

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

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
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 16th February 2021)

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

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

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

Lancelot Ector

Organisation (continued)

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

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 Agent, 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 9,611,648.765 capitalisation shares and 4,750,796.128 distribution shares as of 31st December 2021, representing total assets of SEK 14,362,444.893. The net asset value per capitalisation share was SEK 39.99 i.e., increase of 299,90 % after fees from launch date and increase of 8,34 % during the year 2021.

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 December, the Organisation for Economic Cooperation and Development (OECD) left growth forecasts largely unchanged in its twice-yearly economic outlook but raised expectations for inflation in 2022, increasing its prediction for G20 countries from 3,9 % in September to 4,4 %. The largest increases were in the US and the UK, where forecasts for next year rose in both from 3,1 % to 4,4 %. The organisation sees inflation peaking at the turn of 2021-22 before receding gradually to around 3 % in the OECD by 2023. The OECD sees the global economy continuing its recovery although the revival is unbalanced. This central scenario is built on a better ability to cope with the pandemic and generally supportive monetary and fiscal policies in 2022. After a rebound of 5,6 % in 2021, global growth is expected to grow at a brisk pace of 4,5 % in 2022, moderating to 3,2 % in 2023. Key risks are new virus variants, supply constraints, inflation, and potential policy missteps.

The Federal Reserve (the Fed) decided to keep the federal funds rate steady at a target range of 0-0.25 % but, as was widely anticipated, decided to speed up the end of its emergency asset purchase programme. Behind the change of view from the September to the December meeting was accelerating inflation that now is seen as persistent rather than transitory. The accelerated reduction would, if carried out as planned, mean a stop to the expanding balance sheet of the central bank by the end of March 2022 and give it the flexibility to raise rates thereafter. The Fed now anticipates three interest rate increases next year. The challenge for policy makers is of course keeping inflation under control without slowing the broader economic recovery. Fed officials increased their inflation estimates and reduced their unemployment forecasts significantly for 2021. Median expectation show that the Fed sees inflation at 5,3 % in 2021, but that it will fall to 2,6 % by the end of 2022 and barely above 2 % in 2023. It remains to be seen if the current inflation problem will be just a short-term issue that can be controlled by moving monetary policy from ultra-expansive to "neutral" (real policy rate around 0 %). Currently the pricing in the fixed income market largely seems to agree with the Fed (if one believes prices still incorporate economic signals). In December, the Bank of England (BoE) became the first major central bank to raise policy rates and tighten monetary policy. The BoE hiked its key interest rate from 0,1 % to 0,25 % citing risks of inflation. The BoE stated that it expects UK inflation to peak around 6 % in June 2022. The European Central Bank (ECB) said it would further slow purchases of assets under its Pandemic Emergency Purchase Programme (PEPP) in the first quarter of 2022 and bring them to a halt in March. The ECB said it would double the pace of asset buying under its longer running Asset Purchase Programme (APP) to 40 billion euros a month in the second quarter of 2022, scaling it back to 30 billion euros in the third quarter and returning to the 20 billion euro a month pace in the fourth quarter. The ECB left interest rates unchanged. The Bank of Japan (BoJ) scaled down its emergency pandemic programme by tapering its corporate debt purchases to pre-crisis levels. The BoJ otherwise left the ultra-loose monetary policy unchanged. Norges Bank raised its interest rate for the second time since September, and flagged another increase in March, after becoming one of the first central banks to hike rates since the start of the pandemic. The Swedish Riksbank kept the repo rate unchanged at 0 % and forecasted that the asset holdings from the asset purchase programme initiated in March 2020 will remain approximately unchanged in 2022 and then gradually decrease. The repo rate is expected to be raised in the latter part of 2024.

