

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

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

Table of contents

Organisation 2

Report from the Investment Manager 4

Graphics (unaudited)..... 7

Audit report..... 8

Lancelot Ector - Master Fund..... 11

 Statement of net assets 11

 Statement of operations and other changes in net assets 12

 Statistical information 13

 Statement of investments and other net assets 14

Notes to the financial statements 16

Additional information (unaudited) 21

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
Non-independent Director
Lancelot Holding AB, Stockholm, Sweden and
Lancelot Asset Management AB, Stockholm, Sweden

Rikard LUNDGREN
Independent Director
SteenDier Sàrl, Mondorf-les-Bains, Luxembourg

Management Company

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

Board of Directors of the Management Company

Chairman
Michel Marcel VAREIKA
Independent Non-Executive Director
Luxembourg

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

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

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

Tracey MCDERMOTT
Independent Non-Executive Director, Luxembourg

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

Lancelot Ector

Organisation (continued)

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)

Depository Skandinaviska Enskilda Banken AB (publ) - Luxembourg Branch
(formerly 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

Report from the Investment Manager

Dear Shareholders,

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

Total subscriptions to the Master Fund, initially launched on March 13, 1996 at SEK 10,00 per share, amount to 9,518,531.719 capitalisation shares and 4,957,135.542 distribution shares as of 31st December 2020, representing a total of 14,475,667.261. The net asset value per capitalisation share was SEK 351,364,254.91 i.e. increase of 269.10 % after fees from launch date and increase of 1.76 % during the year 2020.

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)

In its December economic outlook, the Organisation for Economic Cooperation and Development (OECD) said it expects the global economy to build momentum over the two coming years, with real GDP growth projected to reach pre-pandemic levels by the end of 2021. The OECD forecasted the global economy to contract 4.2 % in 2020. That reflected an upward revision from an estimate made in September that pointed to a 4.5 % fall in real GDP. Looking ahead, the organisation said worldwide economic growth would average 4 % over the next two years. It expects real GDP growth to rise to 4.2 % in 2021 and 3.7 % in 2022. The cautiously optimistic tone expressed was underpinned by scientific progress, pharmaceutical advances, and adjustment in the behaviour of people and firms, to keep the virus in check, allowing strict restrictions on mobility to be lifted progressively. Together with reduced uncertainty and the exceptional fiscal relief provided throughout 2020, the global economic rebound is anticipated to keep getting stronger as more and more activities re-open. The OECD expects China, which of course started recovering earlier than other countries, to record economic growth of 1.8 % in 2020. It remains the only major economy expected to show economic growth in 2020. Additionally, China is projected to grow by 8 % in 2021 and 4.9 % in 2022. By comparison, the US economy is forecasted to shrink by 3.7 % in 2020, before posting growth of 3.2 % in 2021 and 3.5 % in 2022. The corresponding growth rates for the euro area is -7.5 % in 2020, 3.6 % in 2021 and 3.3 % in 2022. The OECD said governments would need to use their policy instruments to actively ensure that those hit hardest by the coronavirus crisis receive the support they need.

In December, the Federal Reserve (the Fed) decided to keep the federal funds rate steady at a target range of 0-0.25 per cent and leave the asset purchase programme unchanged. The Fed updated its guidance on asset purchases to clearly link it to economic outcomes and the Fed will not start withdrawing on the asset purchase program until the economy shows substantial further improvement. The Fed will pull back on the asset purchase program before raising interest rates. If the economy looks to rebound strongly as expected by mid-2021, the Fed could flag tapering of the asset purchases thereby possibly leading to a steepening of the yield curve. As for the economic projections, the Fed sharply revised upwards its economic expectations but held the rates forecasts steady. The Fed now anticipates just 5% and 4.2% unemployment at the end of 2021 and 2022 respectively, which would be a dramatically more rapid recovery than after the 2008-09 recession. The Fed though does not see this expected improvement as reason to tighten policy. As expected, the European Central Bank (ECB) expanded its massive monetary stimulus program by another 500 billion euros, as a second wave of lockdown measures weigh on the euro area's economic recovery. The ECB held interest rates on its main refinancing operations, marginal lending facility and deposit facility at 0.00%, 0.25% and -0.50%, respectively. The central bank launched its Pandemic Emergency Purchase Programme (PEPP) in a bid to shore up the bloc's economy in the wake of the pandemic, and later the ECB extended the horizon for purchases under the PEPP to March 2022. In a statement following the decision, the ECB said it would conduct net purchases until its Governing Council judges that the "coronavirus crisis phase is over," and restated that interest rates would remain at their current low levels until the central bank judges the inflation outlook "robustly converge" to its target of "close to, but below" two per cent. The Swedish Riksbank kept the repo rate unchanged at zero per cent but as the increased spread of virus infections and tighter restrictions inevitable will lead to a new downturn in the Swedish economy, the Riksbank also decided to expand and extend the asset purchase programme from SEK 500 billion to SEK 700 billion up to 31 December 2021. The Bank of Japan (BoJ) announced a six-month extension of its special program aimed at easing corporate financing pressures amid the coronavirus pandemic. Meanwhile, the yield target on the 10-year Japan government bond was set at around 0% while the BoJ kept its key interest rates unchanged. The

