

**Annual report including audited financial statements
as at 31st December 2019**

Lancelot Ector

Investment Company (SICAV), Luxembourg

R.C.S. Luxembourg B54040

Subscriptions are received solely on the basis of the most recent prospectus and Key Investor Information Document (which may be read under fundinfo.fundrock.com) and the latest audited annual report at 31st December and, if more recent, the unaudited financial statements at 30th June.

Lancelot Ector

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Lancelot Ector

Organisation

Registered office

H2O building
33, rue de Gasperich
L-5826 Hesperange

Board of Directors of the SICAV

Chairman

Tobias JÄRNBLAD
Managing Director
Lancelot Asset Management AB, Stockholm, Sweden

Per LJUNGBERG
Deputy Managing Director
Lancelot Holding AB, Stockholm, Sweden

Rikard LUNDGREN
Independent Director
SteenDier Sàrl, Mondorf-les-Bains, Luxembourg
(since 26th April 2019)

Jean-Claude WOLTER
Honorary Lawyer, Director of Companies
Luxembourg, Grand-Duchy of Luxembourg
(until 26th April 2019)

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 - Co-Managing Director
FundRock Management Company S.A., Luxembourg

Eric MAY
Non-Executive Director
Founding Partner
BlackFin Capital Partners, Paris

Tracey MCDERMOTT
Independent Non-Executive Director, Luxembourg

Grégory NICOLAS
Executive Director - Co-Managing Director
FundRock Management Company S.A., Luxembourg

Xavier PARAIN
Executive Director - Chief Executive Officer
FundRock Management Company S.A., Luxembourg
(since 1st April 2019)

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Organisation (continued)

Serge RAGOZIN
Executive Director - Deputy Chief Executive Officer
FundRock Management Company S.A., Luxembourg

Ross THOMSON
Executive Director - Managing Director
FundRock Management Company S.A., Luxembourg
(until 22nd July 2019)

Conducting Officers

Romain DENIS
Executive Director - Co-Managing Director

Gregory NICOLAS
Executive Director - Co-Managing Director

Depositary

Skandinaviska Enskilda Banken S.A.
4, rue Peternelchen
L-2370 Howald

Central Administration Agent

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

Sub-Administrative, Transfer Agent and Registrar Agent

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

Investment Manager

Lancelot Asset Management AB
Nybrokajen 7, PO Box 16172
SE-103 23 Stockholm

Auditor

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

Global Distributor

Lancelot Asset Management AB
Nybrokajen 7, PO Box 16172
SE-103 23 Stockholm

Lancelot Ector

General information

Lancelot Ector (the "Company") is an open-ended investment Company incorporated on 28th February 1996 under the laws of the Grand Duchy of Luxembourg as a "*Société d'Investissement à Capital Variable*" ("SICAV"). The Company is registered under Part I of the amended Law of 17th December 2010 relating to undertakings for collective investment.

The EU Savings Directive has been abrogated with effect in Luxembourg from 1st June 2016 and replaced by the Common Reporting Standards described in the current prospectus.

On 1st June 2016, the Luxembourg Memorial C has been replaced by RESA (Recueil Electronique des Sociétés et Associations), the new official electronic platform of central publication regarding companies and associations. Publications made after 1st June 2016 are available on this new platform accessible through the website of the Registre de Commerce et des Sociétés.

The Company is structured as an umbrella fund. At the date of the present financial statements, the Company has only one active Sub-Fund:

- Lancelot Ector - Master Fund (the "Fund"); expressed in SEK.

The Company issues shares of Class B which can be subscribed and redeemed at the registered office of the Company or the Administrative Agent, through any Distributor or Placement Agent and/or any sub-distributor or sub-placement agent.

The B Class of Shares corresponding to the Lancelot Ector - Master Fund are issued in the form of categories being accumulation shares and dividend shares.

The financial year of the Company ends on 31st December.

Subscription and redemption prices are available at the registered office of the Company.

Financial reports of the Company are published annually and semi-annually. At the date of the financial statements, one Sub-Fund is offered for sale. As a consequence, the financial statements of the Sub-Fund Lancelot Ector - Master Fund reflect also the global situation of the Company.

These reports, as well as the offering prospectus, and all information concerning the Company can be obtained at the offices of the registered office of the Company.

Lancelot Ector

Report from the Investment Manager

Dear Shareholders,

Lancelot Ector, Sicav (the "Company") was established as an umbrella fund on 28th February 1996.

Total subscriptions to the Master Fund, initially launched on 13th March 1996 at SEK 10.00 per share, amount to 10,150,716.234 million capitalisation shares and 4,957,135.542 million distribution shares as of 31st December 2019, representing total assets of SEK 468,897,644. The net asset value per capitalisation share was SEK 36.27 i.e. increase of 262.70 % after fees from launch date and increase of 5.81 % during the year 2019.