The year turned out to be a strong one for the US dollar. An uneven global economic recovery and Fed being the first major central bank to signal a response to inflationary pressures, supported the American currency. Expected monetary policy divergence drove the US dollar stronger against many low-yielding bloc such as the euro and the Japanese yen. An exception was the Chinese currency the yuan, which outperformed all its emerging market peers

and strengthened against the US dollar. The currency was supported by robust export growth and inflows of funds into the Chinese domestic bond market but also by the yuan's interest rate premium over the US dollar. This divergence could fade in 2022 if the Fed starts raising interest rates, while its Chinese counterpart is expected to keep liquidity loose to aid growth. After a weak ending, the Swedish krona closed the year 4 % weaker (the Riksbank's KIX-index). In the commodity space the Refinitiv/Core Commodity CRB index rose by 39 %, but the commodity market was markedly bifurcated with energy and agricultural products together with industrial metals driving prices higher. Tight balances across industrial metals and agriculture drove those sectors higher as supply struggled to keep pace with resurgent demand. On the other hand, precious metals were weak relative to their peers. Gold ended the year down 3 %. Brent crude oil price surged by 50 % in 2021 as US supply growth most likely will not return to pre-Covid levels until mid-2023, leaving OPEC+ in control over the global oil market.

Most developed stock markets showed a robust performance in 2021 as earnings and margins soared since bottoming in the second quarter of 2020. The 18-month period saw the operating margin for the US equity market jumped from 9,9 % to 13,2 %, while the large Swedish cyclical companies increased their net margins from 8,9 % to 14,3 %. For the year, sectors that did particularly well were energy, information technology and financials, while utilities and consumer staples underperformed. In the EU, stock markets rose by 21,5 % in local currency terms (MSCI) while markets in the Nordic region was up by 26,7 %. Among the big European bourses, the Netherlands (+35,3 %) and France (+26,7 %) outperformed while Germany (+11,3 %) lagged, dragged down by Adidas and Zalando. In Sweden, the equity market increased by 31,5 %. The North American region outperformed thanks to an US overrepresentation of large technology companies and equity markets climbed by 25,1 % (the US market +25,2 %). The Pacific region excluding Japan ended the year 5,3 % higher, while the Japanese market gained 11,4 %.

The world index (MSCI World Price Index DM Standard) increased by 22,45 % in local currency terms, and by 32,11 % in Swedish krona terms.

The Fund (performance review)

As of 31st December 2021, the Swedish equity exposure amounted to 14.22 %, international equity exposure amounted to 12.95 %, bonds amounted to 65.60 % and cash and other assets amounted to 7.23 % of total net asset value. The equity portion of the Fund was lowered from 29 % to 28 %. Including a negative Swedish index position, the equity exposure was 27 %. The duration of the bond portfolio at the turn of the year was 0,68 years.

Some changes were made in the equity portfolio during the second half of the year. Stora Enso was initiated as a new holding. The company is a leading producer of paperboard and wood products for construction and has a large net pulp position. The structurally declining graphic paper is a small proportion of sales after ongoing restructuring. In addition, Stora Enso bought back its Swedish forestland in 2019 and its value is just short of 50 % of stock's current enterprise value. The balance sheet and cash flows are strong. The stock was bought at a valuation level that appears attractive. After starting the year strongly, the telecom equipment company Ericsson suffered setbacks such as quarterly disappointments for business area Digital Services and lower market share in China as a Chinese response to Sweden banning Huawei. Still, the all-important Network division recorded record high gross margin due to a leading product portfolio. We added to the existing position. On the exit side, the position in Alphabet (a holding company, with Google, the internet media giant, as a wholly owned subsidiary) was sold after a stellar performance. The stock price is up over 160 % since the initial investment in March of 2020. Naturally, after such a run, the stock needs to consolidate and there are other possible investments that are more attractive. Further, the holding in Nordea Bank was cut into half after a strong price appreciation. The investment generated an annual total return of 46 %. Profit was also taken in SOBI after a quick run-up in the stock price (+ 54 % p.a.),

In 2021 the share class B CAP increased by 8,34 %. The main positive contributors to the Fund's performance were Investor, EQT and Danaher, while Telia Company underperformed. The duration of the fixed income portfolio at the turn of the year was 1,11 years with a positive 12-month performance.

