

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

## **IKC FUND**

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

R.C.S. Luxembourg K20



#### 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.

**IKC FUND**

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# **IKC FUND**

## **Organisation**

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### **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)

### **Depositary**

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

### **Administration Agent, Registrar and Transfer Agent**

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

### **Investment Manager, Placement and Distribution Agent**

IKC Capital AB  
Rundelsgatan 14  
SE-203 12 Malmö

## **IKC FUND**

### **Organisation (continued)**

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#### **Auditor**

PricewaterhouseCoopers, Société coopérative  
2, rue Gerhard Mercator  
L-2182 Luxembourg

#### **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 Peternelchen  
L-2370 Howald

## **IKC FUND**

### **Report on activities of the Investment Manager**

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#### **IKC Fund Lux 0 - 100**

##### **Market review**

At the beginning of the year, the US stock markets rose in connection with strong incoming data for the US manufacturing industry. The rise was exacerbated when a new US \$ 1. trillion stimulus package was announced by the incoming government. Despite a strong start to the reporting period, stock markets fell at the end of January when risk appetite among investors decreased related to vaccine rollout problems. In February, stock markets rose to new record levels in the wake of better-than-expected company reports and growing signs of a rapid recovery in the US economy. At the end of February and the beginning of March, stock markets, particularly the technology sector, fell as higher inflation expectations in the US economy caused long-term interest rates to rise rapidly. In connection with the strengthening of the US dollar, stock markets in emerging markets were negatively affected. Stock markets rose when it became clear that the previously announced US \$ 1.2 billion stimulus package would be approved by the US House of Representatives. At the end of March, the US index S&P500 rose to new record levels as the vaccination rate and incoming statistics for the US economy developed better than expected.

In early April, stock markets rose broadly as the US president unveiled a \$ 2,000 billion stimulus package with investments in US infrastructure. Stock markets rose further in the wake of renewed vaccination optimism and better-than-expected incoming data for the US services sector. At the end of April and the beginning of May, the stock markets rose to new record levels driven by better-than-expected reports from major US companies. Concerns about higher inflation in connection with sharply rising commodity prices contributed to the stock markets, especially the technology sector, falling in mid-May. At the beginning of June, stock markets fell further as US statistics for the service sector reached new record levels, prompting investors to worry about reduced stimulus from the US Federal Reserve. With the support of falling long-term interest rates and continued signs of a recovery in the US economy, US stock markets rose to new record levels at the end of June.

Stronger-than-expected US company reports for the second quarter contributed to the stock markets rising in July. However, the Chinese government's tightening of regulations regarding technology and education companies, in particular, caused Asian stock markets to fall sharply during the month. At the beginning of August, the US stock markets rose in connection with the previously announced infrastructure package together with additional incentives corresponding to approximately \$ 3.5 trillion being voted through by the US Senate. Renewed concerns about the increased spread of the Covid virus delta variant caused stock markets to fall in mid-August. The decline was short-lived and at the end of August, the stock markets rose to new record levels led by the technology sector. In mid-September, the stock markets fell due to concerns about signs that the economic recovery began to slow down. The negative development in the stock markets continued in connection with increased inflation concerns when oil and natural gas prices rose to new peak levels.

At the beginning of October, the stock markets rose in connection with the fall in natural gas prices. However, stock markets turned around when investors began to worry about component shortages and the impact of production disruptions on the earnings trend of listed companies. Strong reports from US banks combined with a weaker-than-expected rise in US producer prices contributed to a sharp rise in stock markets in mid-October. The stock markets then rose to new record levels driven by better-than-expected reports for the third quarter. Congressional approval of the previously announced US \$ 1,000 billion infrastructure package helped stock markets rise further in mid-November. However, stock markets fell as inflation in the US economy rose to historically high levels. At the beginning of December, the stock markets rose in connection with the omicron variant of the coronavirus showing signs of being less dangerous than feared, but in mid-December, the stock markets, in particular the technology sector, fell due to concerns about rising US producer prices and future interest rate hikes. Rising optimism about the growth prospects in the US economy contributed to the stock markets rising to new record levels at the end of the year.

