72
Bank interest paid	29,334.52
Total expenses	10,635,176.32
Net investment income	13,028,553.08
Net realised gain/(loss)	
- on securities portfolio	343,181,139.23
- on forward foreign exchange contracts	6,130.91
- on foreign exchange	4,998,501.24
Realised result	361,214,324.46
Net variation of the unrealised gain/(loss)	
- on securities portfolio	154,826,609.57
Result of operations	516,040,934.03
Dividends paid	-20,165,210.32
Subscriptions	252,390,830.52
Redemptions	-369,205,342.44
Total changes in net assets	379,061,211.79
Total net assets at the beginning of the year	1,719,124,457.69
Total net assets at the end of the year	2,098,185,669.48

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

ETHOS FUND - Ethos Global Equities

Statistical information (in SEK)

as at 31st December 2021

Total net assets	Currency	31.12.2019	31.12.2020	31.12.2021
	SEK	1,679,376,355.42	1,719,124,457.69	2,098,185,669.48

Net asset value per unit class	Currency	31.12.2019	31.12.2020	31.12.2021
IC (SEK)	SEK	294.23	292.74	381.00
ID (SEK)	SEK	238.58	230.42	290.91

Number of units	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
IC (SEK)	3,827,715.112	131,803.034	-800,059.975	3,159,458.171
ID (SEK)	2,597,814.952	828,385.822	-351,615.857	3,074,584.917

Dividends paid	Currency	Dividend per unit class	Ex-dividend date
ID (SEK)	SEK	7.52	04.05.2021

ETHOS FUND - Ethos Global Equities

Statement of investments and other net assets (in SEK) as at 31st December 2021

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	16,726	Nestlé SA Reg	9,397,445.09	21,192,513.66	1.01
CHF	13,939	Roche Holding Ltd Pref	24,186,701.73	52,537,574.52	2.50
			33,584,146.82	73,730,088.18	3.51
DKK	55,753	Novo Nordisk AS B	23,219,697.13	56,716,080.71	2.70
EUR	13,009	Allianz SE Reg	16,466,435.71	27,807,858.97	1.33
EUR	13,939	Deutsche Boerse AG Reg	22,534,490.22	21,107,460.92	1.01
EUR	76,196	Infineon Technologies AG Reg	11,013,093.38	31,971,134.79	1.52
EUR	130,090	Koninklijke Ahold Delhaize NV	26,556,487.21	40,355,879.12	1.92
EUR	13,009	Koninklijke DSM NV	5,940,448.09	26,515,560.20	1.26
EUR	14,589	Linde PLC Reg	12,490,994.98	45,955,622.55	2.19
EUR	49,761	SAP SE	50,198,948.38	63,979,853.42	3.05
EUR	35,310	Schneider Electric SE	43,074,299.05	62,687,045.61	2.99
EUR	67,734	Unilever Plc Reg	26,184,095.25	32,809,846.93	1.56
			214,459,292.27	353,190,262.51	16.83
GBP	39,027	AstraZeneca Plc	37,018,800.12	41,526,674.52	1.98
GBP	33,452	Croda International Plc Reg	12,423,016.05	41,509,255.15	1.98
GBP	109,647	Relx Plc	22,459,911.38	32,293,275.41	1.54
			71,901,727.55	115,329,205.08	5.50
JPY	71,300	Bridgestone Corp	27,176,448.61	27,740,781.79	1.32
JPY	12,700	Daikin Industries Ltd	19,155,199.45	26,048,907.44	1.24
JPY	46,500	Secom Co Ltd	36,013,315.12	29,194,024.71	1.39
JPY	166,100	Sekisui House Ltd	29,319,866.31	32,240,549.48	1.54
			111,664,829.49	115,224,263.42	5.49
KRW	121,919	KB Financial Gr Inc	49,678,107.14	51,075,737.96	2.43
NOK	288,057	Leroy Seafood Group ASA	18,729,323.66	20,389,146.22	0.97
SEK	278,763	Svenska Handelsbanken AB A	24,754,372.70	27,279,747.18	1.30
USD	12,545	Accenture Plc A	24,150,744.79	47,092,877.05	2.24
USD	91,063	Adtalem Global Education Inc Reg	27,713,307.78	24,375,527.45	1.16
USD	27,877	Agilent Technologies Inc Reg	17,119,705.18	40,301,628.60	1.92
USD	30,664	Akamai Technologies Inc	28,214,322.92	32,499,056.87	1.55
USD	18,585	American Water Works Co Inc New	22,235,880.43	31,784,119.82	1.52
USD	29,735	Apple Inc Reg	37,872,895.57	47,812,909.93	2.28
USD	5,112	Charter Communications Inc A	27,345,751.94	30,180,476.76	1.44
USD	59,143	Cisco Systems Inc	28,319,200.52	33,938,660.36	1.62
USD	48,319	Colgate-Palmolive Co	33,576,166.32	37,340,335.41	1.78
USD	57,642	Columbia Sportswear Co	51,211,021.13	50,860,889.92	2.42
USD	47,660	CVS Health Corp	38,892,834.88	44,521,830.30	2.12
USD	5,803	Home Depot Inc	20,668,001.88	21,808,147.23	1.04
USD	21,372	Lowe's Companies Inc	18,507,614.64	50,024,153.58	2.38
USD	9,293	Mastercard Inc A	7,694,353.93	30,237,436.31	1.44
USD	42,744	Merck & Co Inc	29,062,644.43	29,664,586.28	1.41
USD	55,753	Microchip Technology Inc	31,321,608.31	43,953,609.20	2.10
USD	37,169	Microsoft Corp	16,963,565.92	113,198,640.16	5.40
USD	176,550	Nomad Foods Ltd	38,790,435.87	40,591,776.74	1.94
USD	10,179	NVIDIA Corp	29,317,751.40	27,109,564.69	1.29
USD	79,964	ON Semiconductor Corp	39,557,226.78	49,181,279.85	2.34
USD	29,574	PNC Financial Serv Group	33,088,430.53	53,700,138.15	2.56
USD	21,372	Regal Rexnord Corp	27,577,359.04	32,935,277.22	1.57
USD	25,089	State Street Corp	19,863,312.75	21,128,756.52	1.01
USD	9,850	Synopsys Inc	18,413,531.82	32,868,611.73	1.57
USD	12,081	Thermo Fisher Scientific Inc	21,814,999.57	72,994,913.20	3.48
USD	27,412	Travelers Cies Inc	30,663,887.07	38,830,090.87	1.85