Outlook for 2022 (market outlook)

In hindsight, 2021 turned out to be another topsy-turvy year. While the strong tailwind of recovery from the pandemic set an overall positive tone for risky assets, performance of various investment strategies was often thrown off by new Covid-19 waves leading to market volatility, steepening/flattening of yield curves, and sector rotations. At the beginning of the year, cyclical assets rallied in the aftermath of vaccine rollout and optimism that the pandemic would be over by the summertime. Yields reached the year's high by the end of March and cyclical assets recovered nearly all pandemic losses (relative to defensive assets). However, when the delta variant appeared in India, the rotation stalled and started reversing later in the spring, with the variant emerging in the UK and eventually the US later in the summer. Yields went back to the lows and reflation and reopening trades were unwound completely. With Covid-19 cases on a decline in early autumn, reflation, yields, cyclicals and commodities rallied again. Shortly after, a more hawkish shift in central bank rhetoric signalling a less accommodative monetary policy, sparked renewed volatility. Markets regained their footing, only to be put in another tailspin by the omicron variant scare, that caused a spike in equity and bond volatility.

Reopening economies and massive fiscal stimulus delivered a pronounced boost to demand in 2021. The transfer payments create purchasing power without also adding to the supply of goods and services. Usually, one must work (produce goods or services) to earn money (purchasing power). Newly printed money upsets this balance by increasing purchasing power without also increasing the supply of goods and services. Higher prices usually help balance supply and demand by reducing demand, but that doesn't work well when everyone can afford the higher prices. The resulting supply-demand imbalance produced one of the hottest years for inflation in recent decades. Strong price increases initially were localized in a few product categories, but lately those gains have broadened and importantly also includes the labour market. This stands in stark contrast to the deep financial crisis led recession in 2008-09 which was followed by a sluggish recovery dominated by persistent disinflationary forces. Core inflation could, if growth continue above trend and with labour markets tightening, end up on a higher path than pre-pandemic, prompting a gradual monetary policy normalization starting in 2022. A more sanguine outcome would be rotation of inflation rather than broad-based acceleration in prices, i.e., some prices turn out to be transitory while others are stickier.

Gigantic fiscal stimulus in the developed world has led to healthy private sector balance sheets but resulting in huge structural fiscal deficits even as unemployment is falling. In China, the significant debt overhangs in the real estate and corporate sectors pose a material risk. China is often viewed as the world's growth engine but there's more to this than meets the eye. Even if China has been the biggest arithmetical component of world growth for many years, the country absorbs demand from the rest of the world which shows up in its huge external surplus (which is recycled as global financial unwanted savings). What matters when Chinese growth slows is the extent of rebalancing in China. The best-case scenario is if the slowdown is driven by a much faster decline in investment growth and a slower decline in consumption growth. China is a large and unbalanced economy and the way in which it adjusts is more important than whether it slows down or picks up speed during the adjustment period.

The sell-side consensus has been very reluctant to boost numbers for forward estimates during Covid-19, hence investors have seen extraordinary "upside surprises" for earnings over the last several quarters, thereby compensating multiple pressures. Even if this returns to normal, which is likely as economies eventually normalizes, the path could be bumpy. The supply-side bottlenecks have probably front-loaded a fair amount of demand as companies places excess orders to secure as much supply as possible. When the supply problems ease, certain segments of the economy like retail and semiconductors could experience the reverse situation of today, i.e., overcapacity and margin pressure. This is perhaps not the most likely short-term outcome but a scenario that would confirm a global economy that has changed from moderate but steady growth to a more volatile version. On the same theme, strong credit creation (bank loans and debt issuance) supports the idea that the post-pandemic world is very different to the deleveraging world seen after the 2008-09 crisis, thus implying higher inflation and higher interest rates than over the previous decade. Current market pricing is inconsistent with this idea and show a very flat trajectory for future policy rates, which is more reminiscent of the macro/policy backdrop of the previous decade.

Lancelot Ector

Report from the Investment Manager (continued)

Broad consensus outlook for 2022 is to expect modest, single-digit equity returns, negative bond returns, and increasing volatility across asset classes. Although long-term average annual stock market total returns for countries like Sweden is around 12 %, the standard deviation (volatility) is high. Historically, the Swedish equity market has shown double-digit positive or negative annual returns 70 % of the time. Returns for many asset classes could depend not just on when, but also how forcefully central banks withdraw the stimulus unleashed in 2020. Stocks are always very risky and even though bonds will generate lower future returns they will still generate much safer returns than stocks. And that means that bonds will still be a useful diversifier even if rates rise substantially. Stocks should be owned to protect from inflation while bonds protect from equity volatility.

