

Unaudited semi-annual report as at 30th June 2023

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
Board Member
Lancelot Asset Management AB, Stockholm, Sweden

Rikard LUNDGREN
Independent Director
SteenDier Sàrl, Ehlange, 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
(until 17th July 2023)

Karl FUHRER
Executive Director, Global Head of Investment Management Oversight
FundRock Management Company S.A., Luxembourg
(since 17th July 2023)

Thibault GREGOIRE
Executive Director - Chief Financial Officer
FundRock Management Company S.A., Luxembourg

Carmel MCGOVERN
Independent Non-Executive Director, Luxembourg

Xavier PARAIN
Executive Director - Head of FundRock
FundRock Management Company S.A., Luxembourg
(until 10th February 2023)

David RHYDDERCH
Non-Executive Director
Apex Group Limited, London
(since 5th May 2023)

Lancelot Ector

Organisation (continued)

Depository	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	UI efa S.A. (formerly 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 28th February 1996.

Total subscriptions to the Master Fund, initially launched on 13th March 1996, at SEK 10,00 per share, amount to 9,323,525.955 capitalisation shares and 9,196,506.247 distribution shares as of 30th June 2023, representing total assets of SEK 545,218,914. The net asset value per capitalisation share was SEK 38.93 i.e., increase of 289.3% after fees from launch date and increase of 2.58% during the first six months of 2023.

The Master Fund is a so-called balanced fund, which seeks to achieve positive inflation-adjusted capital growth over time. The asset allocation is flexible with the equity part invested in Swedish and international stock market listed shares. 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)

The first half of 2023 was characterised of high inflation in the western hemisphere and as a result steep increases in central bank rates, but positive stock markets and declining volatility. Despite a banking crisis in March, where several regional banks in the US were subject to a run or restructuring, stock and credit markets quickly recovered lost ground.

The first half of 2023 was almost a reverse of 2022 in terms of stock market and sector returns, where Swedish stocks returned 12.1% and global stocks returned 19.1% in Swedish krona. Sector wise, the previously beaten down global Technology sector returned 43.9%, Consumer Discretionary 33.5%, and Communication Services 34.2%, while the defensive sectors Health Care returned 4.6% and Consumer Staples 7.9%.

Similar pattern is clear considering stock market styles, where Growth stocks, which had a tough 2022, returned 31.5% during the first half of 2023 and Quality stocks 25.5%. Value stocks, on the other hand returned more modestly 8.2% and Low volatility stocks 7.4%.

Interest rates increased during the period, short as well as long rates, of the back of stubbornly high inflation numbers. For example, the Swedish 5-year government bond yield increased from 2.5 to 2.8%, contributing to a negative 0.6% return for government bonds. Floating rates notes, a sector to which Lancelot Ector allocates around two thirds of the bond portfolio, benefitted from increased short rates. During the period, 3-month STIBOR increased from 2.7% to 3.8%, driving the 2.8% return of the Floating rate note index.

The Swedish krona depreciated during the period against most major currencies, such as the US dollar (3.5%), British Pound (8.8%), Euro (5.5%) and Swiss Franc (6.8%). This benefitted Lancelot Ector, which don't hedge the foreign currency exposure of global stocks into Swedish krona.

The Fund (performance review)

The contribution to Lancelot Ector's return of 2.6% during the first half of the year was about equally split between the equity and fixed income allocations of the fund.

The fund manager was active in asset allocation changes during the period. The stock weight was 27% in the beginning of the year due to a relatively bright outlook for stock markets but gradually decreased to about 22% at the end of the period as the market became more expensive. New sectors were added to the fund's stock portfolio during the period to diversify more into infrastructure, technology, communication services, consumer discretionary and consumer staples. Currency exposure to the US dollar and Euro increased during March, as foreign stock holdings were added to the portfolio. The Swedish krona depreciated during the period, contributing to return. Interest rate duration increased from 1.1 years to 1.5 years at the end of the period, to diversify the fund's bond holdings. The corporate bond weighing in the fixed income portfolio increased while mortgage bonds decreased, to improve issuer diversification and yield.

Lancelot Ector

Report from the Investment Manager (continued)

Lancelot Ector's share portfolio is focused on stable companies with low debt, increasing dividend, proven business models and low valuations, and is diversified geographically as well as sector wise. The individual shares which contributed most positively to Lancelot Ector's return in the first half of 2023 were Alphabet (new holding, +31.5%), Ares Management (new holding +27.2%) and Volvo (+27.0%). The companies that gave the largest negative return contribution were Hufvudstaden (-9,6%, sold), Ericsson (-7.8%, sold) and Danaher (-7.0%, sold).