Japanese central bank also pledged to assess the sustainability of its easing policy without totally overhauling its main policy framework, with the findings likely to be out in March 2021. The decision to launch a review highlights the concern over the central bank's inability to achieve its mandated price stability goals.

As with other defensive assets, the trade-weighted US dollar became expensive during the virus-related recession while high-beta currencies fell. By summer, financial markets started pricing a turning point in the recession and the US currency fell back. The long-term US dollar cycles tend to follow the Fed's monetary cycle as interest rate differentials either facilitate or complicate financing of the US current account deficit. Presently, US real rates compared to other G10 currencies are lower than the 20-years averages versus the Japanese yen and the euro but higher than average versus the British pound and the Australian dollar. Consequently, for the full year the US dollar weakened against the euro by 9 per cent and versus the yen by 5 per cent. The Swedish krona recovered from an initial virus-linked fall and ended the year 7 per cent stronger (the Riksbank's KIX-index). In the commodity space, base metals led the way as underlying Chinese demand sent prices up. In addition, lumber prices soared reflecting a very strong US housing market. The Dow Jones Commodity Index (23 future contracts across the three sectors energy, metals, and agriculture) rose by 14 per cent. Brent crude oil price fell by 22 per cent in 2020 as demand did not retrace to pre-Covid-19 levels and above-average inventories held back price gains. Gold performed inconsistently during the high-volatility economic crisis, but the precious metal still ended the year 25 per cent higher.

Global stock markets were mixed in 2020 but the impact of Covid-19 drove significant performance variance across and within equity markets. Over the year, sectors that did particularly well were information technology and health care, while capital intensive and debt heavy sectors like energy, industrials, and financials underperformed. In the EU, stock markets declined by 1.2 per cent in local currency terms (MSCI) while markets in the Nordic region was up by 13.0 per cent (Denmark +29.8 per cent with large caps AP Moller-Maersk +42 % and Vestas +114 %). Among the big European bourses, the Netherlands (+12.5 %) outperformed while the UK lagged (-16.1 %). In Sweden, the equity market rose by 7.5 per cent. The North American region outperformed thanks to an US overrepresentation of technology companies and equity markets increased by 18.3 per cent (the US market +19.2 %). The Pacific region excluding Japan ended the year 2.7 per cent lower, while the Japanese market gained 6.5 %.

The world index increased by 11.67 per cent in local currency terms, and by 0.25 per cent in Swedish krona terms.

The Fund (performance review)

As of 31st December 2020, the Swedish equity exposure, including a negative Swedish index position, amounted to 14.37 %, international equity exposure amounted to 16.12 %, bonds amounted to 61.84 % and cash and other assets amounted to 7.67 % of total net asset value. The duration of the bond portfolio at the turn of the year was 0.71 years.