The Master Fund is a so-called balanced fund, which seeks to achieve long-term growth from diversified investments both in equities and bonds. The asset allocation is flexible with the equity part invested in Swedish listed stocks but with the additionally possibility of international diversification. The bond portion of the portfolio shall to a considerable extent be invested in Swedish bonds with low credit risks.

Global economy and financial markets (market review)

According to the IMF, global growth is set to fall to its slowest rate since the financial crisis in 2019. In its October World Economic Outlook, the IMF warned that the US/China trade dispute have created a hazardous economic situation. Uncertainty surrounding tariffs have had a dampening effect on business confidence and investments, leaving global trade in goods almost stagnant and forcing central banks to cut interest rates to shore up growth. This in turn may leave central banks with limited ammunition when the business cycle eventually turns down. At the same time, services and consumer confidence have held up reasonably well so far. The world economy will grow only 3 % in 2019, the IMF estimated, down 0.3 percentage points from its forecast six months earlier. This is the slowest rate of expansion since the global recession of 2009. For next year, the IMF predicts that the global economy will improve growing at a rate of 3.4 %. The projected recovery is mainly driven by a group of highly-stressed economies such as Turkey, Argentina and Iran and improvements in global weak spots such as Mexico, Brazil and Russia. According to the IMF, the big four economies of China, the US, the Eurozone and Japan will see no improvement in their growth rates over the next five years. The Chinese economy will slow gradually from its 2019 growth rate of 6.1 %, reaching 5.5 % by 2024. The forecast for 2019 was cut by 0.2 percentage points from April this year. In the US, the IMF expects a further slowdown from 2.4 % this year to 2.1 % in 2020. Given the weakness of the German economy, which is suffering from deep stress in its automotive sector, the Eurozone is expected to expand only 1.2 % this year, rising slightly to 1.4 % in 2020. Growth in Japan is set to slow to just 0.5 % in 2020. The IMF joined many other observers in stating that the global economy needs more fiscal support where fiscal space is available and where policy is not already too expansionary.

To help keep the US economy strong in the face of global developments and to provide some insurance against ongoing risks, the Federal Reserve (Fed) progressively eased the stance of monetary policy over the year. The Fed lowered the target range for the federal funds rate thrice to 1.75-2.00 %. Going into 2019, the Fed thought that they needed additional rate hikes to slow the economy back to a moderate pace, but slower global growth and rising trade risks convinced the Fed to change in a dovish way. At the December meeting, the Fed finished the year by leaving rates unchanged and stated that the stance of current monetary policy is "appropriate". This indicates that the deciding committee is more confident in its outlook, believing that they have done enough to keep the US economy on track. Going into 2020, the Fed is focused on incoming economic data and until the economic outlook shifts in a meaningful way, rates will probably hold steady at current levels. There is virtually no expectation that the Fed needs to consider reversing the rate cuts in 2019 anytime soon. In September the European Central Bank (ECB) cut the deposit rate, i.e. the rate banks receive when depositing funds overnight, by 10 basis points to minus 0.5 %. The ECB noted that it now expects the key interest rates to remain at their present or lower levels until it has seen the inflation outlook robustly converge to a level sufficiently close to, but below, 2%. This means that today's rate levels, or possibly lower ones, are open-ended in time. Additionally, the ECB restarted its programme of bond purchases at a pace of 20 billion euro per month. In order to support the bank-based transmission of monetary policy, a two-tier system for reserve remuneration was introduced, in which part of banks' holdings of excess liquidity will be exempt from the negative deposit facility rate. The Swedish Riksbank lifted the repo rate from -0.25 % to zero %. The Riksbank noted that inflation in Sweden has been close to the target of 2 % since the start of 2017, and the bank judge inflation to remain close to the target going forward. The repo rate is expected to remain at zero % in the coming years. In Japan, the economy has possibly reached a turning point partly due to the "three arrows" policy introduced by prime minister Abe (higher spending from the

government, loose monetary policy from the Bank of Japan (BoJ) and a package of structural reforms to raise the long-term growth rate of the economy). Nominal growth, i.e. changes in prices and changes in the size of the economy, has been increasing since the reforms took place and the ratio of government debt to national income has stabilized for the first time in decades. The economy shows signs of relying less on the industrial sector and more on domestic demand and a growing service sector. BoJ maintained an upbeat view on the economy and kept monetary settings steady.