During the full year 2021, the world index MSCI ACWI measured in SEK rose by about 30.4 percent, while the Swedish stock market index SIXPRX rose by about 38.1 percent.

## **IKC FUND**

### **Report on activities of the Investment Manager (continued)**

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#### **Performance review**

IKC Fund Lux 0 - 100 increased in value during the full year 2021 by 21.20 percent after deductions for management costs and other expenses.

The fund was overweight equity throughout most of the year as the Federal Reserve continued to support the economic recovery with an accommodating monetary policy. The fund had a high exposure to developed markets, mainly the US and western Europe, which contributed positively to the fund's performance during the year. The fund had a high exposure to the technology sector at the beginning of the year. When the vaccinations against the Coronavirus gained momentum in the US in March, the fund's overweight exposure to the technology sector was reduced, while financials and consumer discretionary exposure were increased. Several holdings in companies with digital business models and lower economic sensitivity were replaced by holdings in companies that benefit from an improving economy. The overweight in equity during the first half of the year had a positive effect on the fund's performance.

During the second half of the year, a high equity exposure continued to contribute positively to the fund's performance as the US equity markets rose to new record levels. Holdings in companies with strong business models and good opportunities to compensate for price increases contributed positively to the fund's performance as input prices started to rise in the wake of the recovery in the global economy. In connection to the Federal Reserve signaling future interest rate increases the fund's equity exposure was reduced in December. For the full year holdings in mainly consumer discretionary, healthcare and financials contributed positively while no sector overall contributed negatively during the year. The interest-bearing part of the portfolio contributed positively to the fund's performance during the year.

#### **Market outlook**

The outlook for financial markets in 2022 was initially looking positive as the US economy is expected to continue the recovery from the pandemic. However, the outlook changed early in the year when the monetary policy report of the Federal Reserve indicated a shift to a monetary policy tightening. Financial markets responded negatively, which was further exacerbated due to the Russian military aggression in Ukraine. Geopolitical uncertainty and sanctions against Russia will likely continue to put downside pressure on financial markets in the short term. We expect financial markets to stabilize during the second half of the year. Global economic growth is expected to improve further during the year, but there will likely be slight downgrades due to constraints in supply chains and rising prices on energy and oil. We expect the US economy to improve further, and the inflation rate will likely abate throughout the year. The Federal Reserve is expected to raise interest rates several times, but we think it will be in moderate increments not to damage continued growth. In Europe, the ECB will likely continue the accommodating monetary policy in support of the economy. Additionally, growth in China is expected to get support from additional stimulus packages. We are cautiously optimistic about the outlook for financial markets during the second half of the year. We like quality growth companies that can raise prices to offset increasing input prices.

#### **SFDR disclosure:**

This financial product promotes environmental or social characteristics but does not have sustainable investment as a goal. The product may partially invest in assets that have sustainability as a goal, for example those that are classified as sustainable according to the EU regulations for sustainable investments. In the investment strategy, the managers regularly take part of sustainability data that is analyzed and provide the manager with information about events, changes in the product life cycle or for the company other changes that may affect how the company considers negative consequences for sustainable development.

## **IKC FUND**

### **Report on activities of the Investment Manager (continued)**

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The sustainability aspects that are promoted by the fund are taken into account by making investments in companies that take responsibility for environmental, social and corporate governance factors in business decisions.

In the investment strategy of the fund, the investment manager considers the fund's long-term goal to comply with the Paris Agreement and the reduction of CO2 emissions over time. In each investment decision, the investment manager analyses and considers how and if a company is aligned to the overall investment goal of the fund.