* 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 2021

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets *
USD	10,222	United Health Group Inc	10,105,615.45	46,480,236.95	2.22
USD	9,293	Zebra Technologies Corp A	22,074,367.77	50,087,170.47	2.39
USD	16,262	Zimmer Biomet Hgs Inc	21,523,387.30	18,707,772.52	0.89
			<u>773,659,925.92</u>	<u>1,194,210,474.14</u>	<u>56.93</u>
Total shares			1,321,651,422.68	2,007,145,005.40	95.66
Closed-ended investment funds					
USD	78,825	HCP Inc Reg Dist	23,270,032.07	25,760,749.82	1.23
Total closed-ended investment funds			<u>23,270,032.07</u>	<u>25,760,749.82</u>	<u>1.23</u>
<u>Transferable securities dealt in on another regulated market</u>					
Shares					
KRW	52,965	SFA Engineering Corp Reg	16,743,556.95	14,543,696.88	0.69
Total shares			<u>16,743,556.95</u>	<u>14,543,696.88</u>	<u>0.69</u>
Total investments in securities			1,361,665,011.70	2,047,449,452.10	97.58
Cash at banks				49,970,608.36	2.38
Other net assets/(liabilities)				765,609.02	0.04
Total				<u><u>2,098,185,669.48</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 2021

Industrial classification

(in percentage of net assets)

Technologies	27.20 %
Healthcare	19.22 %
Financials	12.72 %
Cyclical consumer goods	12.42 %
Industrials	9.89 %
Non-cyclical consumer goods	9.18 %
Raw materials	5.43 %
Utilities	1.52 %
Total	<u>97.58 %</u>

Geographical classification

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

United States of America	53.98 %
United Kingdom	7.06 %
Germany	6.91 %
Japan	5.49 %
Ireland	4.43 %
Switzerland	3.51 %
The Netherlands	3.18 %
South Korea	3.12 %
France	2.99 %
Denmark	2.70 %
British Virgin Islands	1.94 %
Sweden	1.30 %
Norway	0.97 %
Total	<u><u>97.58 %</u></u>

ETHOS FUND

Notes to the financial statements

as at 31st December 2021

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 S.A. 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.