In the currency markets, the trade-weighted USD dollar index was up a tad as currency volatility decreased. The US currency rose against the euro despite the Fed's interest rate pivot. The Japanese yen was close to flat vis-à-vis the US dollar. The British pound continued to be a politically driven currency as the uncertainties surrounding Brexit dragged on. But the British currency ended the year noticeably stronger against the US dollar and the euro. The Swedish krona was mostly weak but strengthened towards the end of the year, possibly supported by the December rate hike. In the commodity space, the Thomson Reuters CRB index was 9 % stronger for the year led by a rising oil price while industrial metals struggled. Brent Crude oil prices showed big swings but ended the year with an increase by 22 % after a strong finish helped by renewed optimism for global growth and oil demand next year. The price of gold rose by 18 % fuelled by falling US real rates.

Partly as payback for a very poor ending in 2018 and partly due to extraordinary broad monetary easing this year, global stock markets ended the year with strong returns. In hindsight, starting valuations for most equity markets overstated recession risks late last year. Accordingly, stock market returns were derived from a lower risk premium, i.e. higher multiples, due to policy easing and hopes for growth stabilization rather than from earnings growth, which remains anaemic. For the full year, the EU markets rose by 19 % in local currency terms (MSCI), while the Nordic region was up by 21 %. Among the big European stock markets the Netherlands and Switzerland outperformed while the UK underperformed. In Sweden, the equity market was up 24 %. The North American region increased by 28 % (USA 29 %) while the Pacific region excluding Japan ended the year 13 % higher. Mainland Chinese stocks rose with the broader Shanghai SE Composite Index up by 24 %. This came following 2018, when Chinese markets saw their worst performance in a decade. The Japanese market was up by 16 %.

The world index increased by 24.86 % in local currency terms, and by 31.83 % in Swedish krona terms.

The Fund (performance review)

As of 31st December 2019, the Swedish equity exposure, including a negative Swedish index position, amounted to 11.55%, international equity exposure amounted to 11.04%, bonds amounted to 69.69% and cash and other assets amounted to 7.72% of total net asset value. The duration of the bond portfolio at the turn of the year was 0.6 years.

Activity in the equity portfolio was mainly focussed on rebalancing a handful of individual holdings as stock prices increased. At year end the equity portfolio consisted of twelve holdings with seven of them being Swedish. A new position was established in connection with the IPO of the Swedish private equity company *EQT*. A history of strong returns and profitability has resulted in high growth in assets under management and management fees. Institutional demand for so-called alternative assets is rising and is expected to show further growth. To a large extent this is due to investors' preference for the return-smoothing properties of illiquid assets in general. Private equity has, as real estate, the possible attractive feature of being illiquid. This might sound contra-intuitive but liquid, accurately priced investments such as large, liquid stocks traded daily in the secondary market are visibly volatile. If your investment is less traded, illiquid, infrequently and priced less accurately, the temptation to sell at the worst of times is largely reduced given low measured volatility and often very modest paper drawdowns. But over long horizons private equity is of course very correlated to public equities.

In 2019 the value of the Fund increased by 5.81 %. The main positive contributors to the Fund's performance were Danaher, Investor and Volvo, while Ericsson lagged but still posted a positive mid-single digit total return. Performance from the bond portfolio was positive.

Outlook for 2020 (market outlook)

The global slowdown which began in manufacturing has recently shown signs of stabilization. Although the service sector of the global economy is larger, the manufacturing sector tends to be a good indicator of near-term profit growth. Employment is consistently strong across economies and this labour market resilience has supported

Lancelot Ector

Report from the Investment Manager (continued)

the consumer spending that has helped the global economy from sliding into a recession. Global growth will probably return to trend growth or better in 2020 due to less geopolitical tension but mainly due to the lagged effects of 2019 monetary, and in some cases fiscal, easing. This could in turn spur a rebound in capex and an inventory build-up. In such a scenario, world growth will become more evenly spread between the major economies with a pick-up in Europe, Japan and parts of Asia. Contrary to earlier recoveries, the Fed will not be eager to reverse previous rate cuts if average medium-term inflation stays below their target. Monetary policymakers not only in the US but in the Eurozone and Japan appear to be on hold well into 2020.