The individual bonds that contributed most positive to Lancelot Ector's return in the first half of 2023 was Swedavia (+5.3%), Castellum (new holding, +4.1%) and Open Infra (new holding, +4.6%). The bonds that gave the largest negative return contribution were Loomis (new holding, -1.2%), Getinge (new holding, -1.4%) and LF Bank (-0.7%). For those stocks and bonds which provided a negative profit contribution, as well as all other holdings in Lancelot Ector for that matter, we have full confidence about positive contributions to the fund during the second half of 2023.

As of 30th June 2023, the Swedish equity exposure amounted to 6.6%, international equity exposure amounted to 15.0%, bonds amounted to 65.2% and cash amounted to 11,8% of total net asset value.

Outlook for the second half of 2023 for the market and for Lancelot Ector

Looking ahead six to twelve months, our base case scenario is that inflation will decline but it will take time before it reaches 2%, not least in Sweden which has one of the highest inflation rates in the western hemisphere. Hence, we believe in higher short interest rates in Sweden during the rest of 2023 and 2024, which in turn is an important decision variable of our equity and bond allocation as well as the composition of the bond portfolio.

Even though stocks have delivered healthy returns during the first half of 2023, we are relatively constructive of the asset class going forward as we believe companies might continue to beat low earnings expectations. However, we put a significant probability of our alternative scenario, which would be a deep global recession, or inflation rates that don't come down in line with expectations. We are mindful of the latter scenario, meaning that we remain cautious regarding the fund's stock weighting for now.

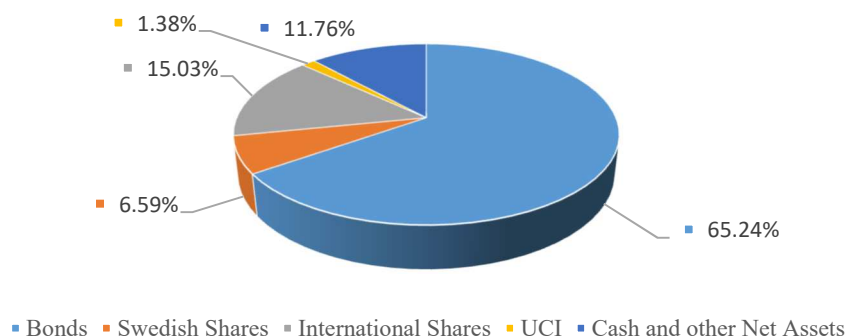
Lancelot Ector's stock portfolio has a p/e ratio of 13.0 for 2023 and a profit growth of 8.7% combined with a dividend yield of 3.8%. We believe the stock portfolio is attractively valued and combined with the fixed income portfolio yield of 5.9% we believe Lancelot Ector is well placed to deliver on its target over the long term.

Luxembourg, 18th July 2023

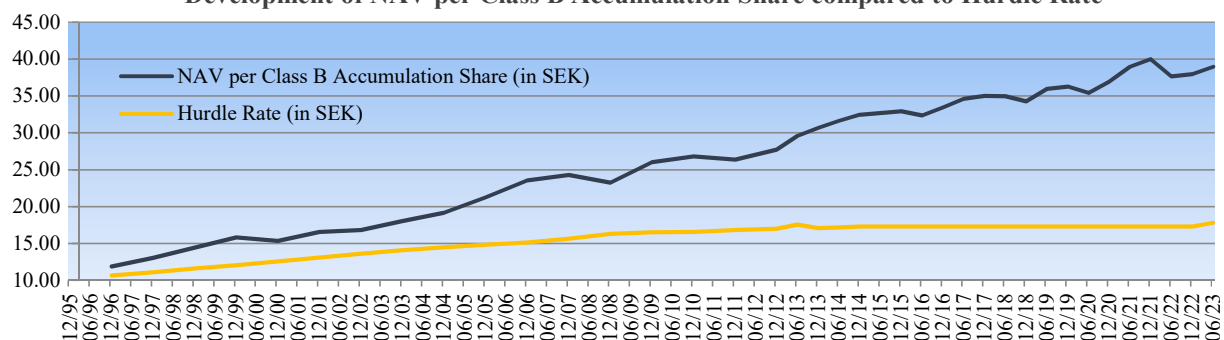
The Investment Manager

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

Lancelot Ector - Master Fund Breakdown of net Assets



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



Year	NAV Development	Hurdle rate 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%
2022	-5.10%	0.00%
2023***	2.58%	1.424%