Some changes were made in the equity portfolio during the second half of the year. US based Illumina provides a broad range of instruments and related consumables (73% of 2019 sales) to help researchers and clinicians identify and understand genetic variations. Illumina's technology enables whole genome sequencing in humans and other large organisms but also viral and cancer tumor screening. Illumina's continued innovation has significantly reduced the cost of sequencing, thereby enabling the rapid expansion of sequencing applications. While disruptive technologies remain a high-risk concern in this innovation-driven industry, we think the firm's differentiated technology, ongoing innovation, and large installed system base create significant entry barriers for competitors. In September, Illumina's stock price fell by 30 per cent after the company definitively agreed to pay USD 8 billion in cash and stock for the former spinout Grail, a healthcare company which focuses on early-stage-cancer detection. Grail is nearing completion of a simple blood test capable of detecting 50 different cancers in their earlier stages. Investors showed concern that Illumina through the acquisition will compete with its customers in the oncology space, but also reacted to the dilution the deal brings about. Time will tell. Further, the US medical device company Boston Scientific was added to the portfolio. In November, the stock price fell by more than 10 % as the company suddenly announced the recall and product discontinuation of its Lotus Aortic Valve System due to "the complexity of the delivery system". The recall was solely related to the delivery system and the implanted valve has no safety issues. The decision was taken exclusively for commercial reasons. Long-term the company is well positioned within multiple attractive treatment areas growing in the mid-single digits on average. Additionally, Boston Scientific's management has a proven track record of execution on value-creating

Lancelot Ector

Report from the Investment Manager (continued)

acquisitions. Revenue should grow by mid-to-high single digits once trends normalize post-Covid-19, with double-digit earnings growth. The world leader in passive automotive safety Autoliv was also added to the portfolio. Autoliv is well placed to use its dominant market position to scale cost advantages and technology. The order book is currently strong but there are of course cyclical risks in the business, particular in the important US and Chinese markets. Still, if the cyclical recovery continues in 2021 the stock price has further to run. The position in ABB was reduced after a near 20 per cent gain in seven months.

In 2020 the value of the Fund increased by 1.76 %. The main positive contributors to the Fund's performance were ASML, Danaher and EQT, while Britvic underperformed. Performance from the bond portfolio was positive.

Outlook for 2021 (market outlook)

2020 was an unprecedented year. Fears of a virus outbreak began to destabilise financial markets in February and hit in earnest in March. Many economies completely shut down and created the sharpest and quickest recession in history. Overwhelming and co-ordinated stimulus blunted the blow and helped lead to a very sharp recovery. Not least the decision by central banks to buy corporate credit thereby backstopping the usual recession playbook with full-blown solvency/financial crisis was important. By the second half of the year the recovery was visible but with a large disparity between winners and losers. Winners were many so-called work-from-home sectors, while industries like restaurants, travel and entertainment lost out, all hit by social distancing. This divergence is a result of investors believing that certain companies will benefit from pandemic-related trends and that others may be impaired by them. In many cases, the markets have already priced those changes into those company's stock prices and, in other cases, have overestimated the long-term impact.

The successful global cooperation between governments, companies and scientists to fight the Covid-19 virus is a reason for optimism. Another reason to be hopeful is that in the spring of 2021, the vaccines and treatments start reaching the scale where they will have a global impact. Although there will still need to be some restrictions (on big public gatherings, for example), the number of cases and deaths will start to go down a lot and life will be much closer to normal than it is now. But there are still hurdles to overcome. To manufacture the global need of 5 to 10 billion doses is a challenge. All the vaccine companies in the world typically produce a total of fewer than 6 billion doses a year. In addition to manufacturing, there is the challenge of making sure that Covid-19 vaccines will be distributed equitably. Lastly, there is uncertainty regarding the vaccine uptake. Notwithstanding these challenges, looking ahead to 2021 financial risk markets have many tailwinds although the road forward might be bumpy. It is reasonable to expect a mini-boom in global growth after an initial weaker first quarter as the effects of the vaccines start to be visible. Further, volatile but below-target inflation in the US, Europe, Japan and China will keep the extraordinary monetary easing intact although central banks balance sheet expansion probably will slow. Fiscal stimulus will also slow after a record boost in 2020 but still be supportive. As always, there are both cyclical and policy risks present that could lead to market corrections. An example would be an unexpected economic slowdown in China. The country's recovery has been led by fixed-assets investment and constructions activity, while retail sales has lagged. This is the old formula of credit fueled expansion that has over the years created huge imbalances that sooner or later will have to be addressed. A heightened awareness of a possible swift and nasty drawdown is appropriate as current valuations in many areas of the equity markets are elevated. A useful definition of market risk is that more things can happen than will happen and a portfolio overview should always start by establishing an appropriate risk level. Only then should possible rewards be considered.