The strong performance of many risk asset in 2019 was in no small part an effect of a deep sell-off at the end of 2018. Fundamentally, the Fed's pivot from hiking policy rates to lowering them together with broad monetary easing from many other central banks, eased recession fears and led to a rebound in most cyclical assets but also in fixed income. To smooth out this episode, one can look at the performance of stock markets over the last 24 months instead. Using this method, the MSCI World Index excluding dividends in local currencies is up 6.5 % annually (1799.787/1586.197 MSDLWI), short of the 10-year annual average of 8.0 % (1799.787/832.501). The corresponding figures for the Swedish market are 9.3 % (657.89/550.61 SWSMAFFR) and 8.6 % respectively (657.89/288.80). In the US the return figure is 9.9 % per year for the last two years (3230.78/2673.61 SPX), below the 10-year annual average of 11.2 % (3230.78/1115.10). But since return figures in 2019 were driven by a reduction of the equity risk premium, i.e. multiple expansion, rather than earnings momentum, which is still rather slow in most regions, gains in 2020 must mainly come from profit growth as the global economy lifts. If indeed growth surprises on the upside, multiples could increase again but much less than in 2019. Possible positive wildcards would be a substantial rollback in US/China tariffs, if it triggers a longer period of capital expenditures and investments or meaningful fiscal easing in Europe. On the other hand, multiples could contract if markets see the recovery as short-lived and close to peaking. The earnings trajectory is therefore of paramount importance.

Summing up, we expect a continuation of the data- and news-driven environment for global risk assets. As the future is difficult to anticipate and the world is full of surprises, fixed income is an important diversifying asset. It will serve as a hedge against another growth slump or recession, since the Fed would cut under that scenario and other central banks probably would try even more negative cash rates and QE, unless governments are willing to ease fiscal policy materially.

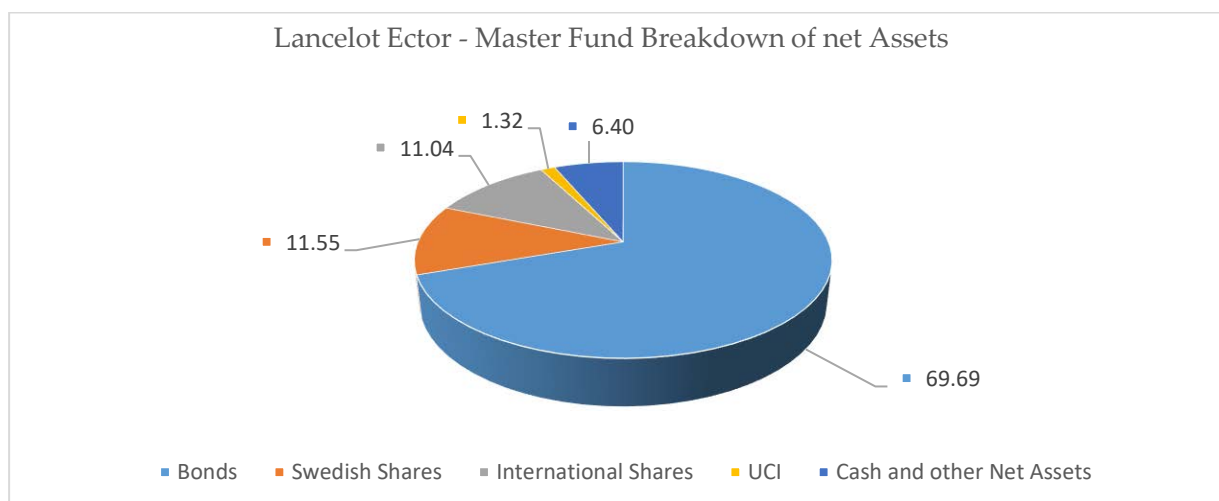
Since the year end we have seen the development of the coronavirus covid-19 outbreak initially in China and now reaching most continents. At present it is not possible to assess the detailed impact of the emerging risk, on the companies in our portfolio but there is growing concern about the impact on the world economy. There has been a significant correction in the financial markets in the last few weeks. The Board and the Manager continue to watch the efforts of governments to contain the spread of the virus and monitor the economic impact, if any, on the companies in our portfolio.

