

**LSAM SF 3 Plc**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

*Registration No. 426254*

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## LSAM SF 3 Plc

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### COMPANY INFORMATION

DIRECTORS	Colm Torpey (Irish)* (Resigned: 8 May 2023) Alan White (Irish)* Robert Burke (Irish)**
REGISTERED OFFICE	1 <sup>st</sup> Floor, College Park House South Frederick Street Dublin 2 Ireland
MANAGER	UBS Fund Management (Ireland) Limited 1st Floor, College Park House South Frederick Street Dublin 2 Ireland
INVESTMENT MANAGER FOR EURO PROTECT	UBS La Maison de Gestion Place Saint Thomas d'Aquin 4 Paris 75007 France
INVESTMENT MANAGER FOR FS EXPONENTIAL CHINA	FERI (Schweiz) AG Tödistrasse 48 8002 Zurich Switzerland
INVESTMENT MANAGER FOR VPV CHANCE PLUS	Allianz Global Investors GmbH Bockenheimer Landstraße 42-44 60323 Frankfurt am Main Germany
INVESTMENT MANAGER TO ASSET PORTFOLIO	UBS Asset Management (UK) Ltd 5 Broadgate London, EC2M 2QS England
ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT	State Street Fund Services (Ireland) Limited 78 Sir John Rogerson's Quay Dublin 2 Ireland
DEPOSITARY	State Street Custodial Services (Ireland) Limited 78 Sir John Rogerson's Quay Dublin 2 Ireland

\* Non-executive director

\*\* Independent non-executive director

## LSAM SF 3 Plc

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### COMPANY INFORMATION (Continued)

GLOBAL DISTRIBUTORS	UBS AG 5 Broadgate London EC2M 2QS United Kingdom  UBS Europe SE Bockenheimer Landstrasse, 2-4, D-60306 Frankfurt Germany
COMPANY SECRETARY	Colm Torpey* 1 <sup>st</sup> Floor, College Park House South Frederick Street Dublin 2 Ireland  Matsack Trust Limited** 70 Sir John Rogerson's Quay Dublin 2 Ireland
LEGAL ADVISORS	McCann FitzGerald Riverside One Sir John Rogerson's Quay Dublin 2 Ireland
AUDITOR	KPMG 1 Harbourmaster Place IFSC Dublin 1 Ireland
GERMAN INFORMATION AND PAYING AGENT ***	UBS Europe SE Bockenheimer Landstrasse, 2-4, D-60306 Frankfurt Germany

\* Company Secretary up to 8 May 2023.

\*\* Appointed 8 May 2023.

\*\*\* The Prospectus, the PRIIPs (Packaged Retail and Insurance-based Investment Products) KID (Key Information Document), the Memorandum and Articles of Association, the annual and semi-annual reports, as well as the issue and redemption prices are available free of charge pursuant to Sec. 297 (1) of the German Capital Investment Code from the office of the German Information and Paying Agent as specified above.

For investors in Germany, the following sub-funds are currently available:

- VPV Chance Plus
- FS Exponential China

No notification pursuant to Section 310 of the German Capital Investment Code (Kapitalanlagegesetzbuch) has been filed for the following sub-funds and the shares in these sub-funds may not be marketed to investors in the Federal Republic of Germany:

- Euro Protect

## LSAM SF 3 Plc

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### COMPANY INFORMATION (Continued)

SALE IN SWITZERLAND\*

*Representative agent*  
UBS Fund Management (Switzerland) AG  
Aeschenvorstadt 1,  
4051 Basel  
Switzerland

*Paying agent*  
UBS Switzerland AG,  
Bahnhofstrasse 45,  
8001 Zurich,  
Switzerland  
and its branches in Switzerland

\* LSAM SF 3 plc - FS Exponential China qualify as foreign open-ended collective investment schemes pursuant to article 119 para. 1 Swiss law on collective investment schemes ("CISA") as amended. The subfund will not be authorized to be offered to non-qualified investors in Switzerland and their units will only be offered to qualified investors pursuant to article 10 para. 3 and para 3ter CISA.

The relevant legal documents are available free of charge from the representative agent in Switzerland.

### DIRECTORS' REPORT

The Directors present to the shareholders the annual report together with the audited financial statements for LSAM SF 3 Plc (the "Company") for the financial year from 1 January 2023 to 31 December 2023.

#### Structure

The Company is incorporated with limited liability as an open-ended investment company with variable capital under the laws of Ireland. The Company is an umbrella fund consisting of different funds (each a "Fund", collectively the "Funds") comprising of one or more class of shares. The Company is established as a segregated liability company meaning that the assets and liabilities of each Fund are separate from one another. In addition, the assets of each Fund are invested separately in accordance with the relevant investment objective and policy of that Fund. The share classes within each Fund rank pari passu with each other in most respects although they may differ as to certain matters including currency of denomination, hedging strategies (if any), dividend policy, the level of fees and expenses to be charged, subscription or redemption procedures or the minimum subscription and minimum holding amount. A separate portfolio of assets is not maintained for each share class. The investment objective and policies and other details in relation to each Fund are set out in the relevant Supplement which forms part of and should be read in conjunction with the Prospectus dated 5 March 2021. The Company operates under the Companies Act, 2014 (the "Companies Act") and is authorised by the Central Bank of Ireland (the "Central Bank") as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the "UCITS Regulations"), and under the Central Bank (Supervision And Enforcement) Act 2013 (Section 48(1)), Regulations 2019 (the "Central Bank UCITS Regulations").

As at 31 December 2023, the Company had three Funds in operation. Additional Funds may be established by the Directors with the prior approval of the Central Bank.

The table below sets forth the approval, commencement and termination date of each Fund:

<b>Fund</b>	<b>Approved by the Central Bank</b>	<b>Commencement of Operations</b>	<b>Cease of Operations</b>
Euro Protect	30/09/2020	14/01/2021	-
VPV Chance Plus	27/07/2021	03/08/2021	-
FS Exponential China	02/06/2022	20/07/2022	-

#### Employees

The Company had no employees during the financial year ended 31 December 2023 or 31 December 2022.

#### Segregated liability

The Company is established as a segregated portfolio company. As a matter of Irish law, the assets of one Fund will not be available to satisfy the liabilities of another. However, the Company is a single entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There is no guarantee that the courts of any jurisdiction outside Ireland will respect the limitations on liability associated with segregated portfolio companies nor is there any guarantee that the creditors of one Fund will not seek to enforce such Fund's obligations against another Fund.

#### Results, Activities and Future Developments

The results of operations are set out on pages 25 to 26. A detailed review of activities is contained in the Investment Managers' Reports on pages 11 to 21. The Directors intend to continue to develop the activities of the Company.

**DIRECTORS' REPORT (CONTINUED)**

**Dividend Policy**

The Directors will have absolute discretion as to the payment of dividends. All of the Funds pursue an accumulation policy and do not intend to make any distributions of dividends.

**Soft Commission**

There have been no soft commission arrangements affecting the Company during the financial year ended 31 December 2023 and 31 December 2022.

**Directed brokerage**

There was no directed brokerage services utilised for the financial year ended 31 December 2023 and 31 December 2022.

**Accounting Records**

While the Directors are responsible for ensuring that adequate accounting records are kept by the Company pursuant to the Companies Act, the day to day management of these responsibilities has been delegated to State Street Fund Services (Ireland) Limited as Administrator, since 31 July 2016, who ensure that the requirements of Sections 281 to 285 of the Companies Act are complied with. The accounting records are maintained at 78 Sir John Rogerson's Quay, Dublin 2, Ireland.

**Significant Events during the Financial Year**

The war in Ukraine and the ongoing conflict in the middle east have a material impact on financial markets, first and foremost on Russian, Ukrainian and Israeli securities but also on the wider markets globally. The situation remains very volatile and the Investment Manager is closely monitoring in order to quickly take appropriate action to protect the interest of investors in the Sub-Funds. It has put in place the necessary measures to at all times comply with applicable laws and regulations, in particular but not limited to the most recently enacted sanction regimes in the EU, Switzerland, UK and US. As we are experiencing serious trading limitations beyond sanctioned Russian securities, we are applying fair value pricing for all relevant securities where price quotes (if available) are not considered reflective of their current market value. Depending on the future evolution of financial markets there may be a further impact on investment strategies. It is unclear right now whether this will require the application of liquidity measures in certain Sub-Funds. These could include all such measures as indicated in the respective fund prospectuses.

There were no other significant events affecting the Company during the financial year, which require adjustment to, or disclosure in the financial statements.

**Significant Events after the Financial Year End**

Adam Harris was appointed as a Director of the Company on 2 January 2024.

Euro Protect Fund was fully redeemed and terminated on 9 February 2024.

There were no other significant events affecting the Company after the financial year ended 31 December 2023.

**Prospectus**

The most recent Prospectus of the Company was issued on 5 March 2021. The Supplement for the new launched FS Exponential China was issued 2 June 2022. The Addendum to the Prospectus was issued on 10 October 2022.

**Key performance indicators**

Key performance indicators monitored for each Fund include: the month to month movement in the Net Asset Value ("NAV") per share; the share capital movements; and the logs of any errors, or breaches in investment restrictions.

**DIRECTORS' REPORT (CONTINUED)**

**Risk management**

The Company is an investment vehicle. Each Fund has its own investment objective, as described in the Prospectus and related Supplements, and summarised in the notes to the financial statements.

The Company is authorised in accordance with the UCITS Regulations and consequently is subject to various investment limits and risk management requirements set out in these Regulations, as well as other investment limits and restrictions described in the Prospectus and Supplements. The Funds may be exposed to various financial risks, including market risk (e.g. price risk, currency risk, interest rate risk), credit risk and liquidity risk. The Funds typically seek to profit from market risk, whether on a leveraged or unleveraged basis, while mitigating issuer/counterparty credit risk and liquidity risk as further described in the Prospectus and Supplements. Further details on the Company's financial risks, as well as exposures at financial year end, are set out in the notes to the financial statements.

**Connected Persons Transactions**

Regulation 43(1) of the Central Bank UCITS Regulations "Restrictions on transactions with connected persons" states that "A responsible person shall ensure that any transaction between a UCITS and a connected person is conducted a) at arm's length; and b) in the best interest of the unit-holders of the UCITS".

As required under Central Bank UCITS Regulation 81(4), the Directors are satisfied that there are arrangements in place, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 43(1) are applied to all transactions with a connected party; and all transactions with connected parties that were entered into during the period to which the report relates complied with the obligations that are prescribed by Regulation 43(1).

The Board of Directors (the "Board") is not aware of any transactions with connected persons during the financial year ended 31 December 2023 and the financial year ended 31 December 2022 other than those disclosed in these financial statements.

**Directors**

Listed below are the Directors who held office during the financial year and as at 31 December 2023:

Colm Torpey (Irish)\*/\*\*  
Alan White (Irish)\*  
Robert Burke (Irish)\*\*

\* Non-executive directors  
\*\* Independent non-executive directors  
\*\*\* Resigned: 8 May 2023

**Directors' and Secretary's Interests**

Colm Torpey was a Director of the Company until he resigned on 8 May 2023. Colm Torpey and Alan White are both employed by companies within the UBS AG group (the "Group"). Colm Torpey acted as Director of the Manager of the Company, UBS Fund Management (Ireland) Limited (or the "Manager") until he resigned on May 8, 2023. Alan White also acts as an Alternate Director of the Manager of the Company, UBS Fund Management (Ireland) Limited (or the "Manager").

None of the Directors and Secretary and their spouses and minor children held any interest during the financial year in any material contract for the provision of services which was significant to the business of the Company.

None of the Directors and Secretary and their spouses and minor children held any interest in the Company at any time during the financial year with the exception of Alan White and an employee of the Manager who each held one €1 subscriber share in the Company.

The Directors fees payable are EUR 15,000 (31 December 2022: EUR 15,000) for the financial year ended 31 December 2023.



**DIRECTORS' REPORT (CONTINUED)**

**Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements**

The Directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law. Under Company Law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its changes in net assets attributable to holders of redeemable participating shares for that year.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company. In this regard they have entrusted the assets of the Company to a trustee for safe-keeping. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

The Company's financial statements will be published electronically on a website maintained by the Manager, <https://www.fundinfo.com/en/IE-prof/LandingPage?query=LSAM%20SF%203%20PLC#tab=4>.

The Directors are responsible for ensuring that the financial statements provided to the Manager for publication on the website are consistent with the manually signed financial statements. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Corporate Governance Statement**

*Statement of Compliance*

The Company has adopted in full the voluntary Code of Corporate Governance for Collective Investment Schemes and Management Companies issued by the Irish Funds "IF", the text of which is available from the IF website, [www.irishfunds.ie](http://www.irishfunds.ie).

The Company has been in compliance with the Corporate Governance Code during the financial year ended 31 December 2023.

**DIRECTORS' REPORT (CONTINUED)**

**Corporate Governance Statement (Continued)**

**Compliance with relevant obligations**

The Board is responsible for securing the Company's compliance with its relevant obligations as set out in section 225 of the Companies Act 2014 (the "Obligations"), which includes compliance with tax law and certain company law obligations. The Board confirms:

- i) a compliance policy statement has been drawn up setting out the Company's policies (that, in the Board's opinion, are appropriate to the Company) respecting compliance by the Company with its Obligations;
- ii) appropriate arrangements or structures have been put in place that are, in the Board's opinion, designed to secure material compliance with the Company's Obligations; and
- iii) a review has been conducted during the financial year to which this report refers of the arrangements or structures that have been put in place.

**Independent Auditor**

KPMG, Chartered Accountants and Registered Auditor have expressed their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

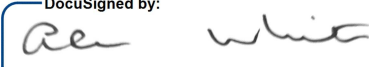
**Audit Committee**

The Company has not established an audit committee. Given the size, nature and complexity of the Company and the existing process and procedures adopted by the Company, the Directors considered the requirements to have an audit committee and decided to retain the responsibility for this function.

**Statement of Relevant Audit Information**

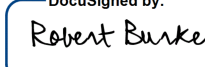
So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware and the Directors have taken all the steps that should have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board of Directors:

DocuSigned by:  


8449A4EE848A491

Alan White  
Director  
Date: 24 April 2024

DocuSigned by:  


31F2E7FCEE843C...

Robert Burke  
Director  
Date: 24 April 2024

**REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS**

We have enquired into the conduct of LSAM SF 3 Plc ('the Company') for the financial year ended 31 December 2023, in our capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with Regulation 34, (1), (3) and (4) in Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, ('the UCITS Regulations'), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

**RESPONSIBILITIES OF THE DEPOSITARY**

Our duties and responsibilities are outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's constitution (the "Constitution") and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

**BASIS OF DEPOSITARY OPINION**

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Company has been managed:

- (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the Constitution and the UCITS Regulations; and
- (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

**OPINION**

In our opinion, the Company has been managed during the financial year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Constitution, the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 ('the Central Bank UCITS Regulations'); and
- (ii) otherwise in accordance with the provisions of the Constitution, the UCITS Regulations and the Central Bank UCITS Regulations.



**State Street Custodial Services (Ireland) Limited**  
**78 Sir John Rogerson's Quay**  
**Dublin 2**  
**Ireland**  
**Date: 24 April 2024**

**INVESTMENT MANAGERS' REPORT**

**Euro Protect**

**Market/ Investment Commentary**

**January 2023**

The month of January was marked by the continuation of the rebound of risky assets. International stocks rose 4.15% in euros (MSCI World) with a wide geographic disparity. The generally robust economic data, lower than expected inflation figures and the abandonment of the "0 COVID" policy in China reassured investors who were still very negative at the end of 2022. It is therefore normal to see long-term rates stabilize and the dollar finally fall. We think this "pink parenthesis" on financial markets can last a while longer. The element to be monitored is still inflation which, as long as it continues to normalize, should allow central bankers to maintain a relatively accommodative stance.

During the month, the diversified basket rose 2.63% and the Euro Protect fund 0.23%.

During the month we have:

- Increased the weight of stocks from 22.21% to 27.86%
- Increased the fund's duration to 2.23 (vs 1.01 at the end of December)

**February 2023**

The year 2023 had started off quickly, fueled by a "Goldilocks" scenario of lower inflation, sustained economic growth, and hope for a monetary turnaround. From the perspective of central banks, the message seemed more constructive in early February, with the ECB citing "more balanced" inflation prospects and Powell noting a "process of disinflation has begun". While economic activity and consumption data remain strong on both sides of the Atlantic, inflation figures have come in higher. These divergences are also reflected in the stronger decoupling between bond and equity markets. In Europe, the German 10-year yield is up +36.5bps for the month of February, while the Stoxx 600 is up 1.74% for the month (+8.52% YTD). In the US, the recovery was late but reflects more tensions in the bond market since the second half of the month, with the S&P 500 down 2.62% for the month (+3.4% YTD) and the 10-year US yield up 44bps. In parallel, Fed Funds futures are now incorporating three new rate hikes of 25bps at the March, May and June meetings, with a terminal rate of 5.40% by July 2023 and 5.29% for December 2023. The market's resilience to these lukewarm economic data seems to be fueled by the possibility of a "No Landing Scenario" where the Fed could accept a structurally higher inflation rate of 3-4%. It must be said that the earnings season was not bad... and the situation is not as alarming as feared. With more than 83% of the STOXX 600 and 94% of the S&P 500 participants having already reported, positive revisions have rebounded.

Over the month, the diversified basket decreased by 1.29% and the Euro Protect fund by 0.38%.

During the month we:

- Maintained an equity weight close to 25% with a strong bias towards Europe
- Lowered duration from 2.23 to 0.58
- Increased the weight of Investment Grade credit from 36% to 51%

**March 2023**

Last month was marked by market turbulence in the banking sector, following the bankruptcy of the US bank SVB. Most economic data remained positive, reflecting the resilience of the global economy so far. While headline inflation declined in the United States, the euro area and the United Kingdom as a result of lower energy prices, core inflation remained persistent. Against this backdrop, fundamentals remained consistent with further rate hikes, which were implemented by the ECB, Fed and BoE. However, central banks have all pointed to heightened uncertainty and risks to growth from a potential tightening of credit conditions, noting that future rate hikes will depend on future data. Despite the banking turbulence, the American, German and, to a lesser extent, French stock markets ended higher in March. This was not the case for the UK index, nor for the EuroStoxx. Bond yields (and current rate forecasts) collapsed during the month, falling by 30 to 45bps in Europe and the US. With the U.S. being the epicenter of the banking crisis (at least initially), the U.S. dollar weakened against major currencies in March, losing nearly 2.5% against the euro. Oil prices continued their downward trend, with Brent falling below \$80 per barrel, while gold prices rose 8%.

**INVESTMENT MANAGERS' REPORT (CONTINUED)**

**Euro Protect (Continued)**

**March 2023 (Continued)**

During the month, the diversified basket increased by 0.03% and the Euro Protect fund fell by 0.11%.

During the month we have:

- Increased the weight of equities from 26.30 to 30.48%
- Raised the duration to 1.99

**April 2023**

The Stoxx 600 resumed an upward trajectory in April with a rise of 1.92%. Of the 18 sessions of the month, only one experienced a variation of more than 1% (+1.01% on 12/04). Indeed, investors have taken a positive approach that incorporates the feeling that US growth is gradually slowing but that consumers still have substantial savings and an improvement in real wages. In addition, China is accelerating with an increase in credit boost, implying an improvement in global PMIs to 52 by the end of the year. Finally, Europe continues to publish economic figures slightly above expectations. The same is true for the US and China. All these elements have helped to support the market. At this point, investors seem to be ignoring the consequences of the credit slowdown (and rising rates) and are also not worried about possible declines in EPS. Fears of a recession seem to be postponed again... Note that we agree on the latter point given the rise in real wages, the stabilization of US real estate, the dip in US consumer confidence and credit growth in China. Since the beginning of the year, the Stoxx600 has chained 3 monthly increases (over 4 months), leaving only the month of March in negative territory, and again, by only 0.7%.

During the month, the diversified basket increased by 0.86% and the Euro Protect fund by 0.03%.