The fund is actively managed and does not use an index to determine whether the fund meets the environmental and social characteristics that the fund promotes. According to the regulations, the proportion of a fund's investments that is aligned with the taxonomy must be reported. Due to the lack of reliable data, it is currently not always possible to determine how and to what extent the sub-fund's underlying investments are taxonomy-aligned or take into account the EU criteria for environmentally sustainable economic activities. Therefore, the fund company assesses that at present it is not possible to provide reliable information on the proportion of the fund's investments that is aligned with the taxonomy.

The EU Taxonomy sets out a “do not significant harm” principle, which means that investments that contribute to a sustainability goal should not significantly harm any other sustainability goal. The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

In the investment strategy of the fund, the investment managers not only take into account financial returns but also environmental, social and corporate governance factors in the investment process. The companies in which the fund invests are expected to take responsibility for their operations and meet the expectations set in international frameworks (see more below under the section “International standards”), while the fund avoids investing in companies that do not meet these criteria. The fund managers are convinced that companies with sustainable business models are more profitable and by identifying these, the fund will create long-term value for its fund unit holders.

The fund does not invest in companies that are involved in the following products and services. A maximum of five percent of the turnover in the company where the investment takes place may refer to activities that are attributable to the specified product or service.

Products and services in which the fund does not invest:

- Cluster bombs, mines
- Chemical and biological weapons
- Nuclear weapons
- Weapons and / or munitions
- Alcohol
- Tobacco
- Pornography
- Fossil fuels (oil, gas, coal)
- Uranium

No new investments are made in companies that violate international norms and conventions.

The fund does not invest in companies that do not take measures to remedy identified problems, or where the fund deems that the companies will not acknowledge the problems for a period that the fund company deems reasonable in time for each specific case. For existing holdings, the goal is to influence the companies through dialogue and interaction. If no change is likely to take place within an acceptable period of time, the fund will sell the holding.



## **IKC FUND**

### **Report on activities of the Investment Manager (continued)**

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The fund company engage with companies to influence them in a more sustainable direction. As an active manager with a focus on ESG issues, we monitor all holdings closely and sustainability aspects and related questions, are an ongoing theme in meetings with company representatives. The fund company carries out advocacy work together with other institutional investors through joint dialogues conducted by ISS ESG based upon the principles of the UN Global Compact. In cases where our own holdings, or together with other investors, are of such size that we can influence the company by actively participating in a general meeting, we can participate in general meetings and vote in the way that we consider to be the in the best interest for the funds units holders.

Luxembourg, 4th March 2022

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  
**IKC FUND**

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### Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of IKC FUND (the “Fund”) and of each of its sub-funds as at 31 December 2021, and of the results of their operations and changes in their 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 combined statement of net assets for the Fund and the statement of net assets for each of the sub-funds as at 31 December 2021;
- the statement of investments and other net assets as at 31 December 2021;
- the combined statement of operations and other changes in net assets for the Fund and the statement of operations and other changes in net assets for each of the sub-funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### 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.

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### 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.

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T : +352 494848 1, F : +352 494848 2900, [www.pwc.lu](http://www.pwc.lu)*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



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.

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**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 and each of its sub-funds' 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 close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

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**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 or any of its sub-funds' 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 or any of its sub-funds 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, 13 April 2022

Philippe Sergiel

## **IKC FUND**

### **Combined statement of net assets (in SEK)**

as at 31st December 2021

#### **Assets**

Securities portfolio at market value	1,162,835,885.82
Cash at banks	117,368,063.46
Receivable on issues of units	1,169,240.24
Income receivable on portfolio	116,811.04
Other income receivable	81,532.26
	<hr/>
Total assets	1,281,571,532.82
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#### **Liabilities**

Payable on redemptions of units	1,479,096.44
Expenses payable	2,777,280.35
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Total liabilities	4,256,376.79
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Net assets at the end of the year	1,277,315,156.03
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The accompanying notes are an integral part of these financial statements.