Luxembourg, 18th March 2020

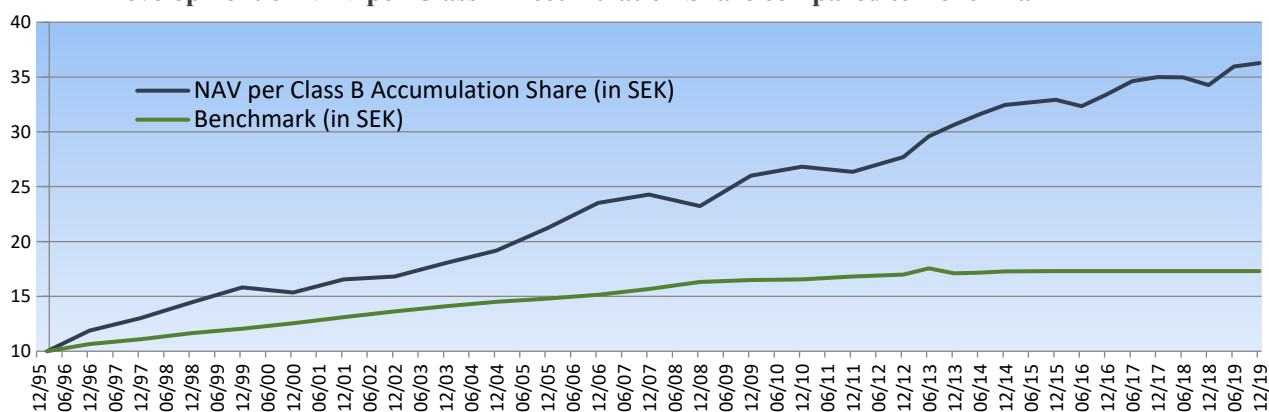
The Investment Manager

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

Lancelot Ector
Graphics (unaudited)



Lancelot Ector
Development of NAV per Class B Accumulation Share compared to Benchmark*



Year	NAV Development	Benchmark Development*
1996**	18.75%	6.56%
1997	9.72%	3.97%
1998	10.84%	5.02%
1999	9.51%	3.53%
2000	-2.97%	4.28%
2001	7.79%	4.31%
2002	1.73%	3.95%
2003	7.22%	3.55%
2004	6.26%	2.77%
2005	10.74%	2.15%
2006	10.86%	2.26%
2007	3.15%	3.44%
2008	-4.28%	4.11%
2009	11.90%	1.19%
2010	3.12%	0.33%
2011	-1.68%	1.61%
2012	5.05%	0.92%
2013	10.69%	0.69%
2014	5.91%	0.79%
2015	1.39%	0.079%
2016	1.55%	0.00%
2017	4.70%	0.00%
2018	-2.03%	0.00%
2019	5.81%	0.00%

* Benchmark used for performance fees calculation
 ** Relating to the period 15/03/1996 to 31/12/1996, i.e. since the Fund's inception



Audit report

To the Shareholders of
Lancelot Ector

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Lancelot Ector (the “Fund”) as at 31 December 2019, 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 2019;
- the statement of investments and other net assets as at 31 December 2019;
- the statement of operations and 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 Ethics Standards Board for Accountants’ Code of Ethics for Professional 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 Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our 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 Fund for the financial statements

The Board of Directors of the Fund 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 Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 Fund;



- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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, 18 March 2020

Philippe Sergiel

Lancelot Ector - Master Fund

Statement of net assets (in SEK)

as at 31st December 2019

Assets

Securities portfolio at market value	448,179,035
Cash at banks	23,626,092
Receivable on issues of shares	49,999
Income receivable on portfolio	821,757
Unrealised gain on forward foreign exchange contracts	369,503
Total assets	473,046,386

Liabilities

Bank overdrafts	3,364
Payable on purchases of securities	465,238
Payable on redemptions of shares	1,023
Expenses payable	3,679,117
Total liabilities	4,148,742
Net assets at the end of the year	468,897,644

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in SEK)
B CAP	10,150,716.234	SEK	36.27	368,194,900
B Dividend	4,957,135.542	SEK	20.31	100,702,744
				468,897,644

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

Lancelot Ector - Master Fund

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

from 1st January 2019 to 31st December 2019

Income	
Dividends, net	2,743,547
Interest on bonds and other debt securities, net	4,091,162
Interest on bank accounts	362
Total income	6,835,071
Expenses	
Management fees	4,902,845
Performance fees	3,037,630
Transaction fees	103,936
Central administration costs	695,927
Professional fees	209,461
Other administration costs	132,294
Subscription duty ("taxe d'abonnement")	237,843
Bank interest paid	121,794
Other expenses	285,742
Total expenses	9,727,472
Net investment loss	-2,892,401
Net realised gain/(loss)	
- on securities portfolio	17,758,009
- on forward foreign exchange contracts	-3,598,234
- on foreign exchange	232,727
Realised result	11,500,101
Net variation of the unrealised gain/(loss)	
- on securities portfolio	16,488,080
- on forward foreign exchange contracts	-403,622
Result of operations	27,584,559
Dividends paid	-1,873,961
Subscriptions	26,432,744
Redemptions	-70,756,080
Total changes in net assets	-18,612,738
Total net assets at the beginning of the year	487,510,382
Total net assets at the end of the year	468,897,644

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

Lancelot Ector - Master Fund

Statistical information (in SEK)

as at 31st December 2019

Total net assets	Currency	31.12.2017	31.12.2018	31.12.2019
	SEK	672,929,060	487,510,382	468,897,644

Net asset value per share	Currency	31.12.2017	31.12.2018	31.12.2019
B CAP	SEK	34.99	34.28	36.27
B Dividend	SEK	20.50	19.59	20.31