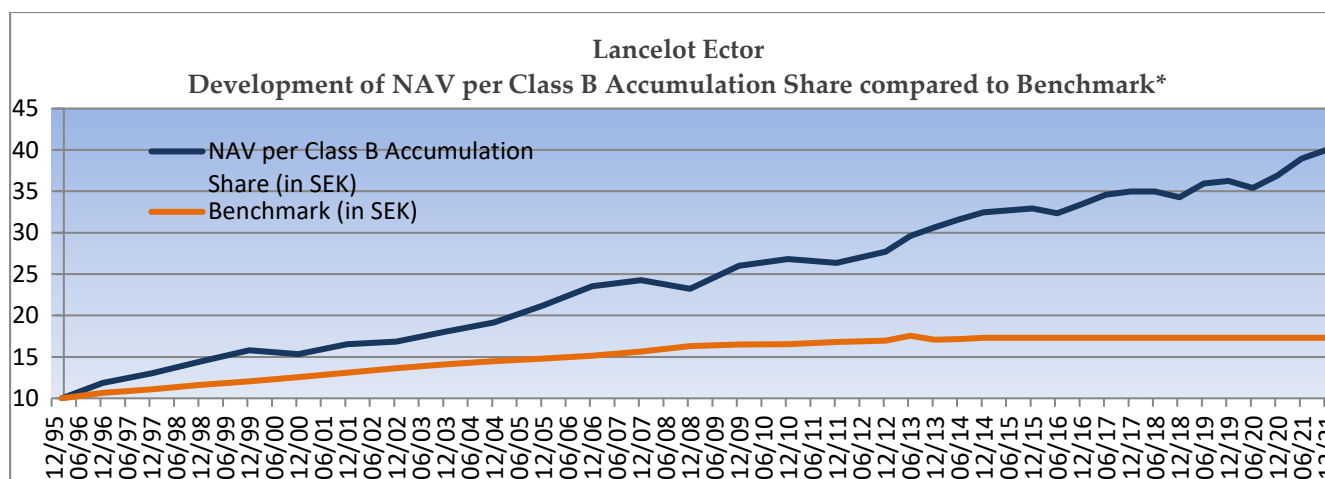
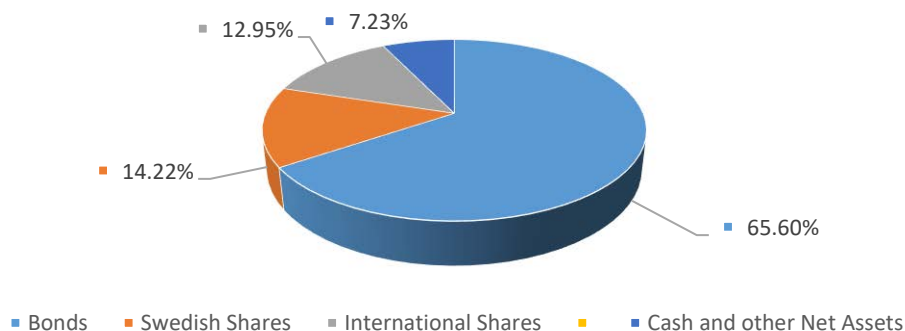
Luxembourg, 5th January 2022

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



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%
2021	8.34%	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 2021, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

What we have audited

The Fund’s financial statements comprise:

- the statement of net assets as at 31 December 2021;
- the statement of operations and other changes in net assets for the year then ended;
- the statement of investments and other net assets as at 31 December 2021; 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, 12 April 2022

Antoine Geoffroy

Lancelot Ector - Master Fund

Statement of net assets (in SEK)

as at 31st December 2021

Assets

Securities portfolio at market value	460,908,174
Cash at banks	31,780,213
Receivable on issues of shares	49
Income receivable on portfolio	636,592
Unrealised gain on forward foreign exchange contracts	144,106
Total assets	493,469,134