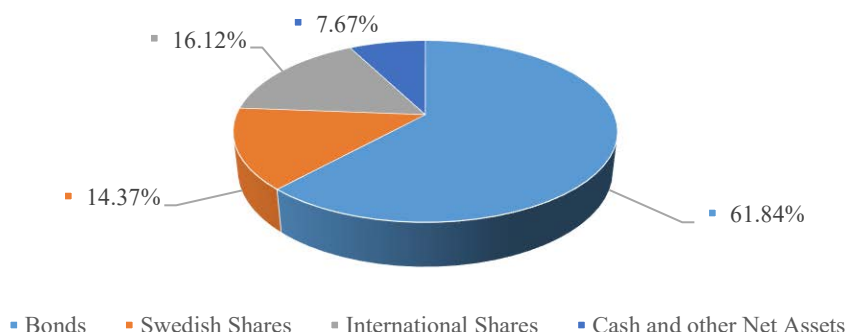
Luxembourg, 28th January 2021

The Investment Manager

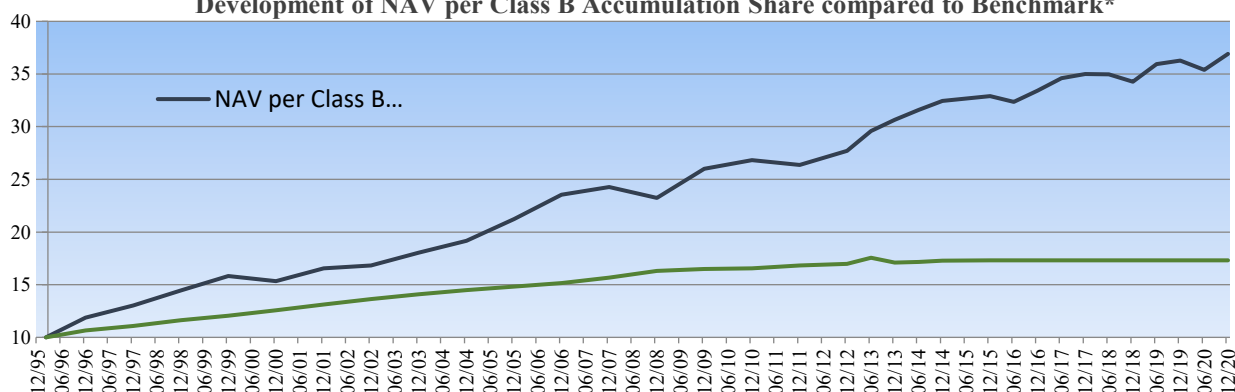
Note: The information in this report represents historical data and is not an indication of future results.

Lancelot Ector
Graphics (unaudited)

Lancelot Ector - Master Fund Breakdown of net Assets



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%
2020	1.76%	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 2020, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

What we have audited

The Fund’s financial statements comprise:

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

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

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

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors of the 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, 13 April 2021

Philippe Sergiel

Lancelot Ector - Master Fund

Statement of net assets (in SEK)

as at 31st December 2020

Assets

Securities portfolio at market value	429,972,695
Cash at banks	23,552,854
Receivable on sales of securities	459,483
Income receivable on portfolio	600,274
Unrealised gain on forward foreign exchange contracts	937,300
Total assets	455,522,606

Liabilities

Bank overdrafts	3,824
Redeemable cash collateral received	1,130,000
Payable on purchases of securities	830,012
Expenses payable	2,264,843
Total liabilities	4,228,679
Net assets at the end of the year	451,293,927

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	9,518,531.719	SEK	36.91	351,364,255
B Dividend	4,957,135.542	SEK	20.16	99,929,672
				451,293,927