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
B CAP	11,487,496.309	334,284.772	-1,671,064.847	10,150,716.234
B Dividend	4,782,952.146	720,930.767	-546,747.371	4,957,135.542

Dividends paid	Currency	Dividend per share	Ex-dividend date
B Dividend	SEK	0.3918	10.01.2019

Lancelot Ector - Master Fund

Statement of investments and other net assets (in SEK) as at 31st December 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Shares					
Cyclical consumer goods					
SEK	55,100	Electrolux AB B	12,015,149	12,667,490	2.70
Financials					
SEK	40,500	EQT AB Reg	3,084,824	4,410,450	0.94
SEK	26,450	Investor AB B	10,772,718	13,521,240	2.88
SEK	27,150	Loomis AB	8,669,592	10,528,770	2.25
SEK	46,100	Svenska Handelsbanken AB A	4,499,441	4,651,490	0.99
			<u>27,026,575</u>	<u>33,111,950</u>	<u>7.06</u>
Healthcare					
CHF	7,200	Alcon Inc Reg	3,582,869	3,816,554	0.81
USD	9,950	Danaher Corp	5,661,837	14,294,663	3.05
CHF	13,000	Novartis AG Reg	8,247,259	11,556,256	2.46
			<u>17,491,965</u>	<u>29,667,473</u>	<u>6.32</u>
Industrials					
SEK	56,500	Volvo AB B	6,548,530	8,864,850	1.89
Non-cyclical consumer goods					
GBP	99,500	Britvic Plc	5,066,865	11,161,275	2.38
Technologies					
USD	15,300	Fortive Corp	7,704,679	10,940,243	2.33
SEK	108,500	Telefon AB LM Ericsson B	6,346,034	8,849,260	1.89
			<u>14,050,713</u>	<u>19,789,503</u>	<u>4.22</u>
Total shares			<u>82,199,797</u>	<u>115,262,541</u>	<u>24.57</u>
Bonds					
Corporate bonds					
SEK	18,000,000	Akademiska Hus AB FRN EMTN Sen 19/20.06.24	18,536,940	18,502,020	3.95
SEK	20,000,000	Castellum AB FRN MTN Sen 17/02.10.24	20,000,000	20,416,900	4.35
SEK	17,000,000	Castellum AB FRN Sen Ser 12617/17.03.23	17,271,830	17,569,755	3.75
SEK	8,000,000	ICA Gruppen AB FRN Ser 111 Sen 19/04.03.22	8,000,000	8,049,720	1.72
SEK	16,000,000	Jernhusen AB FRN DMTN Ser MTN121GB Sen 18/17.04.23	16,226,560	16,229,280	3.46
SEK	7,000,000	Jernhusen AB FRN Ser 104 13/19.09.23	7,273,910	7,159,635	1.53
SEK	10,000,000	PostNord AB FRN DMTN Ser 116 Sen 19/28.05.24	10,000,000	10,072,750	2.15
SEK	20,000,000	Rikshem AB FRN DMTN Ser 144 Sen 18/01.02.23	19,961,600	20,151,500	4.30
SEK	8,000,000	SBAB Bank AB FRN Jun Sub 19/05.12.Perpetual	8,000,000	8,208,840	1.75
SEK	20,000,000	Scania CV AB FRN EMTN Ser 62 16/06.09.21	20,037,376	20,255,800	4.32
SEK	20,000,000	Storebrand Livsforsikring AS FRN Sub 17/21.11.47	19,990,000	19,984,900	4.26
SEK	20,000,000	Sveaskog AB FRN 14/06.03.24	20,408,000	20,374,800	4.35
SEK	20,000,000	Sveaskog AB FRN Sen 14/30.10.23	20,000,000	20,294,000	4.33
SEK	3,750,000	Swedavia AB VAR Jun Sub 19/26.02 Perpetual	3,750,000	3,771,544	0.80
SEK	20,000,000	Vasakronan AB 1.083% DMTN Ser MTN525GB Sen 17/24.05.22	20,216,600	20,240,900	4.32
			<u>229,672,816</u>	<u>231,282,344</u>	<u>49.34</u>

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

Lancelot Ector - Master Fund

Statement of investments and other net assets (in SEK) (continued) as at 31st December 2019