During the month we have:

- Lowered the weight of shares from 30.48 to 26.15%
- Slightly lowered duration to 1.99 to 1.74

**May 2023**

The Stoxx 600 ended the month down 3.19%, confirming the adage "sell in may and go away". The omnipresent theme of AI was not enough to keep the index in positive territory, despite the very good performance of the technology segment, which gained 6.7%, driven by semiconductors. In terms of published data, we note that indicators of economic surprises turned negative in May in Europe. Regarding the US, the index closed flat compared to the previous month, at 24. China remains in positive territory but the latest figures were not as good as expected. Recent PMIs have confirmed that the economic recovery is not as strong as hoped. Despite this economic slowdown, the Fed raised rates by an additional 25 bps on May 3, with the federal funds rate reaching 5.25%. On this occasion, the Fed chairman fueled the idea that the central bank could now take a break. The market initially took note of this, believing that the further tightening of credit conditions in the wake of the banking turmoil would cool the economy. Since then, economists have become more hesitant as the job market and consumer confidence have remained well oriented. The other theme that was omnipresent in May concerned the negotiations around the debt ceiling. As always, they were mainly but a compromise was found in extremis. In terms of rates, the 10-year has accompanied concerns as the "date X" approaches, rising slightly over the days, to reach a high point in the US at 3.82%. A slight relaxation was noted following the announcement of an agreement. In this context, Euro Protect's performance was -0.22% and that of the diversified basket was -0.43%. We did not make any significant adjustments during the month.

**June 2023**

After a month of May down more than 3%, the Stoxx 600 has recovered and shows an increase of 2.25% in June. The Bank of Norway's BoE rate hikes, contrasting economic data, Fed communications and even the attempted coup in Russia will not have had an impact on market nervousness if we believe the level of the VIX which spent the whole month below 15, to finish at a level of 13.5. The situation looks different on the interest rate front as the yield curve continues to invert. Over the period, the US 10-year gained 20 bps (vs 50 bps for the 2-year) and the Bund 11bp (vs 48 for the 2-year): the spread widened and now reaches 110bp in the US.

The performance of the diversified basket was +1.52% and that of the fund +0.36%  
We have lowered portfolio duration from 1.75 to 0, given persistently high inflation figures.

**INVESTMENT MANAGERS' REPORT (CONTINUED)**

**Euro Protect (Continued)**

**July 2023**

The month of July was driven by central banks announcing their monetary policy decisions. In the United States, the Fed raised rates by 0.25% as expected by the markets. The speech also remains in line with expectations – an event that we can hardly qualify. We are therefore probably close, if not very close, to the end of the bull cycle. Inflation figures continue to confirm a deceleration. On the other hand, the debate around growth is still lively: on the one hand a strong labor market and on the other hand sectors (real estate?) that are feeling the pressure of the rate hikes made so far. In addition, the NFP surprised for the first time with figures below expectations. In Europe, the ECB also raised rates by 0.25% in line with expectations. On the other hand, the "surprise" is the possible inflection in the speech pointing to a possible pause at the next meeting. A break or a stop? Difficult to answer, but as we are also close to the end of the second half. Inflation is also decelerating and declining macro data is a catalyst for a lull in policy rates.

The performance of the diversified basket was +1.34% and that of the fund +0.67% Euro Protect. We did not change the allowance during the month.

**August 2023**

The month of August is traditionally marked by high volatility and 2023 was no exception with a decline of 2.8%. Despite good corporate reporting, the market has suffered from concerns about interest rates and China. On the occasion of Jackson Hole, Powell gave a tough speech indicating that inflation "remains too high" and that the Fed is "ready to raise rates again if necessary. Expectations for Fed rate hikes remain volatile and the probability of a 25bps hike changes with published data.

In this context, the performance of the diversified basket was -0.59% and that of the Euro Protect fund was 0.60%. During the month we reduced our equity exposure from 24% to 21% mainly on Europe in order to reduce basket volatility. There has been no movement in other asset classes.

**September 2023**

After a decline of 2.8% in August, the market fell again in September (by 1.74%). The Stoxx 600 has been unable to bounce back in the face of bond market tensions. The aggressive rhetoric of central banks to fight inflation, the deterioration of macroeconomic indicators, the imminence of a shutdown have paralyzed financial investors.

The performance of the diversified basket was +0.12% and that of the Euro Protect fund was -0.12%.

During the month we have:

- Significantly reduced the weight of equities from 21% to 6%
- Lowered the weight of corporate bonds from 58% to 33%

This reduction in risky assets can be explained by the recent pressures on oil prices and long-term rates, which will complicate the task of central bankers by negatively impacting the economy while fuelling the risk of a resumption of inflation.

**October 2023**

The month of October was punctuated by a tense economic and geopolitical context. Hamas' attack on Israel on October 7 put pressure on energy prices, reviving inflationary pressures. Markets have also been very volatile due to rising bond yields. U.S. Treasury yields touched 5% at the end of the month, a 16-year high. At the same time, the eurozone looks very close to a recession. Unsurprisingly, the ECB kept rates unchanged for the first time since June 2022 amid slowing inflation to 2.9% in the eurozone and a steaming labour market. Christine Lagarde was more reassuring than usual, although she still did not rule out the possibility of further hikes in the future. Rates are expected to remain unchanged in December with a probability of a further hike at just 20% currently. The slowdown in activity is also reflected in corporate results in Europe. Only about 30% of them exceeded expectations, a figure usually around 55%. On the other side of the Atlantic, the United States did well in the 3rd quarter with growth of 4.9% on an annualized basis. In this context, the performance of the diversified basket was -0.41% and that of the Euro Protect fund was -0.46%.

INVESTMENT MANAGERS' REPORT (CONTINUED)

**Euro Protect (Continued)**

**November 2023**

In a challenging market environment, marked by a decline of more than 8% in three months, signs of optimism are emerging, fuelled by hopes of a soft economic landing. Inflation is heading towards 2% by 2025 on both sides of the Atlantic, as evidenced by the latest data and inflation swaps. This trend is confirmed by the decline in inflation in Europe to 2.4%, influenced by the decrease in the costs of services, energy and food. The bond market eased, reflecting expectations of a cut in interest rates. US 2-year yields are expected to stabilise around 4% in the next 6-9 months, with rates expected to fall as early as May. In Europe, a 25 basis point cut is planned for April 2024.

GDP growth for 2024 is estimated at 0.8% in the US and Europe, with a sluggish period in Europe until the end of 2023. Despite this, economic indicators such as Black Friday in the United States show a positive trend. The stock market responded with a significant rebound in November, driven by increased interest in the technology and utilities sectors, while the energy sector was less favored. Quarterly results were mixed, with revenue broadly below expectations. The consensus lowered earnings per share guidance for the Stoxx600 for 2023 and 2024, with significant sector adjustments. In summary, despite recent challenges, the current economic and financial adjustments point to a possible gradual and stable recovery in the market. In this context, the performance of the diversified basket was +1.83% and that of the Euro Protect fund was 1.29%.

**December 2023**

In December, the ECB hinted that rates could remain higher for a longer period. In contrast, the Fed's communication was deemed very "accommodative" and enthusiastically welcomed by investors. The Fed's forecasts don't indicate a significant rise in the unemployment rate and show continued positive real GDP growth and policymakers seem increasingly confident that they have achieved a sufficiently restrictive policy stance. M. Powell suggested that the Fed would be willing to adjust rates before inflation reaches 2% or a recession occurs. Global stocks advanced by 3.95% (MSCI All Country local currencies) in tandem with government bonds gaining 3.45% in Europe (bund) and 2.8% in the US (10y UST). The environment was supportive for the diversified basket.

**Euro Protect**



**INVESTMENT MANAGERS' REPORT (CONTINUED)**

**FS Exponential China**

**Market/Investment Commentary**

**January 2023**

In January, Chinese markets were thrown into a flurry of excitement by the removal of Covid policies and the excitement ahead of Chinese New Year. With Covid restrictions unexpectedly lifted in full ahead of Chinese New Year, markets anticipated explosive growth in the consumption and tourism market during the New Year holiday after three years of silence. In expectation of the trend, sectors such as alcohol, catering, tourism and hotels recorded a strong performance in the first half of January. This also pulled up the indexes. Indeed, the recovery of the Chinese economy in January did not disappoint the investors. Holiday bookings during Chinese New Year increased by four times compared to last year, especially for travel abroad, which increased by 640%. In addition, China's GDP growth in 2022 was only 3%, which was far below the government's target of 5.5%, marking one of the worst performances in almost half a century. Nevertheless, analysts still expect a growth rate of 5-6% this year. On the back of this optimism, offshore funds have returned in masse to the Chinese stock market, buying more shares in January alone than in the whole of 2022, beating the previous monthly record by more than 50%. In conclusion, Chinese stock markets had a strong January due to a holiday-driven recovery in consumption and optimism for the full year ahead.

**February 2023**

Following a strong performance in January, the Chinese stock markets experienced a slight correction in February. At the beginning of February, the already tensed relationship between China and the USA came under further pressure. On January 28th, an assumed Chinese spy balloon was sighted in North American airspace for the first time. On February 4th, the US Air Force shot down the balloon on the orders of US President Joe Biden. Under this circumstance, the US Secretary of State Antony Blinken abruptly cancelled his planned trip to Beijing. This latest incident dampened foreign investors' enthusiasm for the Chinese market and resulted in a slowdown of the record-breaking buying in January. On the economic side, a surprisingly fast recovery was seen in China in February. The official Purchasing Managers' Index (PMIs) for the manufacturing sector rose to 52.6 in February, up from 50.1 in January. This is the highest reading since April 2012. The non-manufacturing PMI also rose further to 56 from 54.4 in January, with the marked improvement supported by a rebound in services and construction. Following the release of China's economic activity data, analysts raised their target for economic growth for the whole year from 4% to 5%, which was also confirmed by the government in early March.

**March 2023**

While the world was dominated by fears of a financial crisis in the wake of bank failures, the Chinese capital markets remained stable in March. The technology sector in particular delivered an impressive performance. In March, China held one of the most important meetings of the year, the "Two Sessions". At the "Two Sessions", Xi and Li were officially appointed as China's new President and Premier. In addition, a GDP growth target of 5% and an inflation target of 3% for 2023 were issued. Further, during the "Two Sessions" China reaffirmed that it will place a large part of its financial resources on technology development. This underlines the Chinese government's determination to strive for technological independence from the West and thus to make its own economy less dependent on technologies from abroad. Chinese economic data for March were mixed. Inflation figures for February came in at 1%, well below market expectations of 1.9%. This is rather too low and the central bank unexpectedly lowered the reserve requirement ratio by 25 basis points. In addition, it suggested that further measures may be forthcoming to stimulate the economy given the low level of inflation. Purchasing managers' indices (PMIs) published at the end of March indicate a growing recovery. The PMI for the non-manufacturing sector came in at 58.2, well above market expectations and reaching a new high since May 2011. The manufacturing PMI came in slightly under expectations, but it also shows expansion.

**April 2023**

The Chinese stock markets started a technical correction in April. The ChiNext and the two main markets in Shanghai and Shenzhen were particularly affected. The very well performing SSE STAR Index held up well in a difficult environment. The weakest sectors in April were semiconductors and MedTech. The latest economic data from China were surprisingly weak in April. The manufacturing Purchasing Managers' Index (PMI) fell from 51.9 to 49.2, the first slowdown since December 2022 when the official Purchasing Managers' Index was 47. Economic signals from China currently show a mixed picture. For example, consumption is picking up and travel is very robust, while activity in the real estate market is still subdued.



**INVESTMENT MANAGERS' REPORT (CONTINUED)**

**FS Exponential China (Continued)**

**April 2023 (Continued)**

This keeps pressure on the government to continue its supportive fiscal and monetary policy in the second quarter. There were positive signs in the Chinese auto industry in April. The auto market continues to stabilize and 2.5% (total 1.63 million) more cars were delivered to customers compared to the previous month. Compared to the same period last year, this is an increase of around 50% (at that time there were still strict lockdowns in China). New Energy Vehicles (NEVs) recorded the biggest jump last month with a year-on-year increase of 86%. The policy support and economic catalysts mean that the technology sector is in a sweet spot for A-shares (mainland). We see several attractive investment opportunities in a sector that is still deeply valued relative to the past and offers plenty of substance and growth potential.

**May 2023**

May was a relatively difficult month for the Chinese equity markets. Chinese economic data released in May were again disappointing. The official manufacturing purchasing managers' index (PMI) fell to a 5-month low of 48.8. It was below the 50-point mark that separates expansion from contraction, as well as below analysts' expectations. In addition, China's consumer price index (CPI) rose only 0.1% YoY in April, the smallest increase since early 2021, while China's producer price index (PPI) even fell 3.6% after declining 2.5% the previous month. Lending and social financing figures fell short of expectations as well. All these figures point to a weak recovery of the Chinese economy, which significantly dampened market sentiment. Nevertheless, there was also positive news from China. The recently published China Beige Book showed that China's manufacturing order book and profit margins both improved significantly in May. The report also indicated that the PBOC will most likely introduce measures such as interest rate cuts in June to stimulate the economy's recovery.

**June 2023**

In June, the Chinese stock markets were characterized by a confrontation between a depreciating currency and weak economic data on the one hand and the implementation of strong stimulus measures on the other. This led to increased volatility on the capital markets. China's consumer price index (CPI) rose 0.2% in May from a year earlier, while falling 0.2% month-on-month, government data showed in early June. Even more disappointing is the producer price index (PPI), which fell 4.6% in May, the sharpest decline in seven years. All economic data point to a frustrating recovery as the economy struggles with slowing demand. To support the economy, the People's Bank of China (PBOC) cut its key benchmark interest rates for the first time in 10 months. It cut the one-year policy rate by 10 basis points to 3.55% from 3.65% and cut the five-year rate by the same margin to 4.2%. While rate cuts can boost the economy, the PBOC's move puts China at odds with Western policy. After the Federal Reserve indicated in June that it would likely raise interest rates further, the Renminbi continued to depreciate amid the rise in the US-Dollar. The Renminbi, which had already fallen 2.7% against the US-Dollar in May, fell another 2% in June and is on the verge of hitting a new ten-year low. The weak currency has also had a negative impact on the capital markets.

**July 2023**

After a weak second quarter, a turnaround in the Chinese capital markets came at the end of July. The political support the market has been waiting for months has now arrived. In early July, Chinese capital markets continued the downward movement on the back of weak economic data. The Caixin Services PMI index came down from 57.1 in May to 53.9 in June, well below expectations of 56.2, hitting a new low since January. Inflation data also fell short of expectations. The Consumer Price Index (CPI) was 0% in June, below expectations of 0.2%, suggesting that China's economy is on the verge of deflation. In addition, China's GDP growth in the second quarter was 6.3%, below the forecast of 7.3%. Analysts speculate that the Chinese government may revise down its full-year GDP target of 5% given the weak economic situation in the first half of the year. Investors have continued to sell Chinese equities due to concerns and disappointment about the state of the economy. On 24 July, a Party meeting was held under the leadership of Xi. The meeting discussed China's economic situation in the first half of the year and revealed the direction for the second half. After the meeting, the Chinese stock market left its downward trend and started a turnaround. Foreign investors also started to buy Chinese stocks.

**INVESTMENT MANAGERS' REPORT (CONTINUED)**

**FS Exponential China (Continued)**

**August 2023**

August was characterized by a strongly negative sentiment on the Chinese stock markets. To restore investor confidence, the China Securities Regulatory Commission (CSRC) and the People's Bank of China (PBOC) jointly announced a series of support measures in the last week of August. These ensured a positive closing week on the Chinese stock market. The weak markets in August were triggered by disappointing import and export data. The latest data released show that exports fell 14.5% year-on-year in July and imports fell 12.4%, while expectations were for declines of 12.5% and 5%, respectively. The import data is indicative of weak domestic consumer demand. Inflation in China remains in deflationary territory at -0.3%. In addition, data on new loans, social financing and retail sales all fell short of expectations. In addition to economic data, the real estate sector is also a concern for investors. Country Garden, for example, is another real estate company on the verge of default. As a result of this negative news, investors sold off Chinese stocks aggressively, leading to a sharp decline in the stock market. Under these circumstances, the government intervened strongly toward the end of the month and announced various support measures. The market also stabilized after the measures were announced.

**September 2023**

The reporting month of September on the Chinese stock markets was characterized by rising concerns about the development of the real estate sector. The already battered sector showed signs of further deterioration. China's strengthening economic recovery stalled slightly in September. Retail sales, price-setting power, and manufacturing output and credit growth were slightly weaker than the previous month, according to the recently released monthly China Beige Book survey. Concerns about the Chinese economy slipping into deflation have recently been mitigated but are not yet completely off the table. Still, there are positives to report as well. Despite a slowdown in September, the data show a stabilizing trend in the economy and suggest that the government's measures are having an effect. In addition, the manufacturing PMI rose back into expansion territory above 50 for the first time since March. Since September 29, the markets in China are traditionally closed for "Golden Week". Historically, the market very rarely changes its sentiment before this most important holiday. Investors are hoping for fresh stimuli after this market break. The most likely scenario is that further targeted monetary, fiscal and regulatory measures will support growth and push inflation in the desired direction. Inflation remained at a very low level.

**October 2023**

Due to the "Golden Week", the Chinese capital markets only had a shorter three-week trading period in October. Over the course of the month, the markets recorded a sell-off, followed by an upswing, and finally ended the month nearly unchanged. At the beginning of October, China published its inflation data for September, which came in at 0% and was therefore below expectations of 0.2%. The low inflation indicates that deflationary pressure continues to prevail in the economy. At the same time as the escalation in the Middle East, the global capital markets also came under pressure, with China being no exception. As a result, the government's domestic funds began buying shares on a large scale in order to restore stability to the stock markets. On 17th October, for example, Central Huijin Investment, an arm of the Chinese sovereign wealth fund, increased its holdings in four state-owned banks. The following week, Huijin bought more index-based ETFs worth more than 1 billion yuan (USD 140 million). On 24th October, the government also approved the issue of 1 trillion yuan (USD 140 billion) in government bonds to renew and improve urban infrastructure. Analysts assume that the planned increase in bond issues will mainly be used to support the economic recovery through new fiscal incentives.

**November 2023**

The Chinese stock markets recovered slightly in November after the government took several supportive measures in recent months. The meeting between Biden and Xi in San Francisco on 15th November was an important sentiment indicator of how the relationship between the US and China could progress. Analysts believe that the meeting signaled that both presidents want to avoid a downward spiral and work together where their interests coincide. For the economy, the meeting shows that a complete decoupling is not on the table and that investment in China is still allowed, at least in non-sensitive sectors. The two sides also agreed to resume talks between the armed forces, which had been suspended for over a year. A slight easing of tensions between China and the USA would be of great importance for both countries, as well as for the global economy. The economic data published in November was mixed.

INVESTMENT MANAGERS' REPORT (CONTINUED)

**FS Exponential China (Continued)**

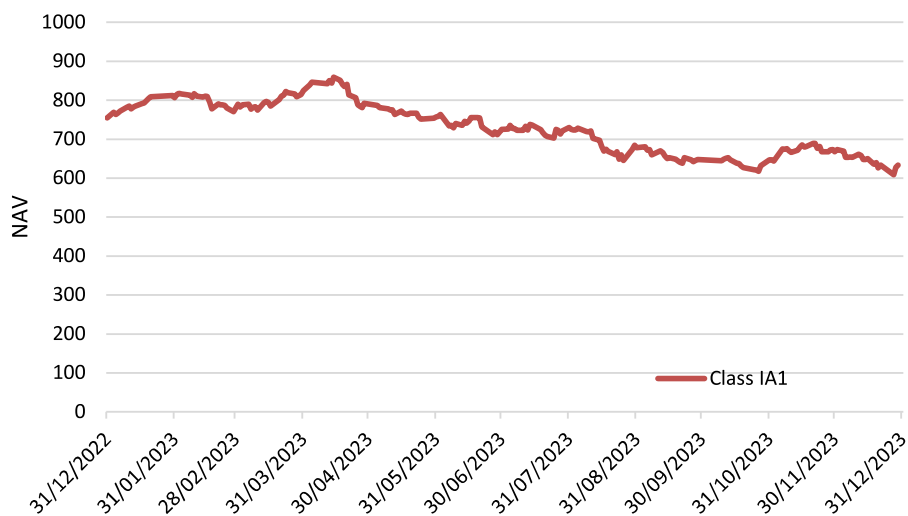
**November 2023 (Continued)**

The official PMIs, which tend to focus on large companies, fell short of expectations in November. Fortunately, the Caixin PMIs, which focus on SMEs, were well above analysts' expectations. This development indicates that China's economic recovery shows a certain discrepancy between the individual sectors, with smaller companies playing the main role in the recovery.