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 2020 to 31st December 2020

Income	
Dividends, net	983,688
Interest on bonds and other debt securities, net	4,658,535
Bank interest	127
Total income	5,642,350
Expenses	
Management fees	4,591,756
Performance fees	1,431,164
Transaction fees	145,931
Central administration costs	655,805
Professional fees	186,990
Other administration costs	289,967
Subscription duty ("taxe d'abonnement")	220,003
Bank interest paid	24,049
Other expenses	310,650
Total expenses	7,856,315
Net investment loss	-2,213,965
Net realised gain/(loss)	
- on securities portfolio	7,818,550
- on forward foreign exchange contracts	3,860,838
- on foreign exchange	-78,993
Realised result	9,386,430
Net variation of the unrealised gain/(loss)	
- on securities portfolio	-2,574,015
- on forward foreign exchange contracts	567,798
Result of operations	7,380,213
Dividends paid	-2,516,738
Subscriptions	5,678,561
Redemptions	-28,145,753
Total changes in net assets	-17,603,717
Total net assets at the beginning of the year	468,897,644
Total net assets at the end of the year	451,293,927

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

Lancelot Ector - Master Fund

Statistical information (in SEK) as at 31st December 2020

Total net assets	Currency	31.12.2018	31.12.2019	31.12.2020
	SEK	487,510,382	468,897,644	451,293,927

Net asset value per share class	Currency	31.12.2018	31.12.2019	31.12.2020
B CAP	SEK	34.28	36.27	36.91
B Dividend	SEK	19.59	20.31	20.16

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
B CAP	10,150,716.234	156,473.645	-788,658.160	9,518,531.719
B Dividend	4,957,135.542	-	-	4,957,135.542

Dividends paid	Currency	Dividend per share class	Ex-dividend date
B Dividend	SEK	0.5077	10.01.2020

Lancelot Ector - Master Fund

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

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets *
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Shares					
Cyclical consumer goods					
SEK	12,000	Autoliv Inc SDR	8,256,803	9,180,000	2.03
Financials					
SEK	29,200	EQT AB Reg	3,325,210	6,143,680	1.36
SEK	26,550	Investor AB B	12,058,338	15,908,760	3.52
SEK	98,500	Nordea Bank Abp Reg	6,821,020	6,621,170	1.47
SEK	76,500	Skandinaviska Enskilda Bk AB A	6,779,541	6,464,250	1.43
SEK	20,000	Svenska Handelsbanken AB A	1,661,800	1,652,000	0.37
			<u>30,645,909</u>	<u>36,789,860</u>	<u>8.15</u>
Healthcare					
USD	16,000	Boston Scientific Corp	4,590,543	4,727,454	1.05
USD	7,950	Danaher Corp	4,903,472	14,514,508	3.22
USD	2,050	Illumina Inc	5,305,643	6,233,960	1.38
CHF	11,800	Novartis AG Reg	7,932,845	9,178,109	2.03
CHF	2,000	Roche Holding Ltd Pref	6,535,717	5,746,372	1.27
			<u>29,268,220</u>	<u>40,400,403</u>	<u>8.95</u>
Industrials					
SEK	29,900	ABB Ltd Reg	5,802,319	6,847,100	1.52
SEK	59,249	Volvo AB B	7,565,421	11,482,456	2.54
			<u>13,367,740</u>	<u>18,329,556</u>	<u>4.06</u>
Non-cyclical consumer goods					
GBP	86,500	Britvic Plc	5,130,499	7,890,443	1.75
Technologies					
USD	635	Alphabet Inc C	7,937,415	9,142,953	2.03
EUR	1,600	ASML Holding NV	4,841,141	6,396,754	1.42
USD	6,600	Fortive Corp	2,423,515	3,841,566	0.85
USD	700	KLA Corp Reg	1,508,879	1,489,551	0.33
SEK	88,000	Telefon AB LM Ericsson B	5,733,039	8,592,320	1.90
USD	1,800	Workday Inc A	3,591,715	3,544,752	0.79
			<u>26,035,704</u>	<u>33,007,896</u>	<u>7.32</u>
Total shares			<u>112,704,875</u>	<u>145,598,158</u>	<u>32.26</u>
Bonds					
Corporate bonds					
SEK	8,000,000	Getinge AB FRN MTN Ser 104 Sen 18/21.05.21	7,976,000	8,017,680	1.78
SEK	4,000,000	Hexagon AB FRN 20/07.12.26	4,000,000	3,997,420	0.89
SEK	8,000,000	ICA Gruppen AB FRN Ser 111 Sen 19/04.03.22	8,000,000	8,035,960	1.78
SEK	16,000,000	Jernhusen AB FRN DMTN Ser MTN121GB Sen 18/17.04.23	16,226,560	16,194,160	3.59