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
Financial Institution bonds					
SEK	18,000,000	Danske Bank A/S FRN EMTN Sen Reg S 18/25.01.23	18,000,000	17,892,630	3.82
SEK	20,000,000	Landshypotek Bank AB VAR Jun Sub 17/31.12.Perpetual	21,150,000	20,675,000	4.41
SEK	4,000,000	Lansforsakringar Bank FRN Sub 19/10.07.Perpetual	4,000,000	4,220,620	0.90
SEK	20,000,000	Nordea Bank Abp FRN EMTN Sen Reg S 18/27.06.23	20,000,000	20,083,700	4.28
SEK	12,000,000	Svenska Handelsbanken AB VAR EMTN Sen Sub Reg S 17/15.11.27	12,000,000	12,000,600	2.56
			75,150,000	74,872,550	15.97
Municipal bonds					
SEK	20,000,000	Stockholm (City of) FRN EMTN Sen Reg S 19/21.05.24	20,720,800	20,547,600	4.38
			325,543,616	326,702,494	69.69
Total bonds					
<u>Open-ended investment funds</u>					
Tracker funds (UCI)					
Investment funds					
SEK	130,000	XACT BEAR Units Dist	10,619,597	6,214,000	1.32
			10,619,597	6,214,000	1.32
Total tracker funds (UCI)					
Total investments in securities			418,363,010	448,179,035	95.58
Cash at banks				23,626,092	5.04
Bank overdrafts				-3,364	0.00
Other net assets/liabilities				-2,904,119	-0.62
Total				468,897,644	100

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

Lancelot Ector

Notes to the financial statements

as at 31st December 2019

Note 1 - Significant accounting policies

a) Presentation of the financial statements

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

b) Valuation

- 1) Securities admitted to official listing on a stock exchange or which are traded on another regulated market which operates regularly and is recognised and open to the public within the EU or the OECD Member States are valued on the base of the last known sales price. If the same security is quoted on different markets, the quotation of the main market for this security will be used. If there is no relevant quotation or if the quotations are not representative of the fair value, the evaluation will be done in good faith by the Board of Directors or its delegate with a view to establishing the probable sales prices for such securities.
- 2) Non-listed securities are valued on the basis of their probable sales price as determined in good faith by the Board of Directors and its delegate.
- 3) Liquid assets are valued at their nominal value plus accrued interest.
- 4) Time deposits are valued at their yield value if a contract exists between the Company and the Depository stipulating that these time deposits can be withdrawn at any time and their yield value is equal to the realized value.
- 5) All assets denominated in a different currency than the respective Sub-Fund's currency are converted into this respective Sub-Fund's currency at the exchange rates used for the respective Valuation Day.
- 6) Financial instruments which are not traded on the futures exchanges but on a regulated market are valued at their settlement value, as stipulated by the Company's Board of Directors in accordance with generally accepted principles, taking into consideration the principles of proper accounting, the customary practices in line with the market, and the interests of the shareholders, provided that the above-mentioned principles correspond with generally accepted valuation regulations which can be verified by the auditor.

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 sold.

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 and losses are disclosed in the statement of operations and other changes in net assets.

Lancelot Ector

Notes to the financial statements (continued)

as at 31st December 2019

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

1	SEK	=	0.1033812	CHF	Swiss Franc
			0.0951562	EUR	Euro
			0.0806339	GBP	Pound Sterling
			0.1068319	USD	US Dollar

f) Investment income

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

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

g) Forward foreign exchange contracts

Forward foreign exchange contracts are valued at prevailing market rates for the remaining period from valuation day to the maturity of the contracts. Unrealised gain/(loss) is disclosed in the statements of net assets. Net variation of the unrealised gain/(loss) and the net realised gain/(loss) are disclosed in the statement of operations and other changes in net assets.

h) Transaction fees

Transaction costs disclosed under the title "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 Company relating to purchases or sales of securities and of fees relating to liquidation of transactions paid to the Depository.

Note 2 - Subscription, redemption and conversion fees

Shares of Class B are subscribed at an issue price based on the Net Asset Value per Share on the relevant Valuation Day.

The price to be paid in respect of each share tendered for redemption (the "Redemption Price") is the Net Asset Value.

Note 3 - Management fees

For infrastructure supplies, the Management Company is entitled to receive out of the Sub-Fund's assets a fee of maximum 0.025% p.a.. This fee is payable monthly in arrears based on the Sub-Fund's net assets calculated daily during the relevant month.

For its services, the Investment Manager, Lancelot Asset Management AB, Stockholm, is entitled to receive an Investment Management Fee received by the Management Company on behalf of the Investment Manager of maximum 1% p.a.. This fee is payable monthly in arrears based on the Sub-Fund's net assets calculated daily during the relevant month.

These fees are disclosed under the title "Management fees" in the statement of operations and other changes in the net assets.

Note 4 - Performance fees

A Performance Fee is paid out of the Sub-Fund's assets to the Investment Manager. The Performance Fee is 15% of the amount by which the relevant Sub-Fund's total return, based on the Net Asset Value at the beginning and at the end of the relevant year and after accrual of the fixed fee, outperforms on a year to year basis the agreed benchmark return.