## IKC FUND

### Combined statement of operations and other changes in net assets (in SEK)

from 1st January 2021 to 31st December 2021

<b>Income</b>	
Dividends, net	3,855,303.18
Other commissions received	8,125,578.43
Other income	1,621,263.14
Total income	13,602,144.75
<b>Expenses</b>	
Management fees	30,525,116.30
Depository fees	374,039.21
Transaction fees	1,055,088.75
Central administration costs	1,026,749.24
Professional fees	227,735.44
Other administration costs	533,060.25
Subscription duty ("taxe d'abonnement")	123,171.11
Bank interest paid	96,032.08
Other expenses	187,908.64
Total expenses	34,148,901.02
Net investment loss	-20,546,756.27
<b>Net realised gain/(loss)</b>	
- on securities portfolio	229,159,942.99
- on foreign exchange	-1,267,218.33
Realised result	207,345,968.39
<b>Net variation of the unrealised gain/(loss)</b>	
- on securities portfolio	30,383,067.49
Result of operations	237,729,035.88
Subscriptions	64,073,949.88
Redemptions	-218,126,390.53
Total changes in net assets	83,676,595.23
Total net assets at the beginning of the year	1,193,638,560.80
Total net assets at the end of the year	1,277,315,156.03

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

## IKC FUND - Lux 0 - 100

### Statement of net assets (in SEK)

as at 31st December 2021

#### Assets

Securities portfolio at market value	1,162,835,885.82
Cash at banks	117,368,063.46
Receivable on issues of units	1,169,240.24
Income receivable on portfolio	116,811.04
Other income receivable	81,532.26
Total assets	<u>1,281,571,532.82</u>

#### Liabilities

Payable on redemptions of units	1,479,096.44
Expenses payable	2,777,280.35
Total liabilities	<u>4,256,376.79</u>
Net assets at the end of the year	<u>1,277,315,156.03</u>

#### 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	6,273,900.281	SEK	203.59	<u>1,277,315,156.03</u>
				<u>1,277,315,156.03</u>

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

## IKC FUND - Lux 0 - 100

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

from 1st January 2021 to 31st December 2021

<b><u>Income</u></b>	
Dividends, net	3,757,441.38
Other commissions received	8,125,578.43
Other income	1,097,402.35
Total income	12,980,422.16
<b><u>Expenses</u></b>	
Management fees	29,822,178.75
Depository fees	334,910.56
Transaction fees	998,964.21
Central administration costs	797,459.10
Professional fees	223,013.75
Other administration costs	375,591.42
Subscription duty ("taxe d'abonnement")	121,067.67
Bank interest paid	90,687.83
Other expenses	187,085.24
Total expenses	32,950,958.53
Net investment loss	-19,970,536.37
<b><u>Net realised gain/(loss)</u></b>	
- on securities portfolio	214,257,478.93
- on foreign exchange	-1,348,185.26
Realised result	192,938,757.30
<b><u>Net variation of the unrealised gain/(loss)</u></b>	
- on securities portfolio	39,244,557.07
Result of operations	232,183,314.37
Subscriptions	62,242,041.43
Redemptions	-165,192,213.26
Total changes in net assets	129,233,142.54
Total net assets at the beginning of the year	1,148,082,013.49
Total net assets at the end of the year	1,277,315,156.03

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



## **IKC FUND - Lux 0 - 100**

**Statistical information (in SEK)**  
as at 31st December 2021

<b>Total net assets</b>	<b>Currency</b>	<b>31.12.2019</b>	<b>31.12.2020</b>	<b>31.12.2021</b>
	SEK	1,006,965,964.60	1,148,082,013.49	1,277,315,156.03

  

<b>Net asset value per unit class</b>	<b>Currency</b>	<b>31.12.2019</b>	<b>31.12.2020</b>	<b>31.12.2021</b>
IC SEK	SEK	130.76	167.98	203.59

  

<b>Number of units</b>	<b>outstanding at the beginning of the year</b>	<b>issued</b>	<b>redeemed</b>	<b>outstanding at the end of the year</b>
IC SEK	6,834,639.852	324,021.367	-884,760.938	6,273,900.281