**December 2023**

As a result of the weak economic data, the Chinese stock markets were unable to continue the upward trend from November and ended the last month of 2023 with a loss. Inflation data (CPI) and the producer price index (PPI) for November were published at the beginning of December, both of which were below expectations. The CPI fell by 0.5 per cent year-on-year, which was even weaker than in the previous month (-0.2%), and the PPI was -3%. In response to the weak economic data, China's largest banks further cut deposit rates by 10BP to 25BP in December, with the 3-year deposit rate standing at 2.35% after the cut. This is the third time China has cut deposit rates this year. The automotive sector was the hotspot of the market in December. Aito, the new energy vehicle (NEV) brand supported by Huawei, delivered a record number in December, up 141% YoY. Days after Huawei launched a new model, another Chinese mobile phone company, Xiaomi, unveiled its first electric car, showing the efforts of Chinese tech giants to enter the electric vehicle race. In addition, BYD reported that it sold more electric vehicles than Tesla in the last quarter of 2023 as the two battled for first place in the industry. It was the first quarter in which BYD's pure battery vehicle sales surpassed Tesla's. Due to this good news, the automotive and battery sectors were particularly strong.

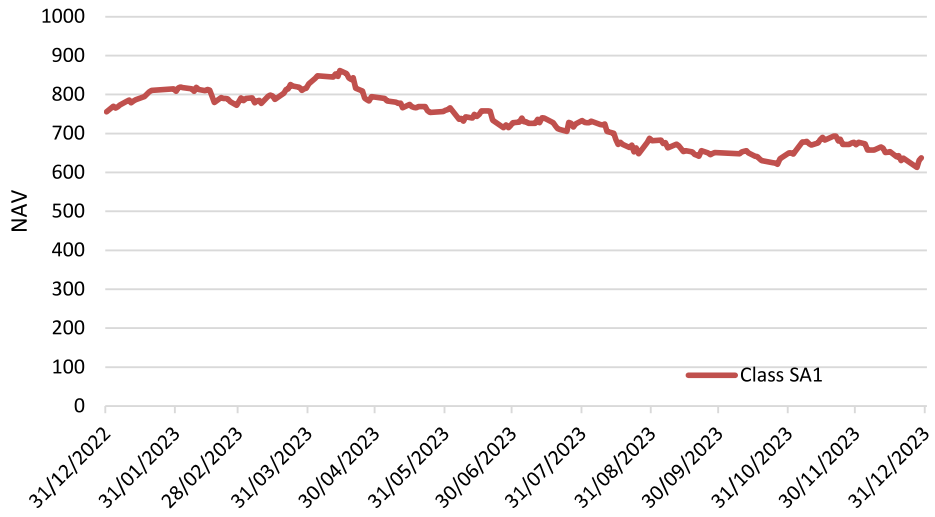
FS Exponential China



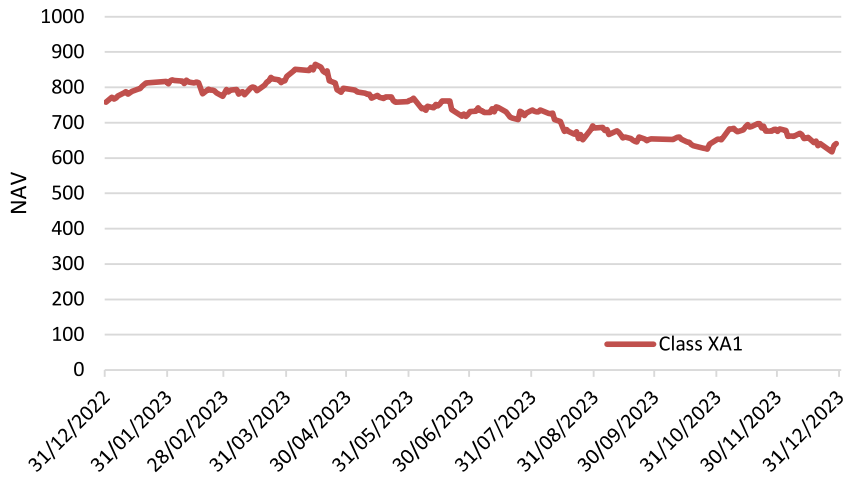
INVESTMENT MANAGERS' REPORT (CONTINUED)

FS Exponential China (Continued)

FS Exponential China



FS Exponential China



**INVESTMENT MANAGERS' REPORT (CONTINUED)**

**VPV Chance Plus**

**Market Review**

Global equities closed the 2023 sharply higher as slowing inflation raised hopes that interest rates were near their peak. The rally was interrupted by two notable setbacks: the first, which was March's banking crisis, was allayed through swift intervention; the second, in October, was driven by fears that rates would need to stay higher for longer. However, global stocks ended the year on a strong note, with November the strongest month in three years, as falling inflation expectations boosted speculation that rates may be cut in 2024. The following month, this was reinforced by statements from the US Federal Reserve. Overall, the MSCI World Index recorded its strongest year since 2019.

At a sector level, growth-focused stocks in the information technology, communication services, consumer discretionary and industrials sectors performed the best. Much of the rally was driven by a narrow group of stocks (Amazon, Alphabet, Apple, Meta Platforms, Microsoft, NVIDIA and Tesla), dubbed the 'Magnificent Seven', which benefitted from growing interest in AI and its applications. At the other end of the scale, defensive stocks in the consumer staples, utilities and health care sectors barely rose, while energy stocks were held back by weakening oil and gas prices.

Global bonds closed a volatile year with positive returns, although they lagged equities. After trading in a relatively narrow range for the first half of the year, bond yields moved sharply higher towards the end of the summer as hopes of early cuts in interest rates were dashed by hawkish central bank statements and fears that rates would need to stay higher for longer. In October, the yield on the 10-year US Treasury bond rose above 5.0% for the first time since 2007 while 10-year German Bund yields briefly touched a 12-year high of 3.0%. But, with inflation slowing more than forecast, sentiment swung sharply in November and December. 10-year government bond yields in the US and Germany closed the year around 3.9% and 2.0%, respectively.

While headline rates of inflation decelerated sharply over 2023, core inflation proved stickier. Major central banks continued to hike rates during the first half of the year, although they moderated the pace at which rates were increased, before pausing their monetary tightening during the final six months of 2023. While policymakers remained hawkish, insisting they would stay the course until the inflation battle had been won, there was growing speculation that US rates may soon be lowered. In December, the US Federal Reserve pivoted to forecasting 75 basis points of rate cuts in 2024. Fears of a US recession appeared to be overblown and hopes grew of a Goldilocks outcome for the US economy (where growth was neither too hot nor too cold), although economic activity in Europe remained anaemic at best. China's economic rebound from the easing of all pandemic restrictions disappointed, with the health of the property sector a major concern.

The Euro and the British Pound strengthened against the US Dollar: while the US Federal Reserve pivoted to a more dovish stance in December, the European Central Bank and Bank of England continued to insist that the battle against inflation was far from over. The Japanese Yen weakened against all three currencies, reflecting the Bank of Japan's continued accommodative stance as it maintained interest rates at -0.1%.

Oil prices remained under pressure although they did stage a late-summer rally after Opec plus other oil-producing nations agreed to cut production. Nevertheless, Brent crude closed the year slightly lower at just under USD 80 a barrel. Overall oil prices fell around 10% over 2023, marking the first annual decline since 2020. Gold rallied, its first annual gain in three years, hitting a record high of almost USD 2,100 a troy ounce in the closing days of 2023 as the Israel-Hamas conflict boosted demand for safe havens and given a weaker tone to the US Dollar.

INVESTMENT MANAGERS' REPORT (CONTINUED)

VPV Chance Plus (Continued)

**Investment Commentary**

For the LSAM SF 3 PLC - VPV Chance Plus the strategic asset allocation (SAA) was set as MSCI World (50 % hedged + 50 % unhedged).

The implementation was carried out as far as possible via ESG indices, mainly from the MSCI ESG Leaders series, allocated either via futures or directly via UBS, which then replicates them on its book.

With the conversion to an Art. 8 fund (according to SFDR) in Nov 2023, the equity investments were adjusted to MSCI Paris aligned indices, wherever available.

As MSCI Paris aligned indices are not yet available for some markets (e.g. in Asia), the possibility of further MSCI Paris aligned index investments in the Asian region will continuously be examined.

Global markets rallied strongly in the last few months of 2023, supported by generally cooling inflation data and improving early economic indicators for the US. In response to the moderation in price indicators, the US Federal Reserve pivoted to a more dovish stance. Growth stocks benefitted more than value stocks due to their higher interest rate sensitivity. European equities also surged strongly thanks to abating inflation and resilient earnings estimates.

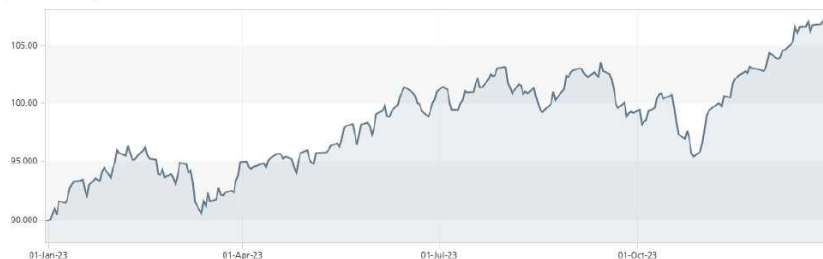
An active multi asset allocation remains the name of the game: Our constructive stance in equities is supported by solid momentum indicators, while we upgraded our fundamental view further, especially as the Fed pivot adds a supporting factor to the overall equity markets. Japanese equities – one of our high conviction regions - continue to offer an interesting mix of momentum, loose monetary policy, as well as resilient domestic data. European equities also profit from good momentum, but the fundamental picture is more mixed than in the US, especially as stickier core inflation will refrain the ECB from too early rate cuts.

We became more cautious on commodities in general but like their defensive characteristics in case of an escalating geopolitical conflict. Gold prominently shares this feature, while profiting from lower real rates. On the fixed income side, we are generally positioned constructively on Government bonds. We are a bit more cautious for high yields, as spreads have reached historically low levels.

2023 Performance of the LSAM SF 3 PLC - VPV Chance Plus Fund



Performance 31 December 2022 – 31 December 2023  
(Gross of fees)



Highs/Lows		
	Price	Date
1 Year High	107.31	28-12-2023
1 Year Low	90.01	02-01-2023
All Time High	108.97	04-01-2022
All Time Low	87.96	30-09-2022

Monthly Returns (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2023	5.04	-0.87	1.42	0.82	1.66	3.83	2.09	-0.51	-3.35	-2.69	7.23	3.65	19.34

» positive performance in 2023: 19.34 %

Source: UBS NEO Performance Report received by UBS. Performance gross-of-fees in Euro. Past performance does not predict future returns. If the currency in which the past performance is displayed differs from the currency of the country in which the investor resides, then the investor should be aware that due to the exchange rate fluctuations the performance shown may be higher or lower if converted into the investor's local currency.  
Data gross of fees; calculation at the net asset value (NAV) method based on the assumption that distributions are reinvested and excluding initial charges. Individual costs such as fees, commissions and other charges have not been taken into consideration and would have a negative impact on the performance if they were included.

INVESTMENT MANAGERS' REPORT (CONTINUED)

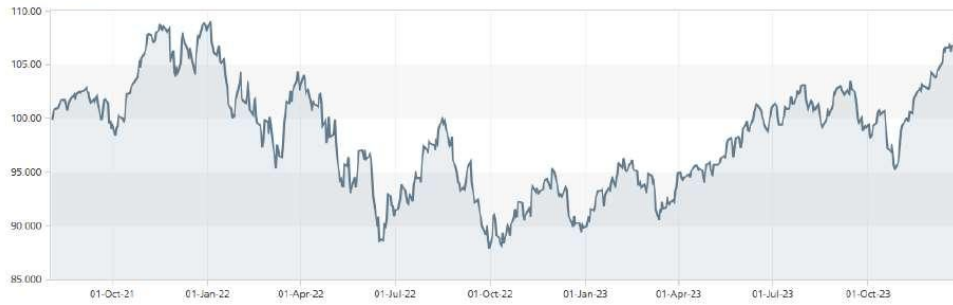
VPV Chance Plus (Continued)

Investment Commentary (Continued)

Performance of the LSAM SF 3 PLC - VPV Chance Plus Fund since inception



Composite performance (since inception 3 Aug.2021 – 31 Dec.2023)  
(Gross of fees)



» Positive performance since inception 3 Aug.2021 – 31 Dec.2023: + 7.27 %

Source: UBS NEO Performance Report received by UBS. Performance gross-of-fees in Euro. Past performance does not predict future returns. If the currency in which the past performance is displayed differs from the currency of the country in which the investor resides, then the investor should be aware that due to the exchange rate fluctuations the performance shown may be higher or lower if converted into the investor's local currency.  
Data gross of fees; calculation at the net asset value (NAV) method based on the assumption that distributions are reinvested and excluding initial charges. Individual costs such as fees, commissions and other charges have not been taken into consideration and would have a negative impact on the performance if they were included.



## KPMG

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Independent Auditor's Report to the Members of LSAM SF 3 plc

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of LSAM SF 3 plc ('the Company') for the year ended 31 December 2023 set out on pages 26 to 62, which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and related notes, including the material accounting policies set out in note 2.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2023 and of its changes in net assets attributable to holders of redeemable participating shares for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities Regulations) 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.





### ***Other Information***

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Directors' Report, Company Information, Report of the Depositary to the Shareholders, Investment Manager's Reports, Schedule of Investments, Significant purchases and sales (unaudited), Appendix I (unaudited): Remuneration Disclosures, Appendix II (unaudited): Securities Finance Transactions and Appendix III (unaudited): Sustainability Finance Disclosure Regulations. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

### ***Our opinions on other matters prescribed by the Companies Act 2014 are unmodified***

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

### ***Matters on which we are required to report by exception***

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

### ***Respective responsibilities and restrictions on use***

#### ***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company'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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



**Auditor’s responsibilities for the audit of the financial statements**

Our objectives 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 auditor’s 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 ISAs (Ireland) 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.

A fuller description of our responsibilities is provided on IAASA’s website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

**The purpose of our audit work and to whom we owe our responsibilities**

Our report is made solely to the Company’s members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s members, as a body, for our audit work, for this report, or for the opinions we have formed.

James Casey

30 April 2024

for and on behalf of  
KPMG  
Chartered Accountants, Statutory Audit Firm  
1 Harbourmaster Place  
IFSC  
Dublin 1  
D01 F6F5

**LSAM SF 3 Plc**

**STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2023

	Note	Euro Protect EUR	Exponential China USD	FS China USD	Chance Plus EUR	VPV EUR	Total EUR
<b>Assets</b>							
<i>Financial assets at fair value through profit or loss</i>							
- Transferable securities	2,7	21,014,469	12,980,490		213,086,973		245,852,160
- Equities							
- Financial derivative instruments	2,7						
- Fully funded swaps		237,044	201,909		1,111,409		1,531,233
- Total return swaps		-	688,583		8,083,606		8,706,953
Cash and cash equivalents		3	2		25		30
Receivable on swap sold		51,019	-		-		51,019
Prepayments and other debtors		24,160	15,539		278,346		316,573
<b>Total assets</b>		<b>21,326,695</b>	<b>13,886,523</b>		<b>222,560,359</b>		<b>256,457,968</b>
<b>Liabilities</b>							
<i>Creditors, amounts falling due within one year:</i>							
- Financial derivative instruments							
- Total return swaps		(42,656)	-		-		(42,656)
Payable on redemption of shares		(51,018)	-		-		(51,018)
Fees payable	8	(24,162)	(15,542)		(278,352)		(316,584)
<b>Total liabilities excluding net assets attributable to holders of redeemable participating shares</b>		<b>(117,836)</b>	<b>(15,542)</b>		<b>(278,352)</b>		<b>(410,258)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>	20	<b>21,208,859</b>	<b>13,870,981</b>		<b>222,282,007</b>		<b>256,047,710</b>

Approved by the Board of Directors on 24 April 2024.

  
Alan Lee  
Director

DocuSigned by:  
  
Robert Burke  
Director

The accompanying notes form an integral part of the financial statements

## LSAM SF 3 Plc

### STATEMENT OF FINANCIAL POSITION As at 31 December 2022

	Note	Euro Protect EUR	FS Exponential China* USD	VPV Chance Plus EUR	Total EUR
<b>Assets</b>					
<i>Financial assets at fair value through profit or loss</i>					
- Transferable securities	2,7				
- Equities		79,035,962	15,860,835	155,055,965	248,953,371
- Financial derivative instruments	2,7				
- Fully funded swaps		1,294,231	522,975	5,108,573	6,892,826
- Total return swaps		4,960,469	1,048,689	10,121,189	16,064,269
Cash and cash equivalents		18	4	36	58
Receivable on swap sold		419,983	-	-	419,983
Prepayments and other debtors		65,402	18,997	225,987	309,189
<b>Total assets</b>		<b>85,776,065</b>	<b>17,451,500</b>	<b>170,511,750</b>	<b>272,639,696</b>
<b>Liabilities</b>					
<i>Creditors, amounts falling due within one year:</i>					
Payable on redemption of shares		(419,982)	-	-	(419,982)
Fees payable	8	(65,402)	(18,997)	(225,988)	(309,190)
<b>Total liabilities excluding net assets attributable to holders of redeemable participating shares</b>		<b>(485,384)</b>	<b>(18,997)</b>	<b>(225,988)</b>	<b>(729,172)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>	20	<b>85,290,681</b>	<b>17,432,503</b>	<b>170,285,762</b>	<b>271,910,524</b>

\* The Fund launched on 20 July 2022.

The accompanying notes form an integral part of the financial statements

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the financial year ended 31 December 2023**

	<b>Euro Protect EUR</b>	<b>FS Exponential China USD</b>	<b>VPV Chance Plus EUR</b>	<b>Total EUR</b>
<b>Income from operating activities</b>				
Net (loss)/gain from financial assets and liabilities at fair value through profit or loss	(116,714)	(2,908,845)	26,805,007	23,997,873
Dividend income	789,065	298,002	3,080,265	4,144,955
<b>Net investment income/(expense)</b>	<b>672,351</b>	<b>(2,610,843)</b>	<b>29,885,272</b>	<b>28,142,828</b>
<b>Expenses</b>				
Operating expenses	(414,617)	(216,243)	(2,872,899)	(3,487,521)
<b>Withholding tax</b>				
Dividend withholding tax	(7,093)	(2,357)	(26,064)	(35,337)
<b>Changes in net assets attributable to holders of redeemable participating shares from operations</b>	<b>250,641</b>	<b>(2,829,443)</b>	<b>26,986,309</b>	<b>24,619,970</b>

In arriving at the results of the financial year, all amounts relate to continuing operations except for the Euro Protect Fund.

The accompanying notes form an integral part of the financial statements.

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the financial year ended 31 December 2022**

	Euro Protect EUR	Exponential China* FS USD	VPV Chance Plus EUR	Total EUR
<b>Income from operating activities</b>				
Net loss from financial assets and liabilities at fair value through profit or loss	(17,649,512)	(5,688,183)	(60,196,569)	(83,460,659)
Dividend income	5,523,959	36,566	7,235,452	12,795,504
<b>Net investment expense</b>	<b>(12,125,553)</b>	<b>(5,651,617)</b>	<b>(52,961,117)</b>	<b>(70,665,155)</b>
<b>Expenses</b>				
Operating expenses	(1,510,615)	(111,251)	(3,182,606)	(4,803,032)
<b>Withholding tax</b>				
Dividend withholding tax	(337,544)	(629)	(449,858)	(788,023)
<b>Changes in net assets attributable to holders of redeemable participating shares from operations</b>	<b>(13,973,712)</b>	<b>(5,763,497)</b>	<b>(56,593,581)</b>	<b>(76,256,210)</b>

\* The Fund launched on 20 July 2022.

In arriving at the results of the financial year, all amounts relate to continuing operations.

The accompanying notes form an integral part of the financial statements.