Lancelot Ector

Notes to the financial statements (continued)

as at 31st December 2019

The benchmark return is the higher of:

- a) 0 percent
- b) The twelve months rate of interest Interpolated between Swedish Treasury Bills and/or Swedish Government Bonds at 31st December of the prior year, as published in the financial media or any corresponding benchmark approved by the Board of Directors of the Company.

With effect from 1st January 2017, for a calendar year when the Sub-Fund underperforms the agreed Benchmark return no performance fee is paid and the amount of the relative underperformance from that year shall remain relevant for coming years (as a High Water Mark). This means that at a forthcoming year with outperformance compared to the Benchmark return, no performance fee is paid until the amount of underperformance from previous year is fully recovered.

On 1st January 2019, the Benchmark return was determined by interpolating between the market rate of the Swedish Treasury Bills with maturity in 19th June 2019 and the market rate of the Swedish Government Bond 1047 with maturity on 1st December 2020 (the "Market Rates"), where both are converted from 30/360 to actual/360 day convention. Since this rate was negative the Benchmark return shall be 0 percent for the year 2019.

At the date of the financial statements, the performance fee was recorded to the following Sub-Fund and amounted to:

Lancelot Ector – Master Fund	SEK 3,037,630
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Note 5 - Central administration costs

For its services to the Company, the Management Company is entitled to receive, out of the Sub-Fund's assets an administration fee of maximum 0.13% p.a. payable monthly in arrears based on the Sub-Fund's net assets calculated daily during the relevant month with a minimum fee of EUR 3,330 per month. This fee includes the fee due to the Depository.

The Management Company is furthermore entitled to receive out of the Sub-Fund's assets for the Registrar and Transfer Agent function an annual flat fee per share Class, in accordance with Luxembourg customary banking practice.

These fees are disclosed under the title "Central administration costs" in the statement of operations and other changes in the net assets.

Note 6 - Subscription duty ("taxe d'abonnement")

The Company is governed by Luxembourg law.

Pursuant to the legislation and regulations in force, the Company 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.

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 7 - Independent Director's fees

Independent Director's fees of SEK 213,631 are included in the title "Other expenses" in the statement of operations and other changes in net assets.

Lancelot Ector

Notes to the financial statements (continued)

as at 31st December 2019

Note 8 - Forward foreign exchange contracts

As at 31st December 2019, the Sub-Fund is committed in the following forward foreign exchange contracts with Skandinaviska Enskilda Banken S.A., Luxembourg:

Lancelot Ector - Master Fund

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in SEK)
CHF	800,000	SEK	7,613,410	28.02.2020	134,600
GBP	45,000	SEK	558,952	28.02.2020	-1,531
GBP	40,000	SEK	492,752	28.02.2020	2,733
SEK	14,226,534	CHF	1,477,116	28.02.2020	-79,353
SEK	9,629,721	GBP	783,097	28.02.2020	-70,614
SEK	18,151,115	USD	1,901,728	28.02.2020	398,882
USD	73,000	SEK	696,654	28.02.2020	-15,214
					<u>369,503</u>

Note 9 - Changes in 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 Company.

Note 10 - Subsequent events

There are no significant subsequent events.

Lancelot Ector

Additional information (unaudited)

as at 31st December 2019

1 - Risk management

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

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

2 - Remuneration disclosure

FundRock Management Company S.A. ("FundRock") has established and applies a remuneration policy in accordance with the principles laid out under the AIFMD and UCITS V directive, and any related legal & regulatory provisions applicable in Luxembourg. The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the Funds that it manages and of the investors in such Funds, and which includes, *inter alia*, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Funds that the Management Company manages.

As an independent management company relying on a full-delegation model (i.e. delegation of the collective portfolio management function), FundRock ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that FundRock's employees who are identified as risk-takers under UCITS V are not remunerated based on the performance of the funds under management.

A paper version of the remuneration policy is made available free of charge to investors at FundRock's registered office.

The amount of remuneration for the financial year ending 31st December 2019 paid by FundRock to its staff: EUR 10,152,416

Fixed remuneration: EUR 9,700,097

Variable remuneration: EUR 452,319

Number of beneficiaries: 119

The aggregated amount of remuneration for the financial year ending 31st December 2019 paid by FundRock to Identified staff/risk takers is as follows:

Identified staff/risk takers: EUR 1,196,213

Other risk takers: EUR Nil

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 Lancelot Asset Management AB for the period from 1st January 2019 till 31st December 2019:

Number of employees: 16

Total compensation to staff: SEK 25,600,000

Of which compensation to identified staff/risk takers: SEK 16,400,000

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

During the reporting year, the Company 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.