## IKC FUND - Lux 0 - 100

### 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 *
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing</u></b>					
<b>Shares</b>					
DKK	32,000	Novo Nordisk AS B	33,289,966.19	32,552,769.95	2.55
EUR	2,600	Hermes Intl SA	31,713,557.12	41,110,832.06	3.22
EUR	5,500	LVMH Moët Hennessy L Vuit SE	30,304,860.29	41,161,273.53	3.22
			62,018,417.41	82,272,105.59	6.44
SEK	57,000	Evolution AB Reg	14,528,020.42	73,313,400.00	5.74
USD	9,000	Adobe Inc Reg	33,669,978.19	46,214,596.06	3.62
USD	2,500	Alphabet Inc C	58,076,043.74	65,506,537.14	5.13
USD	1,200	Amazon.com Inc	33,343,813.46	36,232,538.88	2.84
USD	26,000	American Water Works Co Inc New	30,544,667.24	44,465,273.89	3.48
USD	37,000	Apple Inc Reg	35,926,881.76	59,494,792.92	4.66
USD	41,000	BlackStone Hg Fin Co LLC A Reg	50,067,588.90	48,038,806.39	3.76
USD	13,000	Eli Lilly & Co	21,349,846.26	32,516,673.61	2.54
USD	14,000	Mastercard Inc A	41,790,114.55	45,553,008.54	3.56
USD	14,000	Meta Platforms Inc A	39,423,451.59	42,640,973.01	3.34
USD	25,000	Microsoft Corp	45,835,331.88	76,137,803.12	5.96
USD	10,000	PayPal Holdings Inc	22,334,057.42	17,076,673.30	1.34
USD	13,300	T-Mobile US Inc	14,907,816.60	13,968,262.37	1.09
USD	5,300	Thermo Fisher Scientific Inc	21,727,017.72	32,023,262.97	2.51
USD	16,500	Veeva Syst Inc	29,902,155.48	38,172,314.23	2.99
USD	13,000	Visa Inc A	24,970,925.64	25,511,144.51	2.00
USD	30,000	Walmart Inc Reg	35,521,837.64	39,306,774.74	3.08
			539,391,528.07	662,859,435.68	51.90
<b>Total shares</b>			649,227,932.09	850,997,711.22	66.63
<b><u>Open-ended investment funds</u></b>					
<b>Investment funds (UCITS)</b>					
SEK	867,861.805252	IKC Avkastningsfond B Cap	104,299,631.76	115,859,551.00	9.07
SEK	118,555.061	IKC Fastighetsfond Units B Cap	18,488,406.90	45,482,463.60	3.56
SEK	100,000	IKC GI Infrastructure B Cap	11,145,967.02	16,972,000.00	1.33
SEK	224,000	IKC Sverige Flexibel Units Dist	41,401,209.87	133,524,160.00	10.45
<b>Total investment funds (UCITS)</b>			175,335,215.55	311,838,174.60	24.41
Total investments in securities			824,563,147.64	1,162,835,885.82	91.04
Cash at banks				117,368,063.46	9.19
Other net assets/(liabilities)				-2,888,793.25	-0.23
<b>Total</b>				1,277,315,156.03	100.00

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

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

## **IKC FUND - Lux 0 - 100**

### **Industrial and geographical classification of investments** as at 31st December 2021

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#### **Industrial classification**

(in percentage of net assets)

Technologies	30.69 %
Investment funds	24.41 %
Cyclical consumer goods	13.94 %
Healthcare	10.59 %
Financials	3.76 %
Utilities	3.48 %
Non-cyclical consumer goods	3.08 %
Telecommunications services	1.09 %
Total	<u>91.04 %</u>

#### **Geographical classification**

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

United States of America	51.90 %
Sweden	30.15 %
France	6.44 %
Denmark	2.55 %
Total	<u>91.04 %</u>