* Hurdle rate used for performance fees calculation

** Relating to the period 15/03/1996 to 31/12/1996, i.e. since the Fund's inception

*** Relating to the period from 01/01/2023 to 30/06/2023

Lancelot Ector - Master Fund

Statement of net assets (in SEK)

as at 30th June 2023

Assets

Securities portfolio at market value	481,093,012
Cash at banks	61,862,722
Receivable on issues of shares	300
Income receivable on portfolio	2,842,915
Bank interest receivable	34,624
Prepaid expenses	59,010
Total assets	545,892,584

Liabilities

Expenses payable	673,670
Total liabilities	673,670
Net assets at the end of the period	545,218,914

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	9,323,525.955	SEK	38.93	363,008,562.28
B Dividend	9,196,506.247	SEK	19.81	182,210,352.02
				545,218,914

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 2023 to 30th June 2023

<u>Income</u>	
Dividends, net	2,530,186
Interest on bonds and other debt securities, net	5,853,082
Bank interest	83,508
Total income	8,466,777
<u>Expenses</u>	
Management fees	2,240,902
Transaction fees	126,843
Central administration costs	323,870
Professional fees	112,133
Other administration costs	119,375
Subscription duty ("taxe d'abonnement")	123,317
Bank interest paid	855
Other expenses	147,356
Total expenses	3,194,654
Net investment income	5,272,123
<u>Net realised gain/(loss)</u>	
- on securities portfolio	4,713,802
- on foreign exchange	-236,021
Realised result	9,749,904
<u>Net variation of the unrealised gain/(loss)</u>	
- on securities portfolio	1,604,032
Result of operations	11,353,936
Dividends paid	-2,569,992
Subscriptions	119,077,615
Redemptions	-13,644,886
Total changes in net assets	114,216,672
Total net assets at the beginning of the period	431,002,241
Total net assets at the end of the period	545,218,914

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

Lancelot Ector - Master Fund

Statistical information (in SEK)

as at 30th June 2023

Total net assets	Currency	31.12.2021	31.12.2022	30.06.2023
	SEK	486,063,546	431,002,241	545,218,914

Net asset value per share class	Currency	31.12.2021	31.12.2022	30.06.2023
B CAP	SEK	39.99	37.95	38.93
B Dividend	SEK	21.40	19.80	19.81

Number of shares	outstanding at the beginning of the period	issued	redeemed	outstanding at the end of the period
B CAP	8,647,627.049	979,864.168	-303,965.262	9,323,525.955
B Dividend	5,191,903.710	4,103,270.518	-98,667.981	9,196,506.247

Dividends paid	Currency	Dividend per share class	Ex-dividend date
B Dividend	SEK	0.495	11.01.2023

Lancelot Ector - Master Fund

Statement of investments and other net assets (in SEK) as at 30th June 2023

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					
Financials					
USD	2,606	Ares Management LP	2,188,247	2,713,207	0.50
GBP	175,570	Legal & General Group Plc	5,582,916	5,482,629	1.00
SEK	12,078	Lundbergforetagen AB B	5,663,080	5,541,386	1.02
SEK	42,048	Svenska Handelsbanken AB A	4,443,234	3,798,616	0.70
			17,877,478	17,535,839	3.22
Healthcare					
SEK	3,451	AstraZeneca Plc	4,999,636	5,342,148	0.98
USD	1,160	Elevance Health Inc	5,502,034	5,569,054	1.02
USD	3,057	Johnson & Johnson	5,050,977	5,467,676	1.00
CHF	5,011	Novartis AG Reg	3,530,961	5,448,689	1.00
CHF	1,643	Roche Holding Ltd Pref	5,446,760	5,429,002	1.00
			24,530,371	27,256,570	5.00
Industrials					
SEK	13,244	ABB Ltd Reg	4,784,057	5,616,780	1.03
SEK	25,503	Volvo AB B	4,423,809	5,687,169	1.04
			9,207,867	11,303,949	2.07
Investment funds					
USD	14,037	Ares Capital Corp	2,653,733	2,850,086	0.52
Non-cyclical consumer goods					
GBP	40,770	Britvic Plc	2,420,302	4,794,613	0.88
USD	6,221	General Mills Inc	5,236,971	5,155,995	0.95
CHF	4,177	Nestlé SA Reg	5,157,639	5,430,025	1.00
USD	3,407	Procter & Gamble Co	5,119,479	5,586,362	1.02
			17,934,392	20,966,996	3.85
Raw materials					
SEK	25,917	Granges AB Reg	2,720,310	2,666,859	0.49
SEK	26,549	Stora Enso Oyj R	3,892,571	3,321,279	0.61
			6,612,881	5,988,139	1.10
Technologies					
USD	4,540	Alphabet Inc A	4,472,097	5,872,282	1.08
Telecommunications services					
USD	12,371	Comcast Corp A	5,477,966	5,554,343	1.02
SEK	165,649	Telia Co AB	5,592,358	3,917,598	0.72
			11,070,325	9,471,942	1.74
Utilities					
USD	5,576	Consolidated Edison of NY Inc	5,497,705	5,446,883	1.00
EUR	39,770	Iberdrola SA	5,128,524	5,602,800	1.03
GBP	38,401	National Grid Plc Reg	5,320,538	5,489,385	1.01
			15,946,768	16,539,070	3.04
Total shares			110,305,916	117,784,877	21.62