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

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 2020

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets *
SEK	7,000,000	Jernhusen AB FRN Ser 104 13/19.09.23	7,273,910	7,143,850	1.58
SEK	20,000,000	Scania CV AB FRN EMTN Ser 62 16/06.09.21	20,037,376	20,107,100	4.46
SEK	20,000,000	Storebrand Livsforsikring AS FRN Sub 17/21.11.47	19,990,000	19,976,700	4.43
			83,503,846	83,472,870	18.51
Financial Institution bonds					
SEK	18,000,000	Danske Bank A/S FRN EMTN Sen Reg S 18/25.01.23	18,000,000	17,946,720	3.98
SEK	20,000,000	Landshypotek Bank AB VAR Jun Sub 17/31.12.Perpetual	21,150,000	20,550,000	4.55
SEK	6,000,000	Lansforsakringar Bank FRN Jun Sub 20/19.02.Perpetual	6,000,000	6,081,390	1.35
SEK	4,000,000	Lansforsakringar Bank FRN Sub 19/10.07.Perpetual	4,000,000	4,198,800	0.93
			49,150,000	48,776,910	10.81
Government guaranteed bonds					
SEK	18,000,000	Akademiska Hus AB FRN EMTN Sen 19/20.06.24	18,536,940	18,392,220	4.08
SEK	10,000,000	PostNord AB FRN DMTN Ser 116 Sen 19/28.05.24	10,000,000	10,113,900	2.24
SEK	8,000,000	SBAB Bank AB FRN Jun Sub 19/05.12.Perpetual	8,000,000	8,239,800	1.83
SEK	20,000,000	Sveaskog AB FRN 14/06.03.24	20,408,000	20,441,400	4.53
SEK	20,000,000	Sveaskog AB FRN Sen 14/30.10.23	20,000,000	20,325,100	4.50
SEK	17,500,000	Swedavia AB VAR Jun Sub 19/26.02 Perpetual	17,603,125	17,383,187	3.85
			94,548,065	94,895,607	21.03
Municipal bonds					
SEK	20,000,000	Kommuninvest I Sverige AB 1% MTN Ser K2611 Sen 19/12.11.26	20,889,500	20,962,900	4.64
SEK	10,000,000	Kommuninvest I Sverige AB 1% Ser K2505 Sen 18/12.05.25	10,379,100	10,408,950	2.31
SEK	20,000,000	Stockholm (City of) FRN EMTN Sen Reg S 19/21.05.24	20,720,800	20,507,700	4.54
			51,989,400	51,879,550	11.49
Total bonds			279,191,311	279,024,937	61.84
Open-ended investment funds					
Tracker funds (UCI)					
Investment funds					
SEK	160,000	XACT BEAR Units Dist	10,834,498	5,349,600	1.18
		Total tracker funds (UCI)	10,834,498	5,349,600	1.18
		Total investments in securities	402,730,684	429,972,695	95.28
		Cash at banks		23,552,854	5.22
		Bank overdrafts		-3,824	0.00
		Other net assets/liabilities		-2,227,798	-0.50
		Total		451,293,927	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.

Lancelot Ector

Notes to the financial statements

as at 31st December 2020

Note 1 - 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.

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 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.

Note 2 - 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 Depositary 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.

Lancelot Ector

Notes to the financial statements (continued)

as at 31st December 2020

- 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 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 and 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	=	0.1075461	CHF	Swiss Franc
			0.0994379	EUR	Euro
			0.0890165	GBP	Pound Sterling
			0.1216723	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 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.

Lancelot Ector

Notes to the financial statements (continued)

as at 31st December 2020

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.

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 2020, the Benchmark return was determined by interpolating between the market rate of the Swedish Government Bond 1047 with maturity on 1st December 2020 and the market rate of the Swedish Government Bond 1054 with maturity on 1st June 2022 (the "Market Rates"). Since this rate was negative the Benchmark return shall be 0 percent for the year 2020.