## IKC FUND - IKC WORLD WIDE OPPORTUNITIES (merged)

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

from 1st January 2021 to 30th July 2021

<b><u>Income</u></b>	
Dividends, net	97,861.80
Other income	523,860.79
Total income	621,722.59
<b><u>Expenses</u></b>	
Management fees	702,937.55
Depository fees	39,128.65
Transaction fees	56,124.54
Central administration costs	229,290.14
Professional fees	4,721.69
Other administration costs	157,468.83
Subscription duty ("taxe d'abonnement")	2,103.44
Bank interest paid	5,344.25
Other expenses	823.40
Total expenses	1,197,942.49
Net investment loss	-576,219.90
<b><u>Net realised gain/(loss)</u></b>	
- on securities portfolio	14,902,464.06
- on foreign exchange	80,966.93
Realised result	14,407,211.09
<b><u>Net variation of the unrealised gain/(loss)</u></b>	
- on securities portfolio	-8,861,489.58
Result of operations	5,545,721.51
Subscriptions	1,831,908.45
Redemptions	-52,934,177.27
Total changes in net assets	-45,556,547.31
Total net assets at the beginning of the period	45,556,547.31
Total net assets at the end of the period	0.00

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

## **IKC FUND - IKC WORLD WIDE OPPORTUNITIES (merged)**

### **Statistical information (in SEK)**

as at 31st December 2021

<b>Total net assets</b>	<b>Currency</b>	<b>31.12.2019</b>	<b>31.12.2020</b>	<b>31.12.2021</b>
	SEK	66,316,505.31	45,556,547.31	0.00

  

<b>Net asset value per unit class</b>	<b>Currency</b>	<b>31.12.2019</b>	<b>31.12.2020</b>	<b>30.07.2021</b>
IC SEK	SEK	131.63	167.66	196.15
(*) Net asset value before merger				

  

<b>Number of units</b>	<b>outstanding at the beginning of the period</b>	<b>issued</b>	<b>redeemed</b>	<b>outstanding at the end of the period</b>
IC SEK	271,714.665	10,423.036	-282,137.701	-

## **IKC FUND**

### **Notes to the financial statements**

as at 31st December 2021

#### **Note 1 - General Information**

IKC FUND (the "Fund") is an umbrella contractual common investment fund (*Fonds Commun de Placement*) governed by Part I of the amended Luxembourg law of 17th December 2010 relating to Undertakings for Collective Investment. The Fund is set up in accordance with management regulations signed in Luxembourg with effect as of 12th June 2012 (the "Management Regulations").

The Fund is registered with the Luxembourg Register of Commerce ("RCS") under the number K20. The Management Regulations have been deposited with the RCS. A notice of the deposit of the Management Regulations was published on 12th June 2012 in the *Mémorial, Recueil des Sociétés et Associations* (the *Mémorial C*). Publications made after 1st June 2016 are available on the new platform called *Recueil électronique des sociétés et associations* ("RESA") accessible through the website of the RCS.

The Net Asset Value of each Class of Units is calculated for as of each day on which banks are normally open for business in Luxembourg, except for 24th December in each year.

The currency of the Fund is SEK.

The Fund's reporting period begins on 1st January and ends on 31st December of each year.

Copies of the Management Agreements, of the current prospectus, of the current KIID, of the latest reports of the Fund and all information concerning the Fund can be obtained free of charge at the office of the Management Company and the Placement and Distribution Agent.

#### **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, except for the Sub-Fund IKC FUND - IKC WORLD WIDE OPPORTUNITIES. This Sub-Fund was merged during the financial year. As such, the financial statements for this Sub-Fund have been prepared on a non-going concern basis.

##### b) Valuation

- 1) 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 shall be 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.
- 2) 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 shall be valued on the basis of the probable sales price which the Management Company deems it is prudent to assume.
- 3) 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 will be valued by the Directors on the basis of the probable sales price which the Management Company deems it is prudent to assume.