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES**  
**For the financial year ended 31 December 2023**

	<b>Euro Protect EUR</b>	<b>FS Exponential China USD</b>	<b>VPV Chance Plus EUR</b>	<b>Total EUR</b>
<b>Net assets attributable to holders of redeemable participating shares at beginning of the financial year</b>	85,290,681	17,432,503	170,285,762	271,910,524
Changes in net assets attributable to holders of redeemable participating shares from operations	250,641	(2,829,443)	26,986,309	24,619,970
Issue of redeemable shares during the financial year	268,185	3,850,087	70,451,078	74,280,247
Redemption of redeemable shares during the financial year	(64,600,648)	(4,582,166)	(45,441,142)	(114,279,881)
Foreign Currency translation	-	-	-	(483,150)
<b>Net assets attributable to holders of redeemable participating shares at end of the financial year</b>	<b>21,208,859</b>	<b>13,870,981</b>	<b>222,282,007</b>	<b>256,047,710</b>

The accompanying notes form an integral part of the financial statements.

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES**  
**For the financial year ended 31 December 2022**

	Euro Protect EUR	Exponential China* USD	FS USD	VPV Chance Plus EUR	Total EUR
<b>Net assets attributable to holders of redeemable participating shares at beginning of the financial year</b>	264,862,941	-	-	309,749,426	574,612,367
Changes in net assets attributable to holders of redeemable participating shares from operations	(13,973,712)	(5,763,497)	-	(56,593,581)	(76,256,210)
Issue of redeemable shares during the financial year	13,509,811	24,933,984	-	74,936,220	113,057,369
Redemption of redeemable shares during the financial year	(179,108,359)	(1,737,984)	-	(157,806,303)	(338,630,156)
Foreign Currency translation	-	-	-	-	(872,846)
<b>Net assets attributable to holders of redeemable participating shares at end of the financial year</b>	<b>85,290,681</b>	<b>17,432,503</b>	<b>-</b>	<b>170,285,762</b>	<b>271,910,524</b>

\* The Fund launched on 20 July 2022.

The accompanying notes form an integral part of the financial statements.



**STATEMENT OF CASH FLOWS**

**For the financial year ended 31 December 2023**

	Euro Protect EUR	FS Exponential China USD	VPV Chance Plus EUR	Total EUR
<b>Cash flow from operating activities</b>				
Changes in net assets attributable to holders of redeemable participating shares	250,641	(2,829,443)	26,986,309	24,619,970
<i>Adjustments to reconcile the changes in net assets attributable to holders of redeemable participating shares to cash flows</i>				
<b>Net change in operating assets and liabilities</b>				
Movement in receivables	410,206	3,458	(52,359)	361,045
Movement in payables	(41,240)	(3,455)	52,364	7,928
Movement in financial assets at fair value through profit or loss	64,081,805	3,561,517	(51,996,261)	15,379,627
<b>Net cash provided by/(used in) operating activities</b>	<b>64,701,412</b>	<b>732,077</b>	<b>(25,009,947)</b>	<b>40,368,570</b>
<b>Cash flow from financing activities</b>				
Proceeds from issue of redeemable participating shares	268,185	3,850,087	70,451,078	74,280,247
Payments on redemption of redeemable participating shares	(64,969,612)	(4,582,166)	(45,441,142)	(114,648,845)
<b>Net cash (used in)/provided by financing activities</b>	<b>(64,701,427)</b>	<b>(732,079)</b>	<b>25,009,936</b>	<b>(40,368,598)</b>
<b>Net decrease in cash and cash equivalents</b>	(15)	(2)	(11)	(28)
<b>Cash and cash equivalents at start of financial year</b>	18	4	36	58
<b>Cash and cash equivalents at end of financial year</b>	<b>3</b>	<b>2</b>	<b>25</b>	<b>30</b>
<b>Cash flows from operating activities include:</b>				
Dividends received	781,972	295,645	3,054,201	4,109,618

The accompanying notes form an integral part of the financial statements.

## LSAM SF 3 Plc

### STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

	Euro Protect EUR	Exponential China* USD	VPV Chance Plus EUR	Total EUR
<b>Cash flow from operating activities</b>				
Changes in net assets attributable to holders of redeemable participating shares	(13,973,712)	(5,763,497)	(56,593,581)	(76,256,210)
<i>Adjustments to reconcile the changes in net assets attributable to holders of redeemable participating shares to cash flows</i>				
<b>Net change in operating assets and liabilities</b>				
Movement in receivables	3,675	(18,997)	570,725	555,649
Movement in payables	(519,755)	18,997	(570,280)	(1,071,284)
Movement in financial assets at fair value through profit or loss	179,562,388	(17,432,499)	139,452,215	301,807,681
<b>Net cash provided by/(used in) operating activities</b>	<b>165,072,596</b>	<b>(23,195,996)</b>	<b>82,859,079</b>	<b>225,035,836</b>
<b>Cash flow from financing activities</b>				
Proceeds from issue of redeemable participating shares	13,606,085	24,933,984	74,936,220	113,153,643
Payments on redemption of redeemable participating shares	(178,688,377)	(1,737,984)	(157,806,303)	(338,210,175)
<b>Net cash (used in)/provided by financing activities</b>	<b>(165,082,292)</b>	<b>23,196,000</b>	<b>(82,870,083)</b>	<b>(225,056,532)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(9,696)</b>	<b>4</b>	<b>(11,004)</b>	<b>(20,696)</b>
<b>Cash and cash equivalents at start of financial year</b>	<b>9,714</b>	<b>-</b>	<b>11,040</b>	<b>20,754</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>18</b>	<b>4</b>	<b>36</b>	<b>58</b>
<b>Cash flows from operating activities include:</b>				
Dividends received	5,186,415	35,937	6,785,594	12,007,946

\* The Fund launched on 20 July 2022.

The accompanying notes form an integral part of the financial statements.

### NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2023

#### 1. ORGANISATION

The reporting entity, LSAM SF 3 Plc (the “Company”) was incorporated on 11 September 2006, as an open-ended umbrella investment company with segregated liability between sub-funds and variable capital organised under the laws of Ireland and is authorised in Ireland by the Central Bank of Ireland (the “Central Bank”) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, (the “UCITS Regulations”) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (“UCITS Regulations”). The Company is structured as an umbrella Fund in that different Funds (the “Funds” or “Sub-Funds”) may be established with the prior approval of the Central Bank.

The Articles of Association provide that the Company may offer separate classes of Shares each representing interests in a Fund. Each Fund will have a distinct portfolio of investments, and more than one class of Shares may be issued in respect of any Fund with the prior approval of the Central Bank.

All capitalised terms not defined herein shall have the meaning attributed to them in the latest Prospectus for the Company.

Each Fund uses the following delivery mechanism:

#### *“Asset Portfolio plus Swap”*

Each Fund initially uses the majority of its subscription proceeds to purchase a portfolio of assets (typically equities, bonds and investment funds), subsequently called the “Asset Portfolio”. It uses the remainder of the subscription proceeds to enter a Fully Funded OTC Swap (“FFS”) agreement with UBS AG, London Branch (“UBS”) under the terms of which, it swaps the cash flow from the subscription proceeds in exchange for the cash flows from the desired investment profile. At the same time, it enters a Total Return OTC Swap (“TRS”) agreement with UBS under the terms of which it pays all the returns of the Asset Portfolio to UBS and receives the returns of the desired investment profile. Consequently, the return of the Fund reflects the return of the desired investment profile only and not that of the asset portfolio.

#### **Common Investment Pools**

To reduce operational and administrative charges, the Manager may authorise the assets of any Fund to be managed in conjunction with other funds established by the Manager or other funds promoted or managed by the Manager or any company affiliated to the Manager. This will be done by establishing a pool of assets (“Pool”) comprising cash and investments contributed by all funds which participate in the Pool (“Participating Funds”). This technique is known as pooling. A Pool is not a separate legal entity and an investor may not invest directly in a Pool. The assets of the Pool are subject to safekeeping by the Company’s Depository.

The precise interest of each Participating Fund in the assets of the Pool are recorded in the books and records of the Company. Pooling does not affect the segregated liability structure of the Participating Funds or of the Company.

The assets within the Asset Portfolio of each Fund are managed on a pooled basis. UBS Asset Management (UK) Ltd acts as the Investment Manager to the Asset Portfolio and manages the Pool.

#### **Investment objectives**

##### **Euro Protect**

The investment objective of the Fund is to achieve capital appreciation over the medium term while delivering protection at 90% of the highest Net Asset Value per Share during the relevant term of the Swap Agreements. In pursuing the Investment Objective, the Fund will seek to achieve the Target Return over the medium term. It is intended that the Fund will always invest in the Swap Agreements and in the Asset Portfolio through Direct Investment.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**1. ORGANISATION (Continued)**

**Investment objectives (continued)**

**FS Exponential China**

The investment objective of the Fund is capital appreciation. It is intended that the Fund will always invest in the Swap Agreements and in the Asset Portfolio through Direct Investment.

**VPV Chance Plus**

The investment objective of the Fund is capital appreciation. It is intended that the Fund will always invest in the Swap Agreements and in the Asset Portfolio through Direct Investment. The Investment Manager and the Investment Manager to the Investment Basket each categories this Fund as sustainability focused fund. The Fund promotes an environmental characteristic and is categorised in accordance with Article 8(1) of the Sustainable Finance Disclosure Regulation (“SFDR”).

The dates on which the OTC Swaps were entered and the terms of the OTC Swaps for existing Funds are as follows:

<b>Funds</b>	<b>OTC Swaps</b>	<b>Effective Date</b>	<b>Initial Term (years)</b>	<b>Termination Date</b>
Euro Protect	FFS	14/01/2021	3	09/02/2024
	TRS	14/01/2021	3	09/02/2024
FS Exponential China	FRS	20/07/2022	3	21/07/2025
	TRS	20/07/2022	3	21/07/2025
VPV Chance Plus	FFS	03/08/2021	3	06/08/2024
	TRS	03/08/2021	3	06/08/2024

**2. MATERIAL ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below.

*(a) Basis of preparation*

The financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) as adopted by the European Union (EU), the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (“UCITS Regulations”) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (“Central Bank UCITS Regulations”).

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore the Company's financial statements are prepared on a going concern basis.

*(b) Basis of measurement*

The financial statements are prepared on a historical cost basis except those measured at fair value. Financial assets at fair value include investments in equities and swaps. Other financial assets and financial liabilities are stated at amortised cost or redemption amount (redeemable shares).

*(c) Use of estimates and judgements*

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**2. MATERIAL ACCOUNTING POLICIES (Continued)**

*(c) Use of estimates and judgements (continued)*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year or in the financial year of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment are discussed in Note 7.

When the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these valuation techniques are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and inputs such as credit risk (both own and counterparty's).

*(d) New Standards, amendments and interpretations*

*(i) Standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2023*

There are no new standards, amendments or interpretations issued and effective for the financial period beginning 1 January 2023 that have a significant impact on the Company's financial position, performance or disclosures in its financial statements.

*(ii) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2023 and not early adopted*

There are no new standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Company.

*(e) Financial assets and liabilities*

*(i) Recognition and initial measurement*

Financial assets and financial liabilities are initially recognised at fair value through profit or loss on the Company's Statement of Financial Position on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised at the date they are originated. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in the Statement of Comprehensive Income.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. Transaction costs on financial assets and financial liabilities at FVTPL are expensed immediately, while on other financial instruments they are amortised.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**2. MATERIAL ACCOUNTING POLICIES (Continued)**

*(e) Financial assets and liabilities (continued)*

*(ii) Classification and subsequent measurement*

On initial recognition, the Company classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest.

All other financial assets of the Company are measured at FVTPL.

Subsequent to initial recognition, all financial assets classified at FVTPL are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income. This category includes equity investments and derivatives. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Financial assets at amortised cost are measured using the effective interest method. These financial assets are held to collect contractual cash flow. This category includes: cash and cash equivalents and dividends and other receivables.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income. This category includes derivative financial instruments.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. This category includes bank overdraft and fees payable.

*(iii) Fair value measurement principles*

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the sub-Funds have access to at that date. The fair value of a liability reflects its non-performance risk.

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the financial year end date. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If a quoted price is not available from a recognised market, or is unrepresentative in the opinion of the Directors or their delegate, such a security shall be valued, by estimating with care and in good faith the probable realisation value of the investment, by the Directors or their delegate or a competent person, which may be the Investment Managers (appointed by the Directors and each approved for the purpose by the Depositary) or valued at the probable realisation value estimated with care and in good faith by any other means, provided that the value is approved by the Depositary.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**2. MATERIAL ACCOUNTING POLICIES (Continued)**

*(e) Financial assets and liabilities (continued)*

*(iii) Fair value measurement principles (continued)*

The value of any security, including debt and equity securities which is not normally quoted, listed or traded on or under the rules of a recognised exchange will be determined in accordance with the above provisions or obtained from an independent pricing source (if available).

The fair value of derivatives that are not exchange traded is estimated at the amount that the Company would receive or pay to terminate the contract at the Statement of Financial Position date taking into account current market conditions (volatility, appropriate yield curve) and the current creditworthiness of the counterparties.

*(iv) Amortised cost measurement principles*

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

*(v) Impairment*

IFRS 9 requires an impairment assessment to be carried out on its financial assets. The Directors have assessed that impairment does not apply to financial assets classified as fair value through profit or loss. The Directors consider the probability of default to be close to zero, as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised in the financial statements based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Company.

*(vi) Derecognition*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial assets and the transfer qualifies for derecognition in accordance with IFRS 9. The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expired.

The Company uses the average cost method to determine realised gains and losses on derecognition.

*(vii) Offsetting*

Financial assets and liabilities are offset and the net amount is reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

*(f) Cash and cash equivalents and bank overdrafts*

Cash and cash equivalents comprises current deposits with the Depositary and are valued at its face value with interest accrued daily. Bank overdrafts are payable to the Depositary and are stated at amortised cost.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**2. MATERIAL ACCOUNTING POLICIES (Continued)**

*(g) Foreign currency translation*

*(i) Functional and presentation currency*

Items included in the Company's financial statements in respect of each individual Fund are measured and presented using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Euro (EUR) for Euro Protect, US dollar (USD) for FS Exponential China and Euro (EUR) for VPV Chance Plus. The Sub-Funds have also adopted these currencies as the presentation currency of the individual Funds. The Company total is presented in Euro being the presentational currency of the Company as the Directors consider Euro to be the currency that most faithfully represents the currency of the Sub-Funds' investments, as well as the currency in which they receive majority of subscriptions from their investors.

The Statement of Comprehensive Income, Statement of Changes of Net Assets Attributable to Holders of Redeemable Participating Shares and the Statement of Cashflows of the FS Exponential China Fund for the financial year ended 31 December 2023, are converted from U.S. Dollar to Euro, for the Company's Combined Financial Statements, using the average exchange rate for that reporting period.

The FS Exponential China Fund's Statement of Financial Position as of 31 December 2023 is converted from U.S. Dollar to Euro as of the financial year end date. The use of different exchange rates results in a notional currency adjustment of EUR 483,150, as recognised in the Company's combined Statement of Changes of Net Assets Attributable to Holders of Redeemable Participating Shares for the financial year ended 31 December 2023. This notional currency adjustment does not impact the net asset value per share of any of the individual Funds.

*(ii) Foreign currency transactions*

Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at the closing rates of exchange at each financial year end. Transactions during the financial year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency transaction gains and losses on financial instruments at fair value through profit and loss are included in realised and unrealised gain and loss on investments.

*(iii) Combined Financial Statements*

For the purpose of combining the financial statements of each Fund to arrive at total figures for the financial year ended 31 December 2023, the amounts in the financial statements have been translated to EUR at the exchange rate ruling as at 31 December 2023 for the Statement of Financial Position and at the average rate for the financial year for the Statement of Comprehensive Income and the Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares. This method of translation has no effect on the net asset value per share attributable to the individual Funds. The foreign currency translation adjustment of EUR 483,150 (31 December 2022: EUR 872,846) included in the combined Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares is due to the movement in exchange rates between 1 January 2023 and 31 December 2023 used in combining the financial statements. This is a notional gain or loss which has no impact on the net asset value of the Funds.

*(h) Taxation*

The Company is an investment undertaking within the meaning of Section 739B of the Taxes Consolidation Act, 1997 and therefore is not chargeable to Irish tax on its relevant income or relevant gains other than on the occurrence of a chargeable event. The Company is resident for tax purposes in Ireland as it is centrally managed and controlled in Ireland.

Distributions of income and capital gains and interest on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**2. MATERIAL ACCOUNTING POLICIES (Continued)**

*(h) Taxation (continued)*

The Company may not be able to benefit from a reduction in the rate of withholding tax by virtue of the double taxation treaties in operation between Ireland and other countries.

Tax may arise for the Company (“Appropriate Tax”) on the happening of a “Chargeable Event” in the Company. A Chargeable Event includes any payments to shareholders by the Company in respect of their shares or any encashment, redemption, cancellation or transfer of shares. On the happening of a Chargeable Event, the Company will deduct the Appropriate Tax on any payment made to the shareholder in respect of the Chargeable Event. On the occurrence of a Chargeable Event where no payment is made, the Company may appropriate or cancel the required number of shares to meet the tax liability. A Chargeable Event also includes a deemed disposal by a shareholder of their shares at the end of a “relevant period”. A relevant period means a period of eight years beginning with the acquisition of the shares and each subsequent period of eight years beginning immediately after the preceding relevant period. The Prospectus provides a more detailed description of the taxation provisions relating to the Company.

*(i) Redeemable participating shares*

All redeemable shares issued by the Company provide the investors with the right to require redemption for cash at the value proportionate to the investor’s share in the relevant Fund’s net assets at the redemption date. In accordance with IAS 32, such instruments are classified as financial liabilities.

In accordance with the Prospectus, the Company is contractually obliged to redeem shares at the NAV per share on the valuation date.

The NAV per Share as at the relevant financial year end is calculated by dividing the NAV of the relevant Fund by the number of shares of the relevant Fund in issue as at the financial year end.

*(j) Dividend income*

Dividend income is credited to the Statement of Comprehensive Income on the dates on which the relevant securities are listed as “ex-dividend”. Dividend income is shown gross of any non-recoverable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income, and net of any tax credits.

*(k) Expenses*

All expenses, including management fees are recognised in the Statement of Comprehensive Income on an accruals basis.

*(l) Realised and unrealised gains or losses*

Realised and unrealised gains or losses arising from equity securities and financial derivative transactions are recorded in the net gain/(loss) from financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

*(m) Transaction costs*

Transaction costs are incremental costs, which are separately identifiable and directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. The Company's portfolio transactions include the purchase and sale of the equity investments and the increase or decrease in notional amount of the OTC swap agreements. There are no separately identifiable transaction costs associated with these transactions. Consequently, there are no transaction costs to be disclosed in these accounts. The UCITS Regulations define transaction costs as costs incurred by a UCITS in connection with transactions on its portfolio. See Appendix II in respect of costs in connection with swap transactions.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**2. MATERIAL ACCOUNTING POLICIES (Continued)**

*(n) Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Receivables are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition/origination. They are subsequently measured at amortised cost using the effective interest yield method, less provision for impairment.

*(o) Payables*

Payables are recognised initially at fair value and subsequently stated at amortised cost. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method.

Trade and other creditors are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms.

*(p) Collateral*

Under the relevant swap agreement, the approved counterparty is required to provide collateral to the Company in order to reduce the Company's risk exposure to the approved counterparty. The collateral received and held by the Funds as of 31 December 2023 and 31 December 2022 comprises of equity and bond instruments. No cash collateral has been received by the Funds on these dates. See Note 6 for further details of the collateral held at 31 December 2023 and 31 December 2022.

**3. DIVIDEND AND DISTRIBUTION POLICY**

All of the Funds pursue an accumulation policy and do not intend to make any distributions of dividends.

**4. TAXATION**

The Company is an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997. Therefore, the Company will not be liable to Irish tax in respect of its income and gains, other than on the occurrence of a chargeable event. A chargeable event includes any distribution payments to shareholders or any encashment, redemption or transfer of shares or the ending period for which the investment was held. Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of shares or on the ending of a 'Relevant Period'.