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 1,431,164
------------------------------	---------------

Note 5 - Central administration costs

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. This fee includes the fee due to the Depositary.

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 in the item "central administration costs" in the statement of operations and other changes in net assets.

Lancelot Ector

Notes to the financial statements (continued)

as at 31st December 2020

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 245,062 are included in the title "Other expenses" in the statement of operations and other changes in net assets.

Note 8 - Forward foreign exchange contracts

As at 31st December 2020, the Sub-Fund is committed in the following forward foreign exchange contracts with Skandinaviska Enskilda Banken AB (publ) – Luxembourg Branch (formerly Skandinaviska Enskilda Banken S.A., Luxembourg):

Lancelot Ector - Master Fund

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in SEK)
SEK	8,569,258	CHF	914,916	26.02.2021	53,686
SEK	8,163,930	EUR	803,400	26.02.2021	79,576
SEK	5,842,730	GBP	512,497	26.02.2021	86,933
SEK	141,348	USD	17,000	26.02.2021	1,714
SEK	734,678	USD	86,000	26.02.2021	28,294
SEK	1,431,723	USD	170,000	26.02.2021	35,382
SEK	277,941	USD	33,000	26.02.2021	6,887
SEK	287,719	USD	34,000	26.02.2021	8,451
SEK	1,500,633	USD	182,000	26.02.2021	5,727
SEK	771,889	USD	91,000	26.02.2021	24,436
SEK	568,673	USD	67,000	26.02.2021	18,350
SEK	17,090,239	USD	2,009,228	26.02.2021	586,905
SEK	140,593	USD	17,000.00	26.02.2021	959
					<u>937,300</u>

In order to reduce the counterparty risk on forward exchange exposure,

- Skandinaviska Enskilda Banken AB (publ) – Luxembourg Branch (formerly Skandinaviska Enskilda Banken S.A., Luxembourg) pays to the Sub-Fund cash collateral, if the net unrealised result is positive: thus, cash collateral received is disclosed in the caption "Cash at banks" in the Statement of net assets. The amount received and to be redeemed to Skandinaviska Enskilda Banken AB (publ) – Luxembourg Branch (formerly Skandinaviska Enskilda Banken S.A., Luxembourg) is disclosed in the caption "Redeemable cash collateral received" in the statement of net assets,
- Skandinaviska Enskilda Banken AB (publ) – Luxembourg Branch (formerly Skandinaviska Enskilda Banken S.A., Luxembourg) receives cash collateral, if the net unrealised result is negative: thus, cash collateral paid is disclosed in the caption "Cash at banks" in the Statement of net assets". The amount paid and to be received by the Sub-Fund from Skandinaviska Enskilda Banken AB (publ) – Luxembourg Branch (formerly Skandinaviska Enskilda Banken S.A., Luxembourg) is disclosed in the caption "Receivable cash collateral paid" in the statement of net assets.

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 - Event

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

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

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

Note 11 - Subsequent events

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

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

Lancelot Ector

Additional information (unaudited)

as at 31st December 2020

1 - Risk management

As required by the amended Circular CSSF 11/512, the Board of Directors of the 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

2.1. Remuneration of the Management Company

FundRock Management Company S.A. ("FundRock") has established and applies a remuneration policy in accordance with the ESMA Guidelines on sound remuneration policies under the UCITS V Directive (ESMA 2016/575) and AIFMD (ESMA 2016/579) and any related legal & regulatory provisions applicable in Luxembourg. The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the Funds that it manages and of the investors in such Funds, and which includes, *inter alia*, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Funds that the Management Company manages.

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

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

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

Fixed remuneration: EUR 11,288,396

Variable remuneration: EUR 782,466

Number of beneficiaries: 133

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

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

The Policy is subject to annual review by the Compliance Officer and the update is performed by HR department of FundRock and is presented for review to the Remuneration Committee and approval by the Board of FundRock.

2.2. Remuneration of the Investment Manager

The remuneration to Lancelot Asset Management AB for the period from 1st January 2020 till 31st December 2020:

Number of employees: 16

Total compensation to staff: SEK 57,419,000

Of which compensation to identified staff/risk takers: SEK 46,837,000

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.