## IKC FUND

### Notes to the financial statements (continued)

as at 31st December 2021

- 4) The liquidating value of futures, forward and options contracts (or any other derivative instruments) not traded on Regulated Markets or stock exchanges shall mean their net liquidating value determined, pursuant to the policies established in good faith by the Board of Directors of the Management Company, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts (or any other derivative instruments) traded on Regulated Markets or stock exchanges is based upon the last available settlement prices of these contracts on Regulated Markets or stock exchanges on which the particular futures, forward or options contracts (or any other derivative instruments) are traded by the Fund; provided that if a futures, forward or options contract (or any other derivative instruments) could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract is such value as the Board of Directors of the Management Company may deem fair and reasonable.
  - 5) Shares or units in underlying open-ended investment funds are valued at their last available price.
  - 6) Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis. Securities valued at amortized cost are disclosed at cost value in the statement of investments, amortized interests are recorded as income receivable on portfolio in the statement of net assets. All other assets, where practice allows, may be valued in the same manner. Short-term investments that have a remaining maturity of one year or less may be valued at market value, or where market value is not available or not representative, at amortised cost.
- 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	=	0.7225192	DKK	Danish Krona
			0.0971423	EUR	Euro
			0.8609559	HKD	Hong Kong Dollar
			5.6319986	PHP	Philippine Peso
			0.1488780	SGD	Singapore Dollar
			0.1104313	USD	US Dollar

- f) Combined financial Statements

The combined financial statements of the Fund are expressed in SEK and are equal to the sum of the corresponding captions in the financial statements of each Sub-Fund.

- g) Investment income

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

Interest income is accrued on a *pro rata temporis* basis, net of any withholding tax.

## **IKC FUND**

### **Notes to the financial statements (continued)**

as at 31st December 2021

#### 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 transactions paid to the Depository and of transaction fees on financial and derivatives instruments.

#### **Note 3 - Management fee**

##### a) Management company fees:

The Management Company receives a management fee not exceeding 0.10% per annum of the net assets of the Sub-Fund, accrued daily and payable monthly in arrears with a minimum annual management fee per Sub-Fund of EUR 25,000.

##### b) Investment management fees:

The Investment Manager receives the following Investment Management Fee per annum of the net assets of the Sub-Fund, accrued daily and payable monthly in arrears.

The effective annual rates for the unit class currently offered are as follows:

<b>Sub-Funds</b>	<b>IC SEK Unit Class</b>
- IKC FUND - Lux 0 - 100	2.35%
- IKC FUND - IKC WORLD WIDE OPPORTUNITIES (merged on 2nd August 2021)	2.50%

#### **Note 4 - 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 *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 for 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 5 - Trailer fees**

Management fee retrocessions received by the Fund in relation to its investments in certain target funds are disclosed as "Other commissions received" in the statement of operations and other changes in net assets.



## **IKC FUND**

### **Notes to the financial statements (continued)**

as at 31st December 2021

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#### **Note 6 - Central administration costs**

Central Administration fees are disclosed in the item "Central administration costs" in the statement of operations and other changes in net assets. For its services to the Company, the Management Company is entitled to receive an administration fee payable monthly in arrears based on the Sub-Fund's net assets calculated daily during the relevant month.

#### **Note 7 - Depositary Fees**

The Depositary fees are disclosed in the item "Depositary fees" in the statement of operations and other changes in net assets. This item includes also the Supervisor fees. The depositary bank receives a fee at the end of each month, which is chargeable against the NAV of each Sub-Fund.

#### **Note 8 - Capped expenses**

The Investment Manager of the Fund, IKC Capital AB, has committed with effect from the launch date of the Sub-Funds and until further notice to the Fund and the Management Company, to cap the following fees at a level of 0.25% p.a. of the net assets of the Sub-Funds. Any residual due above this level will be paid by the Investment Manager directly to the Fund.