Liabilities

Bank overdrafts	3,502
Expenses payable	7,402,086
Total liabilities	7,405,588
Net assets at the end of the year	486,063,546

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	9,611,648.765	SEK	39.99	384,393,317
B Dividend	4,750,796.128	SEK	21.40	101,670,229
				486,063,546

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 2021 to 31st December 2021

Income	
Dividends, net	2,834,367
Interest on bonds and other debt securities, net	4,198,330
Bank interest	63
Total income	7,032,760
Expenses	
Management fees	4,984,078
Performance fees	6,767,107
Banking charges and other fees	15
Transaction fees	111,259
Central administration costs	703,132
Professional fees	145,380
Other administration costs	258,754
Subscription duty ("taxe d'abonnement")	243,641
Bank interest paid	35,176
Other expenses	337,763
Total expenses	13,586,305
Net investment loss	-6,553,545
Net realised gain/(loss)	
- on securities portfolio	45,082,131
- on forward foreign exchange contracts	-2,285,865
- on foreign exchange	-169,980
Realised result	36,072,741
Net variation of the unrealised gain/(loss)	
- on securities portfolio	2,655,188
- on forward foreign exchange contracts	-793,194
Result of operations	37,934,735
Dividends paid	-1,998,717
Subscriptions	20,094,313
Redemptions	-21,260,711
Total changes in net assets	34,769,620
Total net assets at the beginning of the year	451,293,926
Total net assets at the end of the year	486,063,546

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

Lancelot Ector - Master Fund

Statistical information (in SEK)

as at 31st December 2021

Total net assets	Currency	31.12.2019	31.12.2020	31.12.2021
	SEK	468,897,644	451,293,927	486,063,546

Net asset value per share class	Currency	31.12.2019	31.12.2020	31.12.2021
B CAP	SEK	36.27	36.91	39.99
B Dividend	SEK	20.31	20.16	21.40

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
B CAP	9,518,531.719	367,914.884	-274,797.838	9,611,648.765
B Dividend	4,957,135.542	291,420.666	-497,760.080	4,750,796.128

Dividends paid	Currency	Dividend per share class	Ex-dividend date
B Dividend	SEK	0.4032	14.01.2021

Lancelot Ector - Master Fund

Statement of investments and other net assets (in SEK)