A 'Relevant Period' being an eight year period beginning with the acquisition of the shares by the Shareholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

A gain on a chargeable event does not arise in respect of:

- (i) a shareholder who is not an Irish resident and not ordinarily resident in Ireland at the time of the chargeable event, provided the necessary signed statutory declarations are held by the Company;
- (ii) certain exempted Irish tax resident Investors who have provided the Company with the necessary signed statutory declarations;
- (iii) an exchange of shares arising on a qualifying amalgamation or reconstruction of the Company with another fund;
- (iv) any transactions in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland;
- (v) certain exchanges of shares between spouses and former spouses on the occasion of judicial separation and/or divorce; and
- (vi) an exchange by a Shareholder, effected by way of an arm's length bargain where no payment is made to the Shareholder of Shares in the Company for other Shares in the Company.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**4. TAXATION (Continued)**

In the absence of an appropriate declaration, the Company will be liable to Irish Tax on the occurrence of a chargeable event and the Company reserves its right to withhold such taxes from the relevant shareholder. There were no chargeable events during the financial year under review. Capital gains, dividends and interest received may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Company or its shareholders.

**5. CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS**

Cash and cash equivalents comprise of cash balances held in accounts held with the Depositary, State Street Custodial Services (Ireland) Limited. Bank overdrafts are payable to the Depositary.

**6. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS**

The Company maintains trading positions in financial instruments as dictated by its investment management strategy.

The Company's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Company is exposed to are market risk, credit risk and liquidity risk. Market risk includes currency risk, interest rate risk and price risk.

The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the Company are discussed below. There can be no assurance that the Company will achieve its investment objectives.

The Company is authorised as an umbrella fund under the UCITS Regulations. These Regulations impose various investment limits on the Funds. These regulatory limits cover such matters as eligible investments, diversification of assets, issuer risk and leverage and are more fully described in the Prospectus. Accordingly, each Fund must comply with these limits on an ongoing basis. The Company uses the commitment approach to calculate the global exposure of the VPV Chance Plus and FS Exponential China and absolute Value at Risk ("VaR") method for the Euro Protect.

The Company may, on behalf of each Fund, subject to the requirements of the Central Bank engage in techniques and instruments relating to transferable securities and money market instruments for Efficient Portfolio Management ("EPM") purposes. Exception may exist in case Funds issue share classes denominated in a currency different from the relevant base currency. In such circumstances, the Funds may enter one or more swaps in the currency of the relevant non base currency share class, which has the effect of reducing the currency risk between the base currency and the currency of the share class. The Funds did not employ FDIs for EPM purposes, during the financial year ended 31 December 2023 or 31 December 2022.

The underlying exposure to the FDI invested in by the Funds was a basket of equities and forward currency contracts. The strategy provides an exposure to the performance of global equity and/or fixed income markets, whilst being linked to a protection mechanism.

The Investment Basket as determined by the Investment Manager to the Investment Basket shall provide exposure to some or all of the following asset classes and related instruments:

Equity asset class:

- (i) Equities of companies, with no sectoral focus, which are listed or traded on Recognised Markets and are located in developed markets and/or emerging markets (each including but not limited to markets in America, Europe and Asia);
- (ii) Equity Indices and equity Index futures;
- (iii) Call and put options linked to equities and equity Indices.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**6. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)**

Interest rate asset class:

- (i) Government bonds;
- (ii) Sovereign bond futures.

Credit asset class:

- (i) Credit default swap Indices;
- (ii) Eligible CIS.

Currency asset class:

- (i) FX forwards;
- (ii) Foreign currency positions.

Commodity Asset class:

- (i) UCITS eligible commodity Indices;
- (ii) Eligible CIS;
- (iii) Eligible transferable securities linked to commodity exposures such as precious metals.

Volatility Asset Class

- (i) Equity Index volatility futures.

*(a) Market Risk*

Market risk embodies the potential for both loss and gains and includes currency risk, interest rate risk and price risk. The Funds' strategies for the management of investment risks are driven by the Funds' investment objectives, which are described in Note 1, and monitored for each Fund by the Investment Manager on a daily basis. The Funds' overall positions are monitored by the Board of Directors on a quarterly basis.

The Asset Portfolio of the relevant Funds is analysed in the Schedule of Investments. Further information on the nature and terms of the OTC swaps are set out in Note 1.

*(i) Currency risk*

The assets and underlying to the OTC swaps of each Fund may be denominated in non-base currencies. Accordingly, the Funds may be exposed to movements in these foreign currencies. The NAV of the Funds and their income, as measured in their base currencies, may be affected by fluctuations in currency rates and exchange control regulations. Assets in the Asset Portfolio may be denominated in different currencies but the TRS will negate any impact this may have on the performance of the Funds.

The foreign currency risk exposure and currency sensitivity analysis, which detail the approximate increase or decrease in net assets attributable to redeemable participating shareholders of each Fund if the exchange rate of the base currency increased or decreased by 5% relative to the non-base exposure for that Fund as at 31 December 2023, are detailed in the tables below, for those Funds with material exposure. 5% represents the Directors best estimate of a reasonably possible movement.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the financial year ended 31 December 2023

6. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)

(a) Market Risk (continued)

(i) Currency risk (continued)

As at 31 December 2023

**Euro Protect**

	Monetary assets/liabilities EUR	Non-monetary assets/liabilities EUR	Total EUR	Currency sensitivity EUR
Danish Krone	-	698,745	698,745	34,937
Swiss Franc	-	2,004,886	2,004,886	100,244
US Dollar	1	9,609,535	9,609,536	480,477
	<b>1</b>	<b>12,313,166</b>	<b>12,313,167</b>	<b>615,658</b>

**FS Exponential China**

	Monetary assets/liabilities USD	Non-monetary assets/liabilities USD	Total USD	Currency sensitivity USD
Danish Krone	-	431,610	431,610	21,581
Euro	1	5,374,734	5,374,735	268,737
Swiss Franc	-	1,238,404	1,238,404	61,920
	<b>1</b>	<b>7,044,748</b>	<b>7,044,749</b>	<b>352,238</b>

**VPV Chance Plus**

	Monetary assets/liabilities EUR	Non-monetary assets/liabilities EUR	Total EUR	Currency sensitivity EUR
Danish Krone	-	7,085,283	7,085,283	354,264
Swiss Franc	-	20,329,571	20,329,571	1,016,479
US Dollar	5	97,440,795	97,440,800	4,872,040
	<b>5</b>	<b>124,855,649</b>	<b>124,855,654</b>	<b>6,242,783</b>

As at 31 December 2022

**Euro Protect**

	Monetary assets/liabilities EUR	Non-monetary assets/liabilities EUR	Total EUR	Currency sensitivity EUR
US Dollar	1	34,600,725	34,600,726	1,730,036
	<b>1</b>	<b>34,600,725</b>	<b>34,600,726</b>	<b>1,730,036</b>

**FS Exponential China**

	Monetary assets/liabilities USD	Non-monetary assets/liabilities USD	Total USD	Currency sensitivity USD
Euro	4	8,917,206	8,917,210	445,861
	<b>4</b>	<b>8,917,206</b>	<b>8,917,210</b>	<b>445,861</b>

**VPV Chance Plus**

	Monetary assets/liabilities EUR	Non-monetary assets/liabilities EUR	Total EUR	Currency sensitivity EUR
US Dollar	2	67,881,110	67,881,112	3,394,056
	<b>2</b>	<b>67,881,110</b>	<b>67,881,112</b>	<b>3,394,056</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**6. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)**

(b) *Market Risk (continued)*

(ii) *Interest rate risk*

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities (fair value interest rate risk) and future cash flows (cash flow interest rate risk). As interest rates rise, the values of debt securities or other income producing investments are likely to fall. This risk is generally greater for obligations with longer maturities.

The Funds are not exposed to material interest rate risk at 31 December 2023 and 31 December 2022 as the Funds do not hold material interest bearing instruments at these dates.

Interest rate risk – Sensitivity analysis

The interest rate component of the Investment Basket for the Funds will earn (or incur for leveraged exposure) a short-term market interest rate return on the notional amount allocated to that component. This interest rate is set for three months. A change in interest rate of 1% on 31 December 2023 and 31 December 2022 will not have a significant effect on the net assets attributable to holders of redeemable participating shares of the Funds.

(iii) *Other price risk*

Other price risk is the risk that the value of investments will fluctuate as a result of changes in market prices of investments and the underlying to the OTC swaps (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual instrument, its issuer or factors affecting all instruments traded in the market. The investments are carried at fair value and changes to these fair values are recognised in the Statement of Comprehensive Income. Accordingly, changes in market conditions affecting the value of the investments are reflected during the financial year in the financial statements.

Price risk is driven by each respective Fund's investment objective as detailed in Note 1.

Other price risk – Sensitivity analysis

A sensitivity analysis has been performed using the following price change (with all other factors held constant): underlying index levels increase by 3%.

Such price changes would have changed the net assets attributable to redeemable participating shares by the following amounts:

**At 31 December 2023**

	<b>Euro Protect</b>	<b>FS Exponential China</b>	<b>VPV Chance Plus</b>	<b>Total</b>
	<b>EUR</b>	<b>USD</b>	<b>EUR</b>	<b>EUR</b>
<b>Changes in NAV</b>	630,434	389,415	6,392,609	7,375,565

**At 31 December 2022**

	<b>Euro Protect</b>	<b>FS Exponential China*</b>	<b>VPV Chance Plus</b>	<b>Total</b>
	<b>EUR</b>	<b>USD</b>	<b>EUR</b>	<b>EUR</b>
<b>Changes in NAV</b>	2,371,079	475,825	4,651,679	7,468,601

\* The Fund launched on 20 July 2022.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**6. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)**

(a) *Market Risk (continued)*

(iii) *Other price risk (continued)*

*Other price risk – Sensitivity analysis (continued)*

An equal % price change but in the opposite direction would have resulted in substantially similar equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

The Funds' exposures to the relevant Investment Baskets through the Swap Agreements may be leveraged i.e. the performance of the Swap Agreements will fluctuate by a greater percentage amount than the performance of the unleveraged Investment Basket. The Investment Managers have the discretion to periodically increase or decrease the level of the leveraged exposures to the Investment Baskets. The level of leveraged exposure chosen (the “Target Total Exposure” or “TTE”) will be within the minimum and maximum ranges outlined in the table below (“Min TTE” and “Max TTE” respectively).

Euro Protect has a target level of volatility in respect of the performance of the Investment Basket of 4% per annum, which is achieved by adjusting the Fund’s target volatility controlled exposure (the “Target Exposure” or “TE”) to the Investment basket within the Swap Agreement. Where the Target Exposure is 125%, the performance of the volatility controlled Investment Basket (not including fees and costs) will fluctuate 1.25 times as much as the performance of the Investment Basket. Where the Target Exposure is 10%, the performance of the volatility controlled Investment Basket (not including fees and costs) will fluctuate one tenth as much as the performance of the Investment Basket.

TE was the following during the financial year ended 31 December 2023:

<b>Name of Fund</b>	<b>Mean</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Median</b>	<b>As of year-end (31 Dec 2023)</b>
Euro Protect	92%	125%	45%	88%	125%
FS Exponential China	100%	100%	100%	100%	100%
VPV Chance Plus	100%	100%	85%	100%	100%

Euro Protect offers capital protection to the relevant Net Asset Value per Share equal to 90% of the highest Net Asset Value per Share during the relevant term of the Swap Agreements. The protection feature is achieved through the Swap Agreements which is delivered via an exposure to a put option. The premium paid for the put option and the ongoing value of the put option will be reflected in the performance of the Investment Strategy. The net delta of the Fund to the Investment basket after taking into account the put option delta was the following during the financial year ended 31 December 2023:

<b>Name of Fund</b>	<b>Mean</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Median</b>	<b>As of year-end (31 Dec 2023)</b>
Euro Protect	45%	111%	5%	41%	111%

Euro Protect had the following leverage, using the Sum of Notionals approach, during the financial year ended 31 December 2023:

<b>Name of Fund</b>	<b>Mean</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Median</b>	<b>As of year-end (31 Dec 2023)</b>
Euro Protect	161 %	201%	131%	161%	142%

The return of VPV Chance Plus and FS Exponential China is generated by the Dynamic Portfolio via the Swap Agreements. The allocation of exposure within the Dynamic Portfolio between Investment Basket and Reserve Asset is determined by the DPPT (Dynamic Proportion Portfolio Technique) algorithm. The maximum exposure of the Dynamic Portfolio to each of the Investment Basket and the Reserve Asset is 100% (ignoring fees, FX hedging and temporary market movements). Where exposure to the Investment Basket is 0%, the Fund will be 100% exposed to the Reserve Asset. Where exposure to the Reserve Asset is 0%, the Fund will be 100% exposed to the Investment Basket.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**6. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)**

(a) *Market Risk (continued)*

Commitment leverage was the following during the financial year ended 31 December 2023:

<b>Name of Fund</b>	<b>Mean</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Median</b>	<b>As of year-end (31 Dec 2023)</b>
FS Exponential China	0.8%	9.8%	0.0%	0.1%	0.1%
VPV Chance Plus	0.1%	0.8%	0.0%	0.1%	0.7%

(iv) *VaR Analysis*

The global exposure for the Euro Protect is measured using the Absolute VaR methodology. In calculating the VaR the following parameters are used:

- A confidence level of 99%
- Return horizon 1 day
- A historical observation period of 5 years
- A holding period of 20 days (square root of time used)
- Decay factor 1

The maximum VaR Limit is 20% of the NAV.

The VaR model is based on historical simulation, as such the risk metrics will be highly dependent on the historical period used in the estimation and how representative this is of potential future risk.

*Stress Testing*

Independent of the VaR calculation, a set of historical and hypothetical stress tests is run on at least a monthly basis. The purpose of the stress tests is to capture extreme, but plausible, scenarios that could potentially cause significant depreciation of the Fund's value as a result of unexpected changes in risk factors and market conditions.

*Back Testing*

Actual changes in the value of the portfolio are used to test the VaR model ("dirty back-testing") and the frequency of any VaR overshoots is monitored daily. If the number of VaR (1 day/99%) overshoots over the last 250 working days is larger than 4 an appropriate investigation is undertaken as to whether the VaR model should be amended.

The table below indicates the utilisation of the portfolio VaR against the prospectus limit during 2023:

<b>Fund</b>	<b>Mean</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Median</b>	<b>Standard Deviation</b>	<b>Fund VaR as of year end</b>
Euro Protect	7.8%	17.9%	0.4%	7.2%	4.0%	12.0%

The table below indicates the utilisation of the portfolio VaR against the prospectus limit during 2022:

<b>Fund</b>	<b>Mean</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Median</b>	<b>Standard Deviation</b>	<b>Fund VaR as of year end</b>
Euro Protect	5.9%	14.0%	0.7%	6.0%	-	1.9%

VaR was the following during the financial year ended 31 December 2023:

<b>Fund</b>	<b>Mean</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Median</b>	<b>Standard Deviation</b>	<b>Fund VaR as of year end</b>
Euro Protect	1.6%	3.6%	0.1%	1.4%	0.8%	2.4%



NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the financial year ended 31 December 2023

6. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)

(b) *Liquidity Risk*

The Funds may create and redeem shares at a frequency specified in the relevant Prospectus Supplements (daily) and are therefore exposed to the liquidity risk of meeting shareholder redemption requests. The Investment Manager monitors this risk and ensures there is sufficient liquidity at all times in the Funds' portfolio to meet liquidity requests. As a term of the OTC swap agreements, the counterparty has agreed to provide at least the same liquidity terms as the Funds. Accordingly, the counterparty will redeem on demand a sufficient portion of the OTC swaps as requested by the Investment Manager at fair value, which mitigates the liquidity risk of those Funds whose investment strategies are delivered via an OTC swap.

The residual contractual maturities of all financial liabilities including amounts due to holders of redeemable participating shares are all less than 30 days.

(c) *Credit Risk*

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the financial statement date. This relates also to financial assets carried at amortised cost as they have a short term to maturity.

The Company's financial assets subject to the expected credit loss model within IFRS 9 are other receivables, cash and cash equivalents which are held with counterparties with a credit rating of BBB or higher and are due to be settled within 1 week. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Company.

All transferable securities transactions are cleared through and held in custody by the Depositary. The Company is subject to credit risk to the extent that this institution may be unable to fulfil its obligations either to return the Company's securities or repay amounts owed. For these financial instruments, the maximum credit risk amount at 31 December 2023 and 31 December 2022 is represented by the amount at which they are included in the Statement of Financial Position. In the event of insolvency or bankruptcy of the depositary or broker, the Company will be treated as a general creditor in relation to cash held with the relevant depositary or broker.

At 31 December 2023 and 31 December 2022 all trading instruments are market quoted and readily traded financial instruments. At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

At 31 December 2023

	Euro Protect EUR	Exponential China USD	FS USD	VPV Chance Plus EUR
-Transferable securities				
- Equities	21,014,469	12,980,490		213,086,973
- Financial derivative instruments				
- Fully funded swaps	237,044	201,909		1,111,409
- Total return swaps	-	688,583		8,083,606
Cash and cash equivalents	3	2		25
Receivable for swaps sold	51,019	-		-
Prepayments and other debtors	24,160	15,539		278,346
<b>Total assets</b>	<b>21,326,695</b>	<b>13,886,523</b>		<b>222,560,359</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the financial year ended 31 December 2023

6. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)

(c) Credit Risk (continued)

At 31 December 2022

	Euro Protect EUR	FS Exponential China* USD	VPV Chance Plus EUR
-Transferable securities			
- Equities	79,035,962	15,860,835	155,055,965
- Financial derivative instruments			
- Fully funded swaps	1,294,231	522,975	5,108,573
- Total return swaps	4,960,469	1,048,689	10,121,189
Cash and cash equivalents	18	4	36
Receivable for swaps sold	419,983	-	-
Prepayments and other debtors	65,402	18,997	225,987
<b>Total assets</b>	<b>85,776,065</b>	<b>17,451,500</b>	<b>170,511,750</b>

\* The Fund launched on 20 July 2022.

Substantially, all of the assets (excluding financial derivative instruments, receivable on swap sold, prepayments and other debtors) of the Company (including the collateral held relating to the OTC swap agreements as further described below) are held within the Depositary's network. Bankruptcy, insolvency or other credit default events of the Depositary or its sub-custody network may cause the Company's rights with respect to securities and other assets (including collateral) held by the Depositary or its sub-custodians to be delayed or limited. The Company monitors its risk by periodically reviewing the credit quality of the Depositary and by ensuring that the Depositary has adequate due diligence procedures in place over its sub-custody network. At 31 December 2023, State Street Corporation, the ultimate parent company of the Depositary, is rated A1 (31 December 2022: A1) by Moody's Investors Service.

All of the Company cash is held by the Depositary.

The Company is subject to the credit risk of UBS AG, London Branch, the counterparty to the OTC swap investments in circumstances when the value of the TRS swap moves in favour of the relevant Fund and to the full value of the Fully Funded Swap, is rated Aa2 (31 December 2022: Aa2) by Moody's Investors Service. As a term of the agreement entered into between the Company and the counterparty to the OTC swaps, the counterparty may provide collateral to the Company in order to reduce the Company's credit risk exposure. The Company monitors the value of collateral daily in accordance with UCITS regulatory requirements i.e. to ensure that the net credit risk to the counterparty does not exceed 10% of the NAV of each Fund.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the financial year ended 31 December 2023

6. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)

(c) Credit Risk (continued)

The value of the OTC swaps, the value of the collateral held, together with the net credit risk of the Company are as follows:

At 31 December 2023

	Euro Protect EUR	Exponential China USD	Chance Plus EUR
		FS	VPV
Value of swaps with UBS AG	194,388	890,492	9,195,015
Value of collateral received	(960,000)	(1,570,000)	(8,319,999)
Net credit risk to swap agreement	-	-	875,016
Deposits with credit institutions	3	2	25
Prepayments and other debtors	75,178	15,538	278,347
<b>Total credit risk on financial assets</b>	<b>75,181</b>	<b>15,540</b>	<b>1,153,388</b>

At 31 December 2022

	Euro Protect EUR	Exponential China* USD	Chance Plus EUR
		FS	VPV
Value of swaps with UBS AG	6,254,700	1,571,664	15,229,762
Value of collateral received	(7,160,091)	(2,220,001)	(15,370,027)
Net credit risk to swap agreement	-	-	-
Deposits with credit institutions	18	4	36
Prepayments and other debtors	485,385	18,997	225,987
<b>Total credit risk on financial assets</b>	<b>485,403</b>	<b>19,001</b>	<b>226,023</b>

\* The Fund launched on 20 July 2022.