Fees in scope ("the Fees"):

- Central administration fees (including the administration fee, and the fee in respect of the register and transfer agent functions);
- Other Administration fees (including the fee for risk management and out of pocket expenses)
- Depositary fees
- Taxe d'abonnement;
- Audit fees;
- CSSF fees.

Expenses supported by the Investment Manager of the Fund are disclosed in "Other income" in the statement of operations and other changes in net assets.

#### **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.

On the 2nd March 2021, the claim withholding tax in France allowed a net refund of SEK 547,141.05 for 2017.

On the 20th July 2021, there was a withholding tax refund from France amounted to SEK 552,274.44 for 2018.

#### **Note 10 - 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 of the Fund.

## **IKC FUND**

### **Notes to the financial statements (continued)**

as at 31st December 2021

#### **Note 11 - Swing pricing**

Under certain circumstances investment and / or disinvestment costs may have an adverse effect on the unitholders interests in a Sub-Fund.

In order to prevent this effect, called "dilution", the Directors have the authority to allow for the Net Asset Value per unit to be adjusted by effective dealing and other costs and fiscal charges which would be payable on the effective acquisition or disposal of assets in the relevant Sub-Fund if the net capital activity exceeds, as a consequence of the sum of all subscriptions, redemptions or conversions in such a Sub-Fund, such threshold percentage (the "Threshold") as may be determined from time to time by the Directors, of the Sub-Fund's total net assets on a given Valuation Day.

If the net capital activity for a given Valuation Day leads to a net inflow of assets in excess of the Threshold in the relevant Sub-Fund, the Net Asset Value used to process all subscriptions, redemptions or conversions in such a Sub-Fund is adjusted upwards by the swing factor that shall be determined from time to time by the Directors but will not exceed 2% of the relevant Net Asset Value.

If the net capital activity for a given Valuation Day leads to a net outflow of assets in excess of the Threshold in the relevant Sub-Fund, the Net Asset Value used to process all subscriptions, redemptions or conversions in such a Sub-Fund is adjusted downwards by the swing factor that shall be determined from time to time by the Directors but will not exceed 2% of the relevant Net Asset Value.

There was no "Swing Pricing" applied for the Net Asset Value as at 31st December 2021 for the Sub-Funds.

#### **Note 12 - Covid-19**

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-Funds. 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 31 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 13 - Event**

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 unitholder 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.

In date of 18th May 2021 the Board of Directors of the Management Company decided to proceed to a merger by absorption of the Sub-Fund IKC FUND - IKC WORLD WIDE OPPORTUNITIES (the "Merging Sub-Fund") and the IKC FUND - Lux 0 - 100 (the "Receiving Sub-Fund") with effective date 2nd August 2021. The CSSF has approved the Merger in date of 25th June 2021.

## **IKC FUND**

### **Notes to the financial statements (continued)**

as at 31st December 2021

The exchange ratio for each Unit Class was calculated on 2nd August 2021 as follows:

<b>Merging Sub-Fund</b> IKC FUND - IKC WORLD WIDE OPPORTUNITIES			<b>Receiving Sub-Fund</b> IKC FUND - Lux 0 - 100	
<b>Class</b>	<b>ISIN</b>	<b>Exchange ratio</b>	<b>Class</b>	<b>ISIN</b>
IC SEK	LU0690974992	0.98922	IC SEK	LU0690975619

#### **Note 14 - Subsequent event**

The Board of Directors of the Management Company resolved to reduce the Investment Management fee as from 1st January 2022 from 2.35% to 1.95% for the existing Unit Class IC SEK of the Sub-Fund IKC FUND - Lux 0 - 100.

## **IKC 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 IKC Capital AB for the period from 1st January 2021 until 31st December 2021:

Number of employees: 4

Total compensation to staff: SEK 11,160,969

Of which compensation to management: SEK 5,551,727

## **IKC FUND**

### **Additional information (unaudited) (continued)**

as at 31st December 2021

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#### **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.