ETHOS FUND

Notes to the financial statements (continued)

as at 31st December 2021

- 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) 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	=	0.1519210	AUD	Australian Dollar
			0.1394417	CAD	Canadian Dollar
			0.1005809	CHF	Swiss Franc
			0.7225192	DKK	Danish Krona
			0.0971423	EUR	Euro
			0.0815563	GBP	Pound Sterling
			12.7200344	JPY	Japanese Yen
			131.2863059	KRW	South Korean Won
			0.9742640	NOK	Norwegian Krona
			0.1104313	USD	US Dollar

f) Investment income

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

g) 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 transactions paid to the Depositary and of transaction fees on financial instruments.

Note 3 - Subscription, redemption and conversion fees

No subscription, redemption or conversion fees are charged.

ETHOS FUND

Notes to the financial statements (continued) as at 31st December 2021

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.

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.

ETHOS FUND

Notes to the financial statements (continued)

as at 31st December 2021

Note 9 - Events

- a) 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.
- b) The widespread outbreak in early 2020 of an infectious respiratory illness, COVID-19, caused an ongoing global pandemic resulting in significant economic impact. Certain markets have experienced temporary closures, extreme volatility, severe losses, reduced liquidity and increased trading costs. COVID-19 has therefore created market turmoil and increased market volatility generally and this has impacted the prices of all asset classes, resulting in an impact to the Net Asset Values of the Sub-Fund. Towards the end of second quarter of 2020, financial markets started returning to normal conditions, however service providers continued to reinforce business continuity planning and remote working. The financial statements reflect the position at 31st December 2021 and the results for the financial year then ended, therefore COVID-19 doesn't present any going concern issues for the Fund.

Note 10 - Subsequent events

There are no significant subsequent events.

ETHOS FUND

Additional information (unaudited)

as at 31st December 2021

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.

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. FundRock's remuneration policy can also be found at: <https://www.fundrock.com/policies-and-compliance/remuneration-policy/>

The amount of remuneration for the financial year ending 31 December 2021 paid by FundRock to its staff:
EUR 11,293,609

Fixed remuneration: EUR 10,565,583

Variable remuneration: EUR 728,026

Number of beneficiaries: 135

The aggregated amount of remuneration for the financial year ending 31 December 2021 paid by FundRock to Identified staff/risk takers is EUR 2,622,285

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 Robeco Switzerland Ltd for the period from 1st January 2021 till 31st December 2021:

Number of employees: 85

Total compensation to staff: approx. CHF 25,900,000

Of which compensation to management: (ExCo and Chairman of the BoD): approx CHF 2,100,000

ETHOS FUND

Additional information (unaudited) (continued)

as at 31st December 2021

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.

4 - Sustainability-related disclosures

The Sub-Fund qualifies as an Article 9 financial product under SFDR.

The Sub-Fund has a sustainable investment objective as it aims to capitalize on the opportunities arising from the world's transition towards more sustainability and to target investments in companies that provide products and services that are beneficial for the environment and the society. The foregoing is implemented by mainly investing in companies that advance the United Nations Sustainable Development Goals (UN SDGs) by selecting companies whose business models and operational practices are aligned with targets defined by the 17 UN SDGs. The Sub-Fund systematically integrates ESG (i.e. Environmental, Social and corporate Governance) characteristics in the investment process.

In order to avoid significant harm to the sustainable objective, the Sub-Fund applies comprehensive list of excluded stocks. Such exclusions are on the basis of controversial behaviour and controversial products (including controversial weapons, alcohol, tobacco, palm oil, fossil fuel, military contracting, firearms and nuclear power). The Sub-Fund does not invest in business models that significantly contradict the UN Sustainable Development Goals (SDGs).

The Investment Manager will use its best efforts to obtain, in due time, information that will enable it to reasonably determine the proportion of investments in environmentally sustainable economic activities, as defined under the Taxonomy Regulation, directly from investee companies, or by carrying out additional research, cooperating with third party data providers or external experts or making reasonable assumptions. As at 31.12.2021 the Investment Manager cannot commit to any percentage in underlying investment aligned with the Taxonomy Regulation.