The collateral held comprises eligible collateral in accordance with the Central Bank's UCITS Regulations, including equities and bonds for OTC swap agreements.

The Company has International Swaps and Derivatives Association master netting agreements (the "ISDA Agreements") in place with UBS AG under the OTC swap agreements. Master netting agreements provide for the net settlement of contracts with the same counterparty for a particular Fund in the event of default.

Other than outlined above, there were no significant concentration of credit risk with the counterparties at 31 December 2023 or 31 December 2022.

**Offsetting and amounts subject to master netting agreements**

None of the financial assets and liabilities are offset in the Statement of Financial Position. The disclosures set out in the table overleaf include the financial assets and liabilities that are subject to master netting arrangements.

The ISDA Agreements do not meet the criteria for offsetting in the Statement of Financial Position. This is because the Funds and their counterparty do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the financial year ended 31 December 2023

6. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)

(c) Credit Risk (continued)

**Financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:**

		A	B	C = A-B	D		E = C-D
		Gross amounts of recognised financial assets / liabilities	Gross amounts of recognised financial assets / liabilities set-off in the Statement of Financial Position	Net amounts of financial assets / liabilities presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		Net amount
					D (i) Financial instruments	D (ii) Stock Collateral**	
<b>31 December 2023</b>							
<b>UBS AG</b>							
<i>Derivative Assets</i>							
Euro Protect	EUR	237,044	-	237,044	42,656	194,388	-
FS Exponential China	USD	890,492	-	890,492	-	890,492	-
VPV Chance Plus	EUR	9,195,015	-	9,195,015	-	9,195,015	-
<i>Derivative Liabilities</i>							
Euro Protect	EUR	42,656	-	42,656	42,656	-	-
FS Exponential China	USD	-	-	-	-	-	-
VPV Chance Plus	EUR	-	-	-	-	-	-

		A	B	C = A-B	D		E = C-D
		Gross amounts of recognised financial assets / liabilities	Gross amounts of recognised financial assets / liabilities set-off in the Statement of Financial Position	Net amounts of financial assets / liabilities presented in the Statement of Financial Position	Related amounts not set-off in the Statement of Financial Position		Net amount
					D (i) Financial instruments	D (ii) Stock collateral**	
<b>31 December 2022</b>							
<b>UBS AG</b>							
<i>Derivative Assets</i>							
Euro Protect	EUR	6,254,700	-	6,254,700	-	6,254,700	-
FS Exponential China*	USD	1,571,664	-	1,571,664	-	1,571,664	-
VPV Chance Plus	EUR	15,229,762	-	15,229,762	-	15,229,762	-
<i>Derivative Liabilities</i>							
Euro Protect	EUR	-	-	-	-	-	-
FS Exponential China*	USD	-	-	-	-	-	-
VPV Chance Plus	EUR	-	-	-	-	-	-

\* The Fund launched on 20 July 2022.

\*\* The fair value of stock collateral received is greater than the amounts indicated in the table.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**7. FAIR VALUE ESTIMATION**

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. Financial assets and financial liabilities are priced at a mid-price because this price provides a reasonable approximation of the exit price. When the Company holds derivatives with offsetting market risks, it uses close market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used for non-standardised financial instruments such as fully funded swaps, total return swaps and forward currency contracts, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 - Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instrument valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3 - Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instrument that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Investments, whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities and exchange traded derivatives. The Company does not adjust the quoted price for these instruments.

For the Company's financial assets and financial liabilities measured at fair value, the equity investments held on 31 December 2023 and 31 December 2022 were considered Level 1 whereas the financial derivative instruments ("FDI's") held on 31 December 2023 and 31 December 2022 were considered Level 2. There were no transfers between Level 1, 2 and 3 during the financial year ended 31 December 2023 and 31 December 2022.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**7. FAIR VALUE ESTIMATION (Continued)**

The financial instruments not measured at fair value through profit or loss are short-term financial assets and liabilities whose carrying amounts approximate fair value. The cash and cash equivalents held and the bank overdraft payable on 31 December 2023 and 31 December 2022 respectively, were considered Level 1 whereas all other financial assets and financial liabilities not measured at fair value held on 31 December 2023 and 31 December 2022 were considered Level 2.

The Funds did not hold assets or liabilities classified as Level 3 as at 31 December 2023 or 31 December 2022.

**8. FEES PAYABLE**

The following are the fees payable as at 31 December 2023 and 31 December 2022:

**At 31 December 2023**

	<b>Euro Protect EUR</b>	<b>Exponential China USD</b>
Management fees payable (Note 10)	10,150	2,245
Other fees payables	14,012	13,297
<b>Total fees payables</b>	<b>24,162</b>	<b>15,542</b>

	<b>VPV Chance Plus EUR</b>	<b>Total EUR</b>
Management fees payable (Note 10)	38,411	50,594
Other fees payables	239,941	265,990
<b>Total fees payables</b>	<b>278,352</b>	<b>316,584</b>

**At 31 December 2022**

	<b>Euro Protect EUR</b>	<b>Exponential China* USD</b>
Management fees payable (Note 10)	41,228	2,638
Other fees payables	24,174	16,359
<b>Total fees payables</b>	<b>65,402</b>	<b>18,997</b>

	<b>VPV Chance Plus EUR</b>	<b>Total EUR</b>
Management fees payable (Note 10)	-	43,700
Other fees payables	225,988	265,490
<b>Total fees payables</b>	<b>225,988</b>	<b>309,190</b>

\* The Fund launched on 20 July 2022.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**9. SHARE CAPITAL**

The initial authorised share capital of the Company is 1,000,000,002 divided into 1,000,000,000 Participating Shares of no par value and 2 Subscriber Shares of €1.00 each. Two subscriber shares of €1.00 each were issued for the purpose of incorporation. There have been no changes in the authorised or issued subscriber share capital since incorporation.

As the Subscriber Shares are not Participating Shares (and as such do not represent any interest in a Fund), they do not entitle the holders thereof to participate in the dividends of any Fund.

The rights attached to any Participating Share of a Fund may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of 75 percent of the issued Shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of that class. The provisions of the Articles of Association relating to general meetings shall apply to every such separate general meeting but the necessary quorum at any such meeting shall be two persons holding or representing by proxy at least one third of the issued Participating Shares of the Fund in question. Any holder of Participating Shares of the Fund in question present in person or by proxy may demand a poll.

Participating Shares for each Fund and share class may be redeemed on the dates set out in the relevant Prospectus Supplements at the relevant NAV per share. The cut-off time for redemption requests are set out in the relevant Prospectus Supplements.

Class IA1, Class SA1 and Class XA1, non-hedged share classes, are the share classes launched on the Funds.

Participating Shares in issue during the respective financial years are as follows:

**Financial year ended 31 December 2023**

	<b>Euro Protect IA1 (EUR)</b>	<b>FS Exponential China IA1 (USD)</b>	<b>FS Exponential China SA1 (USD)</b>
Shares in issue at beginning of financial year	933,567	1,430	6,180
Number of shares issued	2,923	-	-
Number of shares redeemed	(707,897)	-	-
<b>Shares in issue at end of financial year</b>	<b>228,593</b>	<b>1,430</b>	<b>6,180</b>
Subscriptions during the financial year	268,185	-	-
Redemptions during the financial year	(64,600,648)	-	-
		<b>FS Exponential China XA1 (USD)</b>	<b>VPV Chance Plus IA1 (EUR)</b>
Shares in issue at beginning of financial year		15,416	1,981,680
Number of shares issued		5,272	747,952
Number of shares redeemed		(6,622)	(500,347)
<b>Shares in issue at end of financial year</b>		<b>14,066</b>	<b>2,229,285</b>
Subscriptions during the financial year		3,850,087	70,451,078
Redemptions during the financial year		(4,582,166)	(45,441,142)

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
For the financial year ended 31 December 2023

9. SHARE CAPITAL (Continued)

Financial year ended 31 December 2022

	Euro Protect IA1 (EUR)	FS Exponential China* IA1 (USD)	FS Exponential China* SA1 (USD)
Shares in issue at beginning of financial year	2,688,418	-	-
Number of shares issued	142,169	1,430	6,180
Number of shares redeemed	(1,897,020)	-	-
<b>Shares in issue at end of financial year</b>	<b>933,567</b>	<b>1,430</b>	<b>6,180</b>
Subscriptions during the financial year	13,509,811	1,430,000	6,123,701
Redemptions during the financial year	(179,108,359)	-	-
		FS Exponential China* XA1 (USD)	VPV Chance Plus IA1 (EUR)
Shares in issue at beginning of financial year		-	2,881,122
Number of shares issued		17,491	748,334
Number of shares redeemed		(2,075)	(1,647,776)
<b>Shares in issue at end of financial year</b>		<b>15,416</b>	<b>1,981,680</b>
Subscriptions during the financial year		17,380,283	74,936,220
Redemptions during the financial year		(1,737,984)	(157,806,303)

\* The Fund launched on 20 July 2022.

10. MANAGEMENT FEES

Under the terms of the Management Agreement, the Company has appointed UBS Fund Management (Ireland) Limited (the “Manager”) as manager to the Company responsible for providing investment management and advisory services to the Company. The Manager has delegated, by entering Investment Management Agreements, the investment management function in relation to the Euro Protect to UBS La Maison de Gestion, the Investment Manager to the Investment Basket, and in relation to the FS Exponential China to FERI (Schweiz) AG, the Investment Manager to the Investment Basket, and in relation to the VPV Chance Plus to Allianz Global Investors GmbH, in relation to the Investment Basket, as noted in the Company Information section at the beginning of this Annual Report.

Manager Fees

The Manager is entitled to a fee of up to 0.80% per annum of the NAV of the Euro Protect, up to 0.49% per annum of the NAV of the FS Exponential China, up to 0.80% per annum of the NAV of the VPV Chance Plus as of the relevant valuation date. The fees accrue daily and are payable monthly in arrears out of the assets of the Funds.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**10. MANAGEMENT FEES (Continued)**

The Manager's fee of the Euro Protect amounted to EUR 97,101 (31 December 2022: EUR 382,121), of which EUR 14,012 (31 December 2022: EUR 24,174) remained payable at the financial year end. The Manager's fee of the FS Exponential China amounted to USD 72,726 (31 December 2022: USD 40,641), of which USD 13,297 (31 December 2022: USD 16,359) remained payable at the financial year end. The Manager's fee of the VPV Chance Plus amounted to EUR 272,587 (31 December 2022: EUR 440,842), of which EUR 239,941 (31 December 2022: EUR 225,988) remained payable at the financial year end. See further Appendix II Securities Finance Transactions and Note 16 for detailed arrangement of fees payable to Manager and Investment Managers of the Funds.

**Investment Managers Fees**

Under the provisions of the relevant Investment Management Agreements, the Fund pays the Investment Managers a fee based on the NAV of the Fund applicable to each share class as of the relevant valuation date at the following annual rate:

<b>Fund</b>	<b>Investment Manager to Investment Basket</b>	<b>Investment Manager (Maximum)</b>
Euro Protect	0.55%*	0.025%
FS Exponential China IA1	0.90%	0.065%
FS Exponential China SA1	0.45%	0.065%
FS Exponential China XA1	0.00%	0.065%
VPV Chance Plus	0.20%**	0.07%

\* In addition, the Investment Manager to the investment basket for Euro Protect is entitled to a fee of up to 0.50% per annum on the value of the Investment Basket.

\*\* For the period 1 October 2022 to 1 April 2023, the investment management fee rate was 0%.

The investment management fee payable to the Investment Managers accrues daily and is payable monthly in arrears (and pro rata for lesser periods). The Company pays all out-of-pocket expenses incurred by the Manager and Investment Managers (including VAT thereon). Such out-of-pocket expenses may include transaction charges provided that they are charged at normal commercial rates and incurred by the Manager and Investment Managers in the performance of its duties under the Management Agreement. The investment management fee of the Euro Protect amounted to EUR 306,732 (31 December 2022: EUR 1,122,920), of which EUR 10,150 (31 December 2022: EUR 41,228), remained payable at the financial year end. The investment management fee of the the FS Exponential China amounted to USD 29,723 (31 December 2022: USD 14,928), of which USD 2,245 (31 December 2022: USD 2,638) remained payable at the financial year end. The investment management fee of the VPV Chance Plus amounted to EUR 314,750 (31 December 2022: EUR 341,426), of which EUR 38,411 (31 December 2022: EUR Nil), remained payable at the financial year end. The Investment Management fee to the Investment Manager to the Asset Portfolio amounted to EUR 155,145 of which EUR 14,169 remained payable at the financial year end.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**10. MANAGEMENT FEES (Continued)**

**Performance Fees**

A performance fee (the “Performance Fee”) is payable to the Investment Manager to the Investment Basket, in respect of FS Exponential China based on the calculation methodology as detailed within the Funds’ Prospectus Supplements. No Performance Fees were charged to the Fund during the financial year ended 31 December 2023 or financial year ended 31 December 2022.

**11. ADMINISTRATION FEES**

The Administration fee is accrued daily and was payable monthly in arrears. The Manager will pay all Administration fees for the financial year ended 31 December 2023 in respect of the Euro Protect, FS Exponential China and VPV Chance Plus, and out-of-pocket expenses incurred by the Administrator.

Consequently, the Funds do not directly bear any fees, costs or expenses in relation to the Administrator. See further Appendix II Securities Finance Transactions and Note 16 for detailed arrangement of fees payable to the Administrator of the Funds.

**12. DEPOSITARY FEES**

The Depositary fee is accrued daily and was payable monthly in arrears. The Manager will pay all Depositary fees for the financial year ending 31 December 2023 in respect of the Euro Protect, FS Exponential China and VPV Chance Plus, and out-of-pocket expenses incurred by the Depositary.

Consequently, the Funds do not directly bear any fees, costs or expenses in relation to the Depositary. See further Appendix II Securities Finance Transactions and Note 16 for detailed arrangement of fees payable to the Depositary of the Funds.

**13. DISTRIBUTOR FEES**

The Manager appointed UBS AG, London Branch and UBS Europe SE on 1 March 2019 to act as Global Distributors of the Company pursuant to the Distribution Agreement.

No fees were paid to UBS AG, London Branch and UBS Europe SE by the Company in their capacity as Global Distributors in the financial year ended 31 December 2023 or 31 December 2022. The Sub-distributor of VPV Chance Plus Fund, received a fee rate of up to 1.4% per annum of the Net Asset Value and amounted to EUR 2,151,493 for the financial year ended 31 December 2023 (31 December 2022: EUR 2,373,270). See further Appendix II Securities Finance Transactions, Note 8 and Note 16 for detailed arrangement of fees payable to the Sub-Distributor of the Fund.

**14. DIRECTORS’ AND AUDITORS’ FEES**

The Directors will be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or general meetings of the Company or in connection with the business of the Company. The Directors may grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company. For the financial year ended 31 December 2023 Directors’ fees amounting to EUR 15,000 (31 December 2022: EUR 15,000) were charged of which EUR 30,000 of fees were payable as at 31 December 2023.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023****14. DIRECTORS' AND AUDITORS' FEES (Continued)**

The only remuneration paid to the statutory auditor was for the statutory audit of these financial statements. The auditors' remuneration paid by the Manager was EUR 35,000 for the financial year ended 31 December 2023 (31 December 2022: EUR 35,000). No other services were provided by the auditor to the Company during the financial year. In respect of Euro Protect, FS Exponential China and VPV Chance Plus, the Funds did not incur any costs of Director fees or the statutory auditor fees - such costs were borne by the Manager out of its fee disclosed in Note 10 above. In circumstances where the Manager fee payable by the Fund is less than the fees and costs payable by the Manager to the various third parties, the Manager will bear the shortfall and the Fund or the investors in the Fund will not bear or otherwise incur this shortfall. The Manager reserves the right to recharge some or all of these other costs to the Promoter or to other affiliates of UBS Group AG.

**15. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES**

The Funds did not hold any investments in unconsolidated structured entities at 31 December 2023 and 31 December 2022.

**16. RELATED PARTIES**

Colm Torpey was a Director of the Company until he resigned on 8 May 2023. Colm Torpey was also a director of UBS Fund Management (Ireland) Limited, the Manager and the former Investment Manager of the Company. At the financial period end an employee of the Manager held a €1 subscriber share in the Company.

The value of the transactions with the swap counterparty (UBS AG, London Branch) is included within "movement in financial assets at fair value through profit or loss" in the Statement of Cash Flows. The value of the swaps held with the counterparty at financial year end is set out in the Statement of Financial Position. The returns and costs of the total return swaps are set out in Appendix II to these financial statements.

The Board of Directors is not aware of any transactions with connected persons during the financial year ended 31 December 2023 and 31 December 2022 other than those disclosed in these financial statements. Other parties considered to be related to the Company are the Manager and Investment Manager to the Asset Portfolio and the Distributor and Promoter (Note 13) and the above named Directors.

In respect of Euro Protect, the fees payable to the Manager, the Investment Manager to the Asset Portfolio and to the Investment Manager to the Investment Strategy for the services provided accrue daily and are payable monthly in arrears out of the assets of the Fund. In order to provide liquidity to the Fund to pay these amounts, the swap agreement accrues an equivalent amount for these costs on a daily basis and pays this amount to the Fund on a monthly basis. Other than the fees payable by the Fund to the Manager and to the Investment Manager to the Investment Basket disclosed above, and those costs relating to its investment activity disclosed below, the Fund will not incur any costs from Fund service providers or other related Fund costs, such as director fees, costs of registering the Fund for public distribution in various countries, fees and expenses of professional advisers such as the statutory auditor fees, legal advisers, registration and paying agents, regulatory fees, risk management systems, etc. Such costs will be borne by the Manager out of its fee disclosed above. In circumstances where the Manager fee payable by the Fund, financed via the Interim Fee Payments defined above, is less than the fees and costs payable by the Manager to the various third parties, the Manager will bear the shortfall and the Fund or the investors in the Fund will not bear or otherwise incur this shortfall. The Manager reserves the right to recharge some or all of these other costs to the Promoter or to other affiliates of UBS Group AG. The Swap Counterparty will take into account the following factors when determining the price of the Swap Agreements: (a) Accrual of service provider fees as described in the section headed "Service Provider Fees" above. These are paid periodically as Interim Fee Payments by the Swap Counterparty to the Fund. The receipt by the Fund of the Interim Fee Payments provides it with monies to pay the service provider fees. Interim Fee Payments do not represent additional charges to the service provider fees mentioned above; (b) Any fees and any transaction costs and charges that normally arise which may include any brokerage costs (such as bid-ask spreads of the Components), index licence fees and other costs of hedging the Swap Agreements (for example normal execution and transaction costs incurred by the Swap Counterparty but exclude the redemption fee charges mentioned below).

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023****16. RELATED PARTIES (Continued)**

Such costs and charges will be levied at normal commercial rates and are expected to be in the range of 0.35% to 0.75% per annum of the swap notional, plus any bid-ask spreads in the execution of the Investment Strategy; and (c) Any costs associated with foreign currency hedging. Accordingly, each of the costs mentioned at (a), (b) and (c) above, shall be discharged by the Swap Counterparty out of the swap price it applies. The Fund will transact with the Swap Counterparty at the swap prices net of such costs. Consequently the Fund and investors in the Fund will indirectly bear such costs charged by the Swap Counterparty and paid via the Interim Fee Payments process.