* 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 30th June 2023

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets *
Bonds					
Corporate bonds					
SEK	8,000,000	Afry AB FRN 23/25.05.26	8,000,000	8,020,800	1.47
SEK	4,000,000	Afry AB FRN Ser 105 21/01.12.26	3,905,560	3,953,880	0.72
SEK	16,000,000	Castellum AB FRN Ser 435 21/28.05.26	14,716,000	15,008,960	2.75
SEK	4,000,000	Catena AB FRN 21/16.06.25	3,790,000	3,859,540	0.71
SEK	16,000,000	Elekta AB 1.925% Ser 107 21/14.12.28	13,933,760	13,553,360	2.49
SEK	8,000,000	Getinge AB 4.615% Ser 11 23/17.05.28	8,000,000	7,872,160	1.44
SEK	10,000,000	Heba Fastighets AB FRN Ser 106 22/26.04.24	9,807,200	9,856,800	1.81
SEK	6,000,000	Heba Fastighets AB FRN Ser MTN 104 21/19.05.25	5,653,500	5,704,620	1.05
SEK	4,000,000	Hexagon AB FRN 20/07.12.26	4,000,000	3,994,660	0.73
SEK	10,000,000	Hufvudstaden AB 1.188% 21/11.03.26	10,008,200	8,994,050	1.65
SEK	10,000,000	Hufvudstaden AB 1.293% Ser 124 21/14.10.26	10,000,000	8,824,650	1.62
SEK	10,000,000	Husqvarna AB 4.154% Ser 126/1 23/14.08.28	10,000,000	9,786,800	1.79
SEK	34,000,000	ICA Gruppen AB FRN Ser 119 23/24.02.27	34,153,920	34,231,710	6.28
SEK	8,000,000	Indutrade AB 4.635% Ser 114 23/23.02.28	8,000,000	7,772,640	1.42
SEK	14,000,000	Loomis AB 4.923% 23/19.05.27	14,000,000	13,750,030	2.52
SEK	8,000,000	Loomis AB FRN Ser 106 23/19.05.27	8,000,000	7,998,560	1.47
SEK	8,000,000	Nibe Industrier AB FRN Ser 111 21/03.06.26	8,000,000	7,920,280	1.45
SEK	12,500,000	Open Infra AB FRN 21/11.11.25	12,359,375	12,521,875	2.30
SEK	10,000,000	Rikshem AB 4.51% EMTN 22/06.09.27	10,040,500	9,767,200	1.79
SEK	5,000,000	Sinch AB FRN Sen 19/27.11.24	4,961,050	4,938,625	0.91
SEK	10,000,000	Stena Metall Finans AB FRN 23/10.05.28	10,015,475	10,094,250	1.85
SEK	17,500,000	Swedavia AB VAR Jun Sub 19/26.02 Perpetual	17,603,125	17,497,375	3.21
SEK	6,000,000	Tryg Forsikring AS FRN 21/26.05.Perpetual	5,823,000	5,871,960	1.08
SEK	10,000,000	Tryg Forsikring AS FRN 23/20.06.Perpetual	10,000,000	9,954,600	1.83
			244,770,665	241,749,385	44.34
Financial Institution bonds					
SEK	10,000,000	DNB Bank ASA FRN EMTN 23/23.05.33	10,002,500	9,675,600	1.77
SEK	8,000,000	Lansforsakringar Bank AB FRN 23/01.03.33	8,000,000	7,836,040	1.44
SEK	8,000,000	Lansforsakringar Bank FRN Jun Sub 20/19.02.Perpetual	7,995,000	7,998,720	1.47
SEK	8,000,000	Nordea Hypotek AB 0.5% Ser 5536 21/16.09.26	8,023,760	7,170,080	1.31
SEK	10,000,000	SBAB Bank AB FRN 21/25.05.Perpetual	10,000,000	9,822,550	1.80
SEK	4,000,000	SBAB Bank AB FRN Jun Sub 19/05.12.Perpetual	4,000,000	4,037,800	0.74
SEK	8,000,000	Sparbanken Skane AB FRN 23/14.02.28	8,000,000	7,979,000	1.46
SEK	10,000,000	Stadshypotek AB 0.5% Ser 1591 Sen 20/01.06.26	9,995,400	9,048,650	1.66
SEK	32,000,000	Swedbank AB FRN EMTN 23/09.06.33	32,062,300	32,199,360	5.91
			98,078,960	95,767,800	17.56
Municipal bonds					
SEK	20,000,000	Kommuninvest I Sverige AB 1% MTN Ser K2611 Sen 19/12.11.26	20,744,450	18,236,600	3.34
Total bonds			363,594,075	355,753,785	65.24
Open-ended investment funds					
Tracker funds (UCITS)					
Investment funds					
EUR	135,359	iShares II Plc EUR Corp Bd ESG UCITS ETF Cap	7,045,429	7,554,349	1.38
Total tracker funds (UCITS)			7,045,429	7,554,349	1.38
Total investments in securities			480,945,421	481,093,012	88.24
Cash at banks				61,862,722	11.35
Other net assets/liabilities				2,263,179	0.41
Total				545,218,914	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 30th June 2023