as at 31st December 2021

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets*
Investments in securities					
Transferable securities admitted to an official stock exchange listing					
Shares					
Cyclical consumer goods					
USD	130	Amazon.com Inc	3,953,138	3,925,192	0.81
Financials					
EUR	69,000	Commerzbank AG	4,867,351	4,751,185	0.98
SEK	14,000	EQT AB Reg	1,906,518	6,902,000	1.42
SEK	64,200	Investor AB B	7,289,504	14,621,550	3.01
SEK	35,500	Nordea Bank Abp Reg	2,601,147	3,922,750	0.81
			16,664,520	30,197,485	6.22
Healthcare					
USD	4,800	Danaher Corp	3,313,125	14,300,722	2.94
USD	800	Illumina Inc	2,879,103	2,756,029	0.57
CHF	9,575	Novartis AG Reg	6,451,716	7,642,418	1.57
CHF	2,150	Roche Holding Ltd Pref	7,104,542	8,103,579	1.67
			19,748,486	32,802,748	6.75
Industrials					
SEK	23,500	SKF AB B	4,893,204	5,040,750	1.04
SEK	56,249	Volvo AB B	8,478,506	11,792,603	2.43
			13,371,710	16,833,353	3.47
Non-cyclical consumer goods					
GBP	76,500	Britvic Plc	4,537,378	8,629,619	1.77
Raw materials					
SEK	47,700	Granges AB Reg	5,283,460	5,060,970	1.04
SEK	48,906	Stora Enso Oyj R	7,049,299	8,079,271	1.66
			12,332,759	13,140,241	2.70
Technologies					
USD	2,200	Microsoft Corp	4,229,977	6,700,127	1.38
USD	3,600	PayPal Holdings Inc	6,103,243	6,147,602	1.26
SEK	110,000	Telefon AB LM Ericsson B	9,220,779	10,976,900	2.26
			19,553,999	23,824,629	4.90
Telecommunications services					
SEK	245,000	Telia Co AB	8,690,491	8,674,225	1.78
Total shares					
			98,852,481	138,027,492	28.40
Bonds					
Corporate bonds					
SEK	4,000,000	Getinge AB FRN Ser 5 21/10.06.24	4,000,000	4,006,380	0.82
SEK	4,000,000	Hexagon AB FRN 20/07.12.26	4,000,000	4,067,540	0.84
SEK	10,000,000	Hufvudstaden AB 1.188% 21/11.03.26	10,008,200	9,907,450	2.04
SEK	10,000,000	Hufvudstaden AB 1.293% Ser 124 21/14.10.26	10,000,000	9,892,800	2.03
SEK	8,000,000	ICA Gruppen AB FRN Ser 111 Sen 19/04.03.22	8,000,000	8,005,480	1.65
SEK	16,000,000	Jernhusen AB FRN DMTN Ser MTN121GB Sen 18/17.04.23	16,226,560	16,124,480	3.32
SEK	7,000,000	Jernhusen AB FRN Ser 104 13/19.09.23	7,273,910	7,099,015	1.46
SEK	8,000,000	Nibe Industrier AB FRN Ser 111 21/03.06.26	8,000,000	8,024,040	1.65
SEK	10,000,000	PostNord AB FRN DMTN Ser 116 Sen 19/28.05.24	10,000,000	10,196,050	2.10
SEK	10,000,000	Stadshypotek AB 0.5% Ser 1591 Sen 20/01.06.26	9,995,400	9,940,200	2.04
SEK	20,000,000	Storebrand Livsforsikring AS FRN Sub 17/21.11.47	19,990,000	20,165,700	4.15
SEK	20,000,000	Sveaskog AB FRN 14/06.03.24	20,408,000	20,311,800	4.18
SEK	20,000,000	Sveaskog AB FRN Sen 14/30.10.23	20,000,000	20,221,400	4.16
SEK	17,500,000	Swedavia AB VAR Jun Sub 19/26.02 Perpetual	17,603,125	17,499,387	3.60

* 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 2021

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets *
SEK	20,000,000	Vasakronan AB FRN EMTN Ser 9 19/11.02.22	20,049,800	20,008,900	4.12
			185,554,995	185,470,622	38.16
Financial Institution bonds					
SEK	18,000,000	Danske Bank A/S FRN EMTN Sen Reg S 18/25.01.23	18,000,000	18,054,630	3.71
SEK	20,000,000	Landshypotek Bank AB VAR Jun Sub 17/31.12.Perpetual	21,150,000	20,147,500	4.14
SEK	6,000,000	Lansforsakringar Bank FRN Jun Sub 20/19.02.Perpetual	6,000,000	6,128,910	1.26
SEK	20,000,000	Nordea Hypotek AB 0.5% Ser 5536 21/16.09.26	20,059,400	19,818,500	4.08
SEK	10,000,000	SBAB Bank AB FRN 21/25.05.Perpetual	10,000,000	10,138,700	2.09
			75,209,400	74,288,240	15.28
Government guaranteed bonds					
SEK	18,000,000	Akademiska Hus AB FRN EMTN Sen 19/20.06.24	18,536,940	18,328,770	3.77
Municipal bonds					
SEK	20,000,000	Kommuninvest I Sverige AB 1% MTN Ser K2611 Sen 19/12.11.26	20,744,450	20,384,200	4.19
SEK	20,000,000	Stockholm (City of) FRN EMTN Sen Reg S 19/21.05.24	20,720,800	20,404,600	4.20
			41,465,250	40,788,800	8.39
Total bonds			320,766,585	318,876,432	65.60
Open-ended investment funds					
Tracker funds (UCI)					
Investment funds					
SEK	190,000	XACT BEAR Units Dist	11,391,911	4,004,250	0.82
Total tracker funds (UCI)			11,391,911	4,004,250	0.82
Total investments in securities			431,010,977	460,908,174	94.82
Cash at banks				31,780,213	6.54
Bank overdrafts				-3,502	0.00
Other net assets/liabilities				-6,621,339	-1.36
Total				486,063,546	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 2021

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 2021

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

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

1	SEK	=	0.1005809	CHF	Swiss Franc
			0.0971423	EUR	Euro
			0.0815563	GBP	Pound Sterling
			0.1104313	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. Net 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 caption "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the Company relating to purchases or sales of securities and of fees relating to transactions paid to the Depository and of transaction fees on financial and derivative instruments.