In respect of the VPV Chance Plus, the fees payable to the Manager, the Investment Manager to the Asset Portfolio and to the Investment Manager to the Investment Strategy for the services provided accrue daily and are payable monthly in arrears out of the assets of the Fund. In order to provide liquidity to the Fund to pay these amounts, the swap agreement accrues an equivalent amount for these costs on a daily basis and pays this amount to the Fund on a monthly basis. Other than the fees payable by the Fund to the Manager, to the Investment Manager to the Investment Basket and to the Sub-Distributor disclosed above, and those costs relating to its investment activity disclosed below, the Fund will not incur any costs from Fund service providers or other related Fund costs, such as director fees, costs of registering the Fund for public distribution in various countries, fees and expenses of professional advisers such as the statutory auditor fees, legal advisers, registration and paying agents, regulatory fees, risk management systems, etc. Such costs will be borne by the Manager out of its fee disclosed above. In circumstances where the Manager fee payable by the Fund, financed via the Interim Fee Payments defined above, is less than the fees and costs payable by the Manager to the various third parties, the Manager will bear the shortfall and the Fund or the investors in the Fund will not bear or otherwise incur this shortfall. The Manager reserves the right to recharge some or all of these other costs to the Promoter or to other affiliates of UBS Group AG. The Swap Counterparty will take into account the following factors when determining the price of the Swap Agreements: (a) Accrual of service provider fees as described in the section headed "Service Provider Fees" above. These are paid periodically as Interim Fee Payments by the Swap Counterparty to the Fund. The receipt by the Fund of the Interim Fee Payments provides it with monies to pay the service provider fees. Interim Fee Payments do not represent additional charges to the service provider fees mentioned above; (b) Any fees and any transaction costs and charges that normally arise which may include any brokerage costs (such as bid-ask spreads of the Components), any costs associated with foreign currency hedging, index licence fees and other costs of hedging the Swap Agreements (for example normal execution and transaction costs incurred by the Swap Counterparty but exclude the redemption fee charges and costs in relation to the protection mechanism mentioned below). Such costs and charges will be levied at normal commercial rates and are expected to be in the range of 0.15% to 0.6% per annum of the swap notional, plus any bid-ask spreads in the execution of the Dynamic Portfolio; and (c) Any costs associated with the protection mechanism, which are expected to be up to 1% per annum of the swap notional. Accordingly, each of the costs mentioned at (a), (b), and (c) above, shall be discharged by the Swap Counterparty out of the swap price it applies. The Fund will transact with the Swap Counterparty at the swap prices net of such costs and consequently the Fund and investors in the Fund will indirectly bear such costs mentioned at (a), (b) and (c) above.

In respect of FS Exponential China, the fees payable to the Manager, the Investment Manager to the Asset Portfolio and to the Investment Manager to the Investment Strategy for the services provided accrue daily and are payable monthly in arrears out of the assets of the Fund. In order to provide liquidity to the Fund to pay these amounts, the swap agreement accrues an equivalent amount for these costs on a daily basis and pays this amount to the Fund on a monthly basis. Other than the fees payable by the Fund to the Manager, and to the Investment Manager to the Investment Basket disclosed above, and those costs relating to its investment activity disclosed below, the Fund will not incur any costs from Fund service providers or other related Fund costs, such as director fees, costs of registering the Fund for public distribution in various countries, fees and expenses of professional advisers such as the statutory auditor fees, legal advisers, registration and paying agents, regulatory fees, risk management systems, etc. Such costs will be borne by the Manager out of its fee disclosed above. In circumstances where the Manager fee payable by the Fund, financed via the Interim Fee Payments defined above, is less than the fees and costs payable by the Manager to the various third parties, the Manager will bear the shortfall and the Fund or the investors in the Fund will not bear or otherwise incur this shortfall. The Manager reserves the right to recharge some or all of these other costs to the Promoter or to other affiliates of UBS Group AG. The Swap Counterparty will take into account the following factors when determining the price of the Swap Agreements: (a) Accrual of service provider fees as described in the section headed "Service Provider Fees" above. These are paid periodically as Interim Fee Payments by the Swap Counterparty to the Fund.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**16. RELATED PARTIES (Continued)**

The receipt by the Fund of the Interim Fee Payments provides it with monies to pay the service provider fees. Interim Fee Payments do not represent additional charges to the service provider fees mentioned above; and (b) Any fees and any transaction costs and charges that normally arise which may include any brokerage costs (such as bid-ask spreads of the Components), any costs associated with foreign currency hedging, index licence fees and other costs of hedging the Swap Agreements (for example normal execution and transaction costs incurred by the Swap Counterparty but exclude the redemption fee). Such costs and charges will be levied at normal commercial rates and are expected to be in the range of 0.78% to 1.05% per annum of the swap notional, plus any bid-ask spreads in the execution of the Investment Basket. Accordingly, each of the costs mentioned at (a) and (b) above, shall be discharged by the Swap Counterparty out of the swap price it applies. The Fund will transact with the Swap Counterparty at the swap prices net of such costs and consequently the Fund and investors in the Fund will indirectly bear such costs mentioned at (a) and (b) above.

UBS, as a counterparty to the Company, holds a number of charges granting first priority security interest in relation to collateral relating to the Company.

**Significant shareholders**

The following table details the number of shareholders with significant holdings (at least 20%) of the relevant Fund and the percentage of that holding as at 31 December 2023.

<b>Fund</b>	<b>Number of significant shareholders</b>	<b>Number of Shares</b>	<b>Aggregate shareholding as a % of the Sub-Fund</b>
Euro Protect	1	228,593	100.00
FS Exponential China	1	5,837	26.94
VPV Chance Plus	1	2,229,285	100.00

The following table details the number of shareholders with significant holdings (at least 20%) of the relevant Fund and the percentage of that holding as at 31 December 2022.

<b>Fund</b>	<b>Number of significant shareholders</b>	<b>Number of Shares</b>	<b>Aggregate shareholding as a % of the Sub-Fund</b>
Euro Protect	1	933,567	100.00
FS Exponential China*	1	8,978	38.99
VPV Chance Plus	1	1,981,680	100.00

\* The Fund launched on 20 July 2022.

**17. CROSS INVESTMENTS**

There were no cross investments by the Funds during the financial year ended 31 December 2023 and 31 December 2022.

**18. CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 December 2023 and 31 December 2022.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**19. NAV PER SHARE OVER LAST THREE FINANCIAL YEARS**

	NAV/Share 31 December 2023	NAV/Share 31 December 2022	NAV/Share 31 December 2021
Euro Protect EUR/IA1*	EUR 92.78	EUR 91.36	EUR 98.52
FS Exponential China USD/IA1**	USD 633.28	USD 754.53	-
FS Exponential China USD/SA1**	USD 637.47	USD 756.12	-
FS Exponential China USD/XA1**	USD 641.68	USD 757.70	-
VPV Chance Plus EUR/IA1***	EUR 99.71	EUR 85.93	EUR 107.51

\* Class of share launched on 14 January 2021.  
 \*\* Class of share launched on 20 July 2022.  
 \*\*\* Class of share launched on 3 August 2021.

**20. NET ASSET VALUE (“NAV”) OVER THE LAST THREE FINANCIAL YEARS**

	NAV 31 December 2023	NAV 31 December 2022	NAV 31 December 2021
Euro Protect EUR/IA1*	EUR 21,208,859	EUR 85,290,681	EUR 264,862,941
FS Exponential China USD/IA1**	USD 905,590	USD 1,078,978	-
FS Exponential China USD/SA1**	USD 3,939,565	USD 4,672,822	-
FS Exponential China USD/XA1**	USD 9,025,826	USD 11,680,703	-
VPV Chance Plus EUR/IA1***	EUR 222,282,007	EUR 170,285,762	EUR 309,749,426

\* Class of share launched on 14 January 2021.  
 \*\* Class of share launched on 20 July 2022.  
 \*\*\* Class of share launched on 3 August 2021.

**21. EXCHANGE RATES**

The following exchange rates (against the Euro) at financial year end were used to convert the investments and other assets and liabilities denominated in currencies other than Euro, in respect of the Euro Protect and VPV Chance Plus:

	31 December 2023	31 December 2022
USD: Euro	0.90526	0.93699

The following exchange rates (against the US dollars) at financial year end were used to convert the investments and other assets and liabilities denominated in currencies other than US dollars, in respect of the FS Exponential China:

	31 December 2023	31 December 2022
EUR: US dollars	1.10465	1.06725

The following average exchange rates (against the Euro) during the financial year were used to convert amounts other than investments and other assets and liabilities denominated in currencies other than Euro, in respect of the Euro Protect and VPV Chance Plus:

	31 December 2023	31 December 2022
USD: Euro	0.92491	0.95135

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2023**

**21. EXCHANGE RATES (Continued)**

The following average exchange rates (against the US dollars) during the financial year were used to convert amounts other than investments and other assets and liabilities denominated in currencies other than US dollars, in respect of the FS Exponential China:

	<b>31 December 2023</b>	<b>31 December 2022</b>
EUR: US dollars	1.08144	1.01392

The method of translation has no effect on the NAV per share attributable to the individual Share classes.

As noted in note 2 to the financial statements, the Company's combined financial statements are prepared and presented in Euro and the financial statements of FS Exponential China Fund are prepared and presented in U.S. Dollar.

The Statement of Comprehensive Income, Statement of Changes of Net Assets Attributable to Holders of Redeemable Participating Shares and the Statement of Cashflows of the Fund for the financial year ended 31 December 2023, are converted from U.S. Dollar to Euro, for the Company's Combined Financial Statements, using the following average exchange rate for that reporting period.

**22. CURRENT FINANCIAL YEAR AND PRIOR FINANCIAL YEAR COMPARATIVES**

These financial statements present the results for all Funds active in the financial year ended 31 December 2023 and the financial year ended 31 December 2022.

**23. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

Please see Directors' report for significant events during the financial year.

**24. SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR**

Please see Directors' report for significant events after the financial year end.

**25. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved and authorised for issue by the Directors on 24 April 2024.

## LSAM SF 3 Plc

### SCHEDULE OF INVESTMENTS 31 December 2023

#### Euro Protect

	Shares/Nominal	Fair value EUR	Percentage of net assets %
<b>Financial assets at fair value through profit or loss</b>			
<b>Transferable securities admitted to an official stock exchange listing</b>			
<b>Equity securities (2022: 92.67%)</b>			
<b>- Denmark</b>			
VESTAS WIND SYSTEMS A/S	24,306	698,745	3.29
<b>Total Denmark</b>		<b>698,745</b>	<b>3.29</b>
<b>- France</b>			
AXA SA	21,561	635,833	3.00
BNP PARIBAS SA	7,864	492,227	2.32
CIE GENERALE DES ETABLISSEMENTS MICHELIN SCA	19,224	623,999	2.94
DANONE SA	6,023	353,454	1.67
EIFFAGE SA	7,154	694,090	3.27
HERMES INTERNATIONAL SCA	199	381,327	1.80
KERING SA	1,923	767,464	3.62
L'OREAL SA	899	405,189	1.91
LVMH MOET HENNESSY LOUIS VUITTON SE	548	401,689	1.89
ORANGE SA	2	22	-
SCHNEIDER ELECTRIC SE	2,341	425,472	2.01
TOTALENERGIES SE	6,193	381,515	1.80
<b>Total France</b>		<b>5,562,281</b>	<b>26.23</b>
<b>- Germany</b>			
MUENCHENER RUECKVERSICHERUNGS- GESELLSCHAFT AG IN MUENCHEN	995	373,106	1.76
<b>Total Germany</b>		<b>373,106</b>	<b>1.76</b>
<b>- Ireland</b>			
ACCENTURE PLC	1,273	404,360	1.91
JOHNSON CONTROLS INTERNATIONAL PLC	8,041	419,552	1.98
LINDE PLC	896	333,214	1.57
<b>Total Ireland</b>		<b>1,157,126</b>	<b>5.46</b>
<b>- Italy</b>			
ENEL SPA			
<b>Total Italy</b>	122,062	821,474	3.87
		<b>821,474</b>	<b>3.87</b>
<b>- Netherlands</b>			
ASML HOLDING NV	613	418,196	1.97
ING GROEP NV	26,196	354,324	1.67
STMICROELECTRONICS NV	18,085	818,264	3.86
<b>Total Netherlands</b>		<b>1,590,784</b>	<b>7.50</b>
<b>- Spain</b>			
IBERDROLA SA	29,794	353,657	1.67
<b>Total Spain</b>		<b>353,657</b>	<b>1.67</b>
<b>- Switzerland</b>			
LONZA GROUP AG	1,076	409,401	1.93
NOVARTIS AG	4,325	394,799	1.86



## LSAM SF 3 Plc

### SCHEDULE OF INVESTMENTS (Continued) 31 December 2023

#### Euro Protect (Continued)

	Shares/Nominal	Fair value EUR	Percentage of net assets %
<b>Financial assets at fair value through profit or loss (Continued)</b>			
<b>Transferable securities admitted to an official stock exchange listing (Continued)</b>			
<b>Equity securities (2022: 92.67%) (Continued)</b>			
<b>- Switzerland (Continued)</b>			
SIG GROUP AG	18,215	379,095	1.79
SWISS RE AG	3,657	371,961	1.75
VAT GROUP AG	992	449,631	2.12
<b>Total Switzerland</b>		<b>2,004,887</b>	<b>9.45</b>
<b>- United States</b>			
ADOBE INC	1,204	650,358	3.07
ALPHABET INC CL A	4,801	607,109	2.86
ALPHABET INC CL C	3,039	387,703	1.83
BOOKING HOLDINGS INC	135	433,951	2.05
CADENCE DESIGN SYSTEMS INC	2,006	494,727	2.33
COCA-COLA CO	9,572	510,614	2.41
HOME DEPOT INC	1,156	362,518	1.71
IDEXX LABORATORIES INC	883	443,919	2.09
INTEL CORP	11,929	542,658	2.56
INTERNATIONAL BUSINESS MACHINES CORP	2,734	404,714	1.91
JOHNSON & JOHNSON	2,811	398,851	1.88
MICROSOFT CORP	1,124	382,572	1.80
PEPSICO INC	2,190	336,644	1.59
PROCTER & GAMBLE CO	3,566	472,996	2.23
SALESFORCE INC	1,890	450,230	2.12
SERVICENOW INC	632	404,481	1.91
SYNOPSIS INC	788	367,112	1.73
TESLA INC	1,814	408,073	1.92
VISA INC	1,668	393,179	1.85
<b>Total United States</b>		<b>8,452,409</b>	<b>39.85</b>
<b>Total equity securities</b>		<b>21,014,469</b>	<b>99.08</b>
<b>Over the counter derivative financial instruments (2022: 7.33%)</b>			
<b>Fully funded swaps*</b>			
<b>CCY</b>	<b>Description</b>	<b>Maturity Date</b>	
EUR	Euro Protect FFS	09/02/2024	2,555
			237,044
			1.12
<b>Funded swaps at fair value</b>			<b>237,044</b>
			<b>1.12</b>
<b>Total return swaps*</b>			
<b>CCY</b>	<b>Description</b>	<b>Maturity Date</b>	
EUR	Euro Protect TRS	09/02/2024	226,838
			(42,656)
			(0.20)
<b>Total return swaps at fair value</b>			<b>(42,656)</b>
			<b>(0.20)</b>
<b>Net financial assets at fair value through profit or loss</b>			<b>21,208,857</b>
			<b>100.00</b>
Other assets in excess of other assets			2
			-
<b>Net assets attributable to holders of redeemable participating shares</b>			<b>21,208,859</b>
			<b>100.00</b>

\*The counterparty to the swap contracts is UBS.

## LSAM SF 3 Plc

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### SCHEDULE OF INVESTMENTS (Continued) 31 December 2023

#### Euro Protect (Continued)

<b>Analysis of total assets</b>	<b>Fair value</b>	<b>% of total</b>
	<b>EUR</b>	<b>assets</b>
Transferable securities admitted to an official stock exchange	21,014,469	98.54
Over the counter derivative financial instruments	237,044	1.11
Other assets	75,181	0.35
<b>Total assets</b>	<b>21,326,694</b>	<b>100.00</b>

## LSAM SF 3 Plc

### SCHEDULE OF INVESTMENTS (Continued) 31 December 2023

#### FS Exponential China

	Shares/Nominal	Fair value USD	Percentage of net assets %
<b>Financial assets at fair value through profit or loss</b>			
<b>Transferable securities admitted to an official stock exchange listing</b>			
<b>Equity securities (2022: 90.98%)</b>			
<b>- Denmark</b>			
VESTAS WIND SYSTEMS A/S	13,591	431,610	3.11
<b>Total Denmark</b>		<b>431,610</b>	<b>3.11</b>
<b>- France</b>			
AXA SA	12,056	392,750	2.83
BNP PARIBAS SA	4,398	304,045	2.19
CIE GENERALE DES ETABLISSEMENTS MICHELIN SCA	10,749	385,440	2.78
DANONE SA	3,368	218,326	1.57
EIFFAGE SA	4,000	428,734	3.09
HERMES INTERNATIONAL SCA	111	235,543	1.70
KERING SA	1,076	474,056	3.43
L'OREAL SA	503	250,283	1.80
LVMH MOET HENNESSY LOUIS VUITTON SE	306	248,121	1.79
ORANGE SA	1	14	-
SCHNEIDER ELECTRIC SE	1,309	262,811	1.89
TOTALENERGIES SE	3,463	235,659	1.70
<b>Total France</b>		<b>3,435,782</b>	<b>24.77</b>
<b>- Germany</b>			
MUENCHENER RUECKVERSICHERUNGS- GESELLSCHAFT AG IN MUENCHEN	556	230,465	1.66
<b>Total Germany</b>		<b>230,465</b>	<b>1.66</b>
<b>- Ireland</b>			
ACCENTURE PLC	712	249,770	1.80
JOHNSON CONTROLS INTERNATIONAL PLC	4,496	259,154	1.87
LINDE PLC	501	205,824	1.48
<b>Total Ireland</b>		<b>714,748</b>	<b>5.15</b>
<b>- Italy</b>			
ENEL SPA	68,254	507,419	3.66
<b>Total Italy</b>		<b>507,419</b>	<b>3.66</b>
<b>- Netherlands</b>			
ASML HOLDING NV	343	258,317	1.86
ING GROEP NV	14,648	218,863	1.58
STMICROELECTRONICS NV	10,113	505,436	3.65
<b>Total Netherlands</b>		<b>982,616</b>	<b>7.09</b>
<b>- Spain</b>			
IBERDROLA SA			
<b>Total Spain</b>	16,660	218,452	1.57
		<b>218,452</b>	<b>1.57</b>
<b>- Switzerland</b>			
LONZA GROUP AG	602	252,884	1.82
NOVARTIS AG	2,418	243,864	1.76

## LSAM SF 3 Plc

### SCHEDULE OF INVESTMENTS (Continued) 31 December 2023

#### FS Exponential China (Continued)

	Shares/Nominal	Fair value USD	Percentage of net assets %
<b>Financial assets at fair value through profit or loss (Continued)</b>			
<b>Transferable securities admitted to an official stock exchange listing (Continued)</b>			
<b>Equity securities (2022: 90.98%) (Continued)</b>			
<b>- Switzerland (Continued)</b>			
SIG GROUP AG	10,185	234,164	1.69
SWISS RE AG	2,045	229,757	1.66
VAT GROUP AG	555	277,734	2.00
<b>Total Switzerland</b>		<b>1,238,403</b>	<b>8.93</b>
<b>- United States</b>			
ADOBE INC	673	401,722	2.91
ALPHABET INC CL A	2,685	375,007	2.70
ALPHABET INC CL C	1,699	239,481	1.73
BOOKING HOLDINGS INC	76	268,049	1.93
CADENCE DESIGN SYSTEMS INC	1,122	305,590	2.20
COCA-COLA CO	5,352	315,402	2.27
HOME DEPOT INC	646	223,925	1.61
IDEXX LABORATORIES INC	494	274,206	1.98
INTEL CORP	6,671	335,196	2.42
INTERNATIONAL BUSINESS MACHINES CORP	1,529	249,989	1.80
JOHNSON & JOHNSON	1,572	246,367	1.78
MICROSOFT CORP	628	236,312	1.70
PEPSICO INC	1,224	207,943	1.50
PROCTER & GAMBLE CO	1,994	292,166	2.11
SALESFORCE INC	1,057	278,104	2.00
SERVICENOW INC	354	249,845	1.80
SYNOPSYS INC	440	226,763	1.63
TESLA INC	1,014	252,064	1.82
VISA INC	933	242,864	1.75
<b>Total United States</b>		<b>5,220,995</b>	<b>37.64</b>
<b>Total equity securities</b>		<b>12,980,490</b>	<b>93.58</b>
<b>Over the counter derivative financial instruments (2022: 9.02%)</b>			
<b>Fully funded swaps*</b>			
<b>CCY</b>	<b>Description</b>	<b>Maturity Date</b>	
USD	FS Exponential China FFS	21/07/2025	21
			13,179
USD	FS Exponential China FFS	21/07/2025	90
			57,347
USD	FS Exponential China FFS	21/07/2025	205
			131,383
<b>Funded swaps at fair value</b>			<b>201,909</b>
			<b>1.46</b>
<b>Total return swaps*</b>			
<b>CCY</b>	<b>Description</b>	<b>Maturity Date</b>	
USD	FS Exponential China TRS	21/07/2025	1,409
			44,941
USD	FS Exponential China TRS	21/07/2025	6,090
			195,563
USD	FS Exponential China TRS	21/07/2025	13,861
			448,079
<b>Total return swaps at fair value</b>			<b>688,583</b>
			<b>4.96</b>

\*The counterparty to the swap contracts is UBS.