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 Mémorial 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 or Money Market Instruments 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 or Money Market Instruments are valued on the basis of their probable sales price as determined in good faith by the Board of Directors and its delegate.
- 3) Liquid assets are valued at their nominal value plus accrued interest.
- 4) Time deposits are valued at their yield value if a contract exists between the Company and the Depository stipulating that these time deposits can be withdrawn at any time and their yield value is equal to the realized value.
- 5) All assets denominated in a different currency than the respective Sub-Fund's currency are converted into this respective Sub-Fund's currency at the exchange rates used for the respective Valuation Day.

Lancelot Ector

Notes to the financial statements (continued)

as at 30th June 2023

- 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) 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.

d) 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.

e) 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.

f) 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	=	0.0827704	CHF	Swiss Franc
			0.0848239	EUR	Euro
			0.0727882	GBP	Pound Sterling
			0.0925429	USD	US Dollar

g) Transaction fees

Transaction costs disclosed under the caption "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the 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.

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

The Investment Manager is entitled to a performance fee paid out of the Sub-Fund's assets, calculated daily and payable yearly at the end of the Company's financial year, at the rate of 15% of the relevant Sub-Fund's total return, based on the High Water Mark (the "HWM") model where the Net Asset Value at the beginning and at the end of the relevant financial year and after accrual of the fixed fee, outperforms on a year to year basis the agreed Hurdle.

The Hurdle rate is the higher of:

- a) 0 percent
- b) The interpolated twelve months Swedish Government rate of interest as per close of market on the last Swedish banking day of the previous year. An interpolation is made in the Hurdle rate in a non-discretionary manner from the existing listed Swedish Government interest bearing securities (i.e. Swedish Treasury Bills and Swedish Government Benchmark Bonds).

For a calendar year when the Sub-Fund underperforms the agreed Hurdle no performance fee is paid and the amount of the relative underperformance from that year shall remain relevant for coming years. This means that at a forthcoming year with outperformance compared to the Hurdle, no performance fee is paid until the amount of underperformance from previous year (s) is fully recovered.

As at 30th June 2023, no performance fees was recorded for the Sub-Fund.

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 132,572 are included in the title "Other expenses" in the statement of operations and other changes in net assets.

Lancelot Ector

Notes to the financial statements (continued)

as at 30th June 2023

Note 8 - 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 9 - Events

With effect from 15th May 2023, European Fund Administration S.A. changed its name to UI efa S.A..

Xavier Parain resigned from the Board of Directors of FundRock Management Company S.A. on 10th February 2023 and David Rhydderch was appointed by co-optation to the Board on 5th May 2023.

Note 10 - Subsequent events

Romain Denis resigned from the Board of Directors of FundRock Management Company S.A. on 17th July 2023 and Karl Fuhrer was appointed as a director in his place.

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.