Lancelot Ector

Notes to the financial statements (continued)

as at 31st December 2021

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.

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.

As at 31st December 2021, the following performance fees were recorded for the Sub-Fund:

Sub-Fund	Share class	Performance fee amount in Sub-Fund currency	Performance fee ratio in % of average TNA
Lancelot Ector - Master Fund	B Accumulation	5,253,538.32	1.40%
		5,253,538.32 SEK	
Lancelot Ector - Master Fund	B Dividend	1,513,568.54	1.41%
		1,513,568.54 SEK	

Lancelot Ector

Notes to the financial statements (continued)

as at 31st December 2021

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.

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 237,422 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 2021, the Sub-Fund is committed in the following forward foreign exchange contracts with Skandinaviska Enskilda Banken AB (publ) - Luxembourg Branch:

Lancelot Ector - Master Fund

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in SEK)
SEK	4,297,376	USD	476,000	03.01.2022	-12,995
EUR	51,000	SEK	526,185	28.02.2022	-828
EUR	156,000	SEK	1,597,195	28.02.2022	9,781
SEK	9,258,576	CHF	935,916	28.02.2022	-55,616
SEK	566,193	CHF	57,000	28.02.2022	-1,068
SEK	15,991,745	EUR	1,547,400	28.02.2022	51,778
SEK	122,981	EUR	12,000	28.02.2022	-633
SEK	5,312,456	GBP	436,597	28.02.2022	-37,306
SEK	4,230,141	USD	467,000	28.02.2022	3,081
SEK	17,732,977	USD	1,938,128	28.02.2022	189,969
SEK	402,012	USD	44,000	28.02.2022	3,745
SEK	839,032	USD	93,000	28.02.2022	-2,759
USD	500,000	SEK	4,528,804	28.02.2022	-3,043
					<hr/> 144,106

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Notes to the financial statements (continued)

as at 31st December 2021

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

- Skandinaviska Enskilda Banken AB (publ) - Luxembourg Branch 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 is disclosed in the caption "Redeemable cash collateral received" in the statement of net assets,
- Skandinaviska Enskilda Banken AB (publ) - Luxembourg Branch 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 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) 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 Company. There has been a significant correction in the financial markets especially at the begin of the pandemic in March 2020. Meanwhile most market recovered again as the pandemic situation is slowing down.

However, FundRock Management Company S.A. and the Board of Directors of the Company are of the opinion that these events do not impact the financial statements as of 31st December 2021, nor do they present any issues with regards to the going concerns of the Company.

- b) 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.

Note 11 - Subsequent events

There are no significant subsequent events.

Lancelot Ector

Additional information (unaudited)

as at 31st December 2021

1 - Risk management

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

FundRock ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that FundRock's employees who are identified as risk-takers under UCITS V are not remunerated based on the performance of the funds under management.

A paper version of the remuneration policy is made available free of charge to investors at FundRock's registered office. FundRock's remuneration policy can also be found at: <https://www.fundrock.com/policies-and-compliance/remuneration-policy/>

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

Fixed remuneration: EUR 10,565,583

Variable remuneration: EUR 728,026

Number of beneficiaries: 135

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

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

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

Lancelot Ector

Additional information (unaudited) (continued)

as at 31st December 2021

2.2. Remuneration of the Investment Manager

The remuneration to Lancelot Asset Management AB for the period from 1st January 2021 till 31st December 2021:

Number of employees: 15

Total compensation to staff: SEK 36,231,000

Of which compensation to identified staff/risk takers: SEK 25,859,000

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.

4 - Sustainability-related disclosures

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.