**LSAM SF 3 Plc****SCHEDULE OF INVESTMENTS (Continued)**  
**31 December 2023****FS Exponential China (Continued)**

	<b>Fair value</b>	<b>Percentage</b>
	<b>USD</b>	<b>of net</b>
		<b>assets</b>
		<b>%</b>
<b>Financial assets at fair value through profit or loss (Continued)</b>		
<b>Net financial assets at fair value through profit or loss</b>	<b>13,870,982</b>	<b>100.00</b>
Other assets in excess of other liabilities	(1)	-
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>13,870,981</b>	<b>100.00</b>
<b>Analysis of total assets</b>		<b>% of total</b>
		<b>assets</b>
Transferable securities admitted to an official stock exchange	12,980,490	93.48
Over the counter derivative financial instruments	890,492	6.41
Other assets	15,540	0.11
<b>Total assets</b>	<b>13,886,522</b>	<b>100.00</b>

## LSAM SF 3 Plc

### SCHEDULE OF INVESTMENTS (Continued) 31 December 2023

#### VPV Chance Plus

	Shares/Nominal	Fair value EUR	Percentage of net assets %
<b>Financial assets at fair value through profit or loss</b>			
<b>Transferable securities admitted to an official stock exchange listing</b>			
<b>Equity securities (2022: 91.06%)</b>			
<b>- Denmark</b>			
VESTAS WIND SYSTEMS A/S	246,466	7,085,283	3.19
<b>Total Denmark</b>		<b>7,085,283</b>	<b>3.19</b>
<b>- France</b>			
AXA SA	218,629	6,447,358	2.89
BNP PARIBAS SA	79,744	4,991,187	2.25
CIE GENERALE DES ETABLISSEMENTS MICHELIN SCA	194,928	6,327,362	2.85
DANONE SA	61,077	3,584,025	1.61
EIFFAGE SA	72,543	7,038,076	3.17
HERMES INTERNATIONAL SCA	2,015	3,866,654	1.74
KERING SA	19,504	7,782,087	3.50
L'OREAL SA	9,117	4,108,626	1.85
LVMH MOET HENNESSY LOUIS VUITTON SE	5,552	4,073,137	1.83
ORANGE SA	22	223	-
SCHNEIDER ELECTRIC SE	23,734	4,314,296	1.94
TOTALENERGIES SE	62,801	3,868,565	1.74
<b>Total France</b>		<b>56,401,596</b>	<b>25.37</b>
<b>- Germany</b>			
MUENCHENER RUECKVERSICHERUNGS- GESELLSCHAFT AG IN MUENCHEN	10,086	3,783,301	1.70
<b>Total Germany</b>		<b>3,783,301</b>	<b>1.70</b>
<b>- Ireland</b>			
ACCENTURE PLC	12,907	4,100,217	1.84
JOHNSON CONTROLS INTERNATIONAL PLC	81,531	4,254,259	1.91
LINDE PLC	9,088	3,378,794	1.52
<b>Total Ireland</b>		<b>11,733,270</b>	<b>5.27</b>
<b>- Italy</b>			
ENEL SPA	1,237,706	8,329,759	3.75
<b>Total Italy</b>		<b>8,329,759</b>	<b>3.75</b>
<b>- Netherlands</b>			
ASML HOLDING NV	6,221	4,240,520	1.91
ING GROEP NV	265,625	3,592,847	1.62
STMICROELECTRONICS NV	183,384	8,297,210	3.73
<b>Total Netherlands</b>		<b>16,130,577</b>	<b>7.26</b>
<b>- Spain</b>			
IBERDROLA SA	302,114	3,586,089	1.61
<b>Total Spain</b>		<b>3,586,089</b>	<b>1.61</b>
<b>- Switzerland</b>			
LONZA GROUP AG	10,912	4,151,331	1.87
NOVARTIS AG	43,855	4,003,262	1.80

## LSAM SF 3 Plc

### SCHEDULE OF INVESTMENTS (Continued) 31 December 2023

#### VPV Chance Plus (Continued)

	Shares/Nominal	Fair value EUR	Percentage of net assets %
<b>Financial assets at fair value through profit or loss (Continued)</b>			
<b>Transferable securities admitted to an official stock exchange listing (Continued)</b>			
<b>Equity securities (2022: 91.06%) (Continued)</b>			
<b>- Switzerland (Continued)</b>			
SIG GROUP AG	184,698	3,844,031	1.73
SWISS RE AG	37,084	3,771,687	1.70
VAT GROUP AG	10,057	4,559,260	2.05
<b>Total Switzerland</b>		<b>20,329,571</b>	<b>9.15</b>
<b>- United States</b>			
ADOBE INC	12,210	6,594,633	2.96
ALPHABET INC CL A	48,682	6,156,085	2.76
ALPHABET INC CL C	30,815	3,931,314	1.77
BOOKING HOLDINGS INC	1,370	4,400,254	1.98
CADENCE DESIGN SYSTEMS INC	20,346	5,016,541	2.26
COCA-COLA CO	97,055	5,177,631	2.33
HOME DEPOT INC	11,717	3,675,941	1.65
IDEXX LABORATORIES INC	8,959	4,501,349	2.03
INTEL CORP	120,963	5,502,555	2.48
INTERNATIONAL BUSINESS MACHINES CORP	27,718	4,103,808	1.85
JOHNSON & JOHNSON	28,503	4,044,352	1.82
MICROSOFT CORP	11,396	3,879,286	1.75
PEPSICO INC	22,202	3,413,574	1.54
PROCTER & GAMBLE CO	36,155	4,796,186	2.16
SALESFORCE INC	19,165	4,565,338	2.05
SERVICENOW INC	6,413	4,101,447	1.85
SYNOPSYS INC	7,986	3,722,525	1.67
TESLA INC	18,395	4,137,869	1.86
VISA INC	16,916	3,986,839	1.79
<b>Total United States</b>		<b>85,707,527</b>	<b>38.56</b>
<b>Total equity securities</b>		<b>213,086,973</b>	<b>95.86</b>
<b>Over the counter derivative financial instruments (2022: 8.94%)</b>			
<b>Fully funded swaps*</b>			
<b>CCY</b>	<b>Description</b>	<b>Maturity Date</b>	
EUR	VPV Chance Plus FFS	06/08/2024	11,146
			1,111,409
			0.50
<b>Funded swaps at fair value</b>			<b>1,111,409</b>
			<b>0.50</b>
<b>Total return swaps*</b>			
<b>CCY</b>	<b>Description</b>	<b>Maturity Date</b>	
EUR	VPV Chance Plus TRS	06/08/2024	2,218,139
			8,083,606
			3.64
<b>Total return swaps at fair value</b>			<b>8,083,606</b>
			<b>3.64</b>
<b>Net financial assets at fair value through profit or loss</b>			<b>222,281,988</b>
			<b>100.00</b>
Other assets in excess of other assets			19
			-
<b>Net assets attributable to holders of redeemable participating shares</b>			<b>222,282,007</b>
			<b>100.00</b>

\*The counterparty to the swap contracts is UBS.

## LSAM SF 3 Plc

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### SCHEDULE OF INVESTMENTS (Continued) 31 December 2023

#### VPV Chance Plus (Continued)

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<b>Analysis of total assets</b>	<b>Fair value EUR</b>	<b>% of total assets</b>
Transferable securities admitted to an official stock exchange	213,086,973	95.74
Over the counter derivative financial instruments	9,195,015	4.13
Other assets	278,372	0.13
<b>Total assets</b>	<b>222,560,360</b>	<b>100.00</b>

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## LSAM SF 3 Plc

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### SCHEDULE OF INVESTMENTS (Continued) 31 December 2023 (Unaudited)

Additional information on over the counter derivative financial instruments

#### Euro Protect

The following table details the contents of the risky asset basket for Euro Protect in the financial year ended 31 December 2023.

<b>Instrument</b>	<b>Identifier</b>	<b>% of Total Target Exposure to the Investment Strategy as at Final Rebalance</b>
UBS Long iTraxx XO 5Y Index Ex	UISYMM5E	9.59%
UBS Long iTraxx Main 5Y Index	ESU3	9.09%
UBS Long CDX HY 5Y Index Exces	SXXR	6.65%
UBS Long CDX IG 5Y Index Exces	UISYMX5E	3.81%
STOXX Europe 600 (Net Return)	UISYMI5E	3.70%
MSCI Europe Value Net Return E	UISYMH5E	1.77%
UBS ETF CMCI Composite SF UCIT	M7EU000V	0.49%
Cash	-	64.90%
<b>Total</b>		<b>100.00%</b>

## LSAM SF 3 Plc

### SCHEDULE OF INVESTMENTS (Continued) 31 December 2023 (Unaudited)

Additional information on over the counter derivative financial instruments (Continued)

#### FS Exponential China

The following table details the contents of the risky asset basket for FS Exponential China in the financial year ended 31 December 2023.

<b>Instrument</b>	<b>Identifier</b>	<b>% of Total Target Exposure to the Investment Strategy as at Final Rebalance</b>
Dongxing Securities Co Ltd	601198 C1	3.41%
Zhejiang Century Huatong Group	002602 C2	3.30%
Ningbo Deye Technology Co Ltd	605117 C1	3.13%
Puya Semiconductor Shanghai Co	688766 C1	3.07%
SG Micro Corp	300661 CH	3.07%
China Resources Microelectroni	688396 C1	2.93%
Chengdu Zhimingda Electronics	688636 CH	2.91%
Shenzhen Fortune Trend Technol	688318 C1	2.81%
Sansure Biotech Inc	688289 C1	2.79%
Beijing Yuanliu Hongyuan Elect	603267 CH	2.69%
Kaiser China Cultural Co Ltd	002425 C2	2.68%
Chengdu XGimi Technology Co Lt	688696 C1	2.68%
Tianfeng Securities Co Ltd	601162 C1	2.65%
Tinavi Medical Technologies Co	688277 C1	2.59%
Tianjin Jiuri New Materials Co	688199 CH	2.57%
Yuneng Technology Co Ltd	688348 CH	2.56%
Maccura Biotechnology Co Ltd	300463 C2	2.55%
CNGR Advanced Material Co Ltd	300919 C2	2.54%
515J Holding Group Co Ltd	000560 C2	2.50%
Beijing Bei Mo Gao Ke Friction	002985 C2	2.50%
Jenkem Technology Co Ltd	688356 C1	2.49%
Nanjing King-Friend Biochemica	603707 C1	2.47%
Beijing Oriental Jicheng Co Lt	002819 CH	2.46%
QingCloud Technologies Corp	688316 CH	2.45%
Loongson Technology Corp Ltd	688047 C1	2.43%
G-bits Network Technology Xiam	603444 CH	2.41%
GigaDevice Semiconductor Inc	603986 C1	2.41%
Shanghai AtHub Co Ltd	603881 C1	2.41%
Oriental Pearl Group Co Ltd	600637 CH	2.40%
Ingenic Semiconductor Co Ltd	300223 C2	2.38%
Wingtech Technology Co Ltd	600745 CH	2.37%
Suzhou Recodeal Interconnect S	688800 C1	2.33%
Yunnan Botanee Bio-Technology	300957 C2	2.31%
Shanghai Fudan Microelectronic	688385 C1	2.22%
Genimous Technology Co Ltd	000676 C2	2.22%
Shanghai Medicilon Inc	688202 C1	1.89%
Cash	-	6.42%
<b>Total</b>		<b>100.00%</b>

**SCHEDULE OF INVESTMENTS (Continued)**  
**31 December 2023 (Unaudited)**

Additional information on over the counter derivative financial instruments (Continued)

**VPV Chance Plus**

The following table details the contents of the risky asset basket for VPV Chance Plus in the financial year ended 31 December 2023.

<b>Instrument</b>	<b>Identifier</b>	<b>% of Total Target Exposure to the Investment Strategy as at Final Rebalance</b>
MSCI USA Climate Paris Aligned Index	MXUSCLPA	69.19%
NIKKEI 225 (OSE) Mar24 NS225 Future	NKH4	16.86%
MSCI EMU Climate Paris Aligned Index	MXEMCLNE	7.41%
MSCI Canada Climate Paris Aligned Index	NC737934	3.11%
EURUSD Forward 2024-03-07	-	0.63%
Cash	-	2.80%
<b>Total</b>		<b>100.00%</b>

**SIGNIFICANT PURCHASES & SALES FOR FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(Unaudited)**

**Euro Protect - Significant Purchases**

<b>Description</b>	<b>Shares/Nominal</b>	<b>Price EUR</b>	<b>Amount EUR</b>
ADOBE INC	13,823	349	4,819,780
PROCTER & GAMBLE CO	18,409	138	2,546,569
SERVICENOW INC	5,517	425	2,345,942
VISA INC	9,271	223	2,064,951
SALESFORCE INC	10,285	188	1,938,334
DEERE & CO	4,883	395	1,929,742
JOHNSON & JOHNSON	13,270	144	1,911,378
PEPSICO INC	11,335	162	1,839,842
CADENCE DESIGN SYSTEM INC	9,673	179	1,727,500
VERIZON COMMUNICATIONS INC	49,188	32	1,590,384
IDEXX LABORATORIES INC	3,225	453	1,461,814
INTEL CORP	41,694	33	1,394,298
MASTERCARD INC	3,517	366	1,287,727
INTERNATIONAL BUSINESS MACHINES CORP	10,038	128	1,285,547
MARVELL TECHNOLOGY INC	23,426	53	1,233,375
ALIGN TECHNOLOGY INC	3,908	311	1,214,904
TRIMBLE INC	20,084	46	922,191
SCHLUMBERGER LTD	21,612	41	894,587
NVIDIA CORP	1,943	423	822,844
STMICROELECTRONICS NV	18,043	45	808,340
WALT DISNEY CO	8,869	91	807,958
ENEL SPA	121,778	7	804,545
INTERCONTINENTAL EXCHANGE IN	6,882	102	704,776
VMWARE INC	5,960	116	690,915
AXA SA	23,518	29	681,135
VESTAS WIND SYSTEMS A/S	26,516	26	679,204
MICROSOFT CORP	1,993	334	665,818
CIE GENERALE DES ETABLISSEMENTS MICHELIN SCA	20,972	31	650,388
VERTEX PHARMACEUTICALS INC	1,987	298	591,352
COCA COLA CO	10,442	54	563,381

**Euro Protect - Significant Sales**

<b>Description</b>	<b>Shares/Nominal</b>	<b>Price EUR</b>	<b>Amount EUR</b>
MICROSOFT CORP	26,772	241	6,449,617
ADOBE INC	9,062	390	3,533,726
NVIDIA CORP	11,133	309	3,435,799
VISA INC	13,157	218	2,866,083
DEERE & CO	7,467	359	2,680,376
MASTERCARD INC	7,494	351	2,629,516
SAP SE	22,594	113	2,560,922
ALPHABET INC	27,345	85	2,313,171
AIR LIQUIDE SA	14,078	159	2,237,737
AXA SA	66,390	28	1,882,399
LINDE PLC	6,103	307	1,872,523
PROCTER & GAMBLE CO	13,623	136	1,852,489
ALLIANZ SE	6,864	222	1,527,145
ELECTRONIC ARTS INC	14,526	105	1,522,284
APPLIED MATERIALS INC	14,565	104	1,507,676
VERIZON COMMUNICATIONS INC	45,645	32	1,462,357
JOHNSON & JOHNSON	9,315	148	1,380,081
TOTALENERGIES SE	22,604	61	1,369,268
ALSTOM	49,631	26	1,292,391
PEPSICO INC	7,781	159	1,238,094
SCHNEIDER ELECTRIC SE	7,379	166	1,222,686

**SIGNIFICANT PURCHASES & SALES FOR FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(Unaudited) (Continued)**

**Euro Protect - Significant Sales (Continued)**

<b>Description</b>	<b>Shares/Nominal</b>	<b>Price EUR</b>	<b>Amount EUR</b>
TESLA INC	5,155	235	1,212,368
ZOETIS INC	7,762	148	1,146,144
SALESFORCE INC	5,471	205	1,120,376
MARVELL TECHNOLOGY INC	21,867	51	1,115,186
SERVICENOW INC	1,746	601	1,048,497
ELI LILLY & CO	2,459	403	991,964
EIFFAGE SA	9,567	103	988,267
ALPHABET INC CL A	7,889	125	985,018
CIE GENERALE DES ETABLISSEMENTS MICHELIN SCA	34,059	26	902,222
INTUIT INC	2,051	433	888,622
WALT DISNEY CO	9,921	86	857,721
INTEL CORP	24,226	35	839,835
INTERNATIONAL BUSINESS MACHINES CORP	5,881	132	776,295
INTERCONTINENTAL EXCHANGE IN	6,911	109	751,766

Significant portfolio changes are defined as the aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate sales of a security exceeding one per cent of the total value of sales for the financial year end. At a minimum, the 20 largest purchases and 20 largest sales are to be disclosed.

**LSAM SF 3 Plc****SIGNIFICANT PURCHASES & SALES FOR FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(Unaudited) (Continued)****FS Exponential China - Significant Purchases**

<b>Description</b>	<b>Shares/Nominal</b>	<b>Price USD</b>	<b>Amount USD</b>
ADOBE INC	3,616	375	1,357,357
PROCTER & GAMBLE CO	8,898	150	1,332,119
VISA INC	4,620	244	1,127,215
JOHNSON & JOHNSON	6,880	156	1,073,068
PEPSICO INC	5,847	175	1,023,438
VERIZON COMMUNICATIONS INC	25,188	36	894,272
SALESFORCE INC	4,262	209	888,715
INTEL CORP	21,299	37	796,540
MARVELL TECHNOLOGY INC	13,058	57	746,924
MASTERCARD INC	1,800	404	726,489
INTERNATIONAL BUSINESS MACHINES CORP	5,106	142	725,388
SERVICENOW INC	1,264	455	575,313
STMICROELECTRONICS NV	11,451	48	553,746
ENEL SPA	77,283	7	551,146
DEERE & CO	1,108	417	462,367
CADENCE DESIGN SYSTEM INC	2,356	192	452,996
AXA SA	14,180	31	444,162
VESTAS WIND SYSTEMS A/S	15,987	28	442,943
INTERCONTINENTAL EXCHANGE IN	3,848	112	431,197
CIE GENERALE DES ETABLISSEMENTS MICHELIN SCA	12,644	34	424,112
MICROSOFT CORP	1,147	363	415,950
NVIDIA CORP	847	475	402,091
COCA COLA CO	6,296	59	369,176
IDEXX LABORATORIES INC	751	486	364,661
KERING SA	807	441	356,190
UNION PACIFIC CORP	1,483	224	332,554
ALIGN TECHNOLOGY INC	934	332	310,119
SYNOPSIS INC	541	542	293,334
APPLIED MATERIALS INC	1,949	150	293,006
ELI LILLY & CO	486	602	292,359
INTUIT INC	517	565	291,853
HERMES INTERNATIONAL SCA	136	2,146	291,799
LVMH MOET HENNESSY LOUIS VUITTON SE	376	776	291,799
L'OREAL SA	617	473	291,793
MUENCHENER RUECKVERSICHERUNGS- GESELLSCHAFT AG IN MUENCHEN	683	427	291,749
LONZA GROUP AG	739	395	291,737
VAT GROUP AG	681	428	291,735
NOVARTIS AG	2,968	98	291,735
SIG GROUP AG	12,501	23	291,735
SWISS RE AG	2,510	116	291,735
ECOLAB INC	1,557	187	291,615
DANAHER CORP	1,317	221	291,605
ASML HOLDING NV	421	691	290,912
BOOKING HOLDINGS INC	95	3,057	290,395
EMERSON ELECTRIC CO	3,281	89	290,376
JOHNSON CONTROLS INTERNATIONAL PLC	5,654	51	289,968
MERCK & CO. INC.	2,846	102	289,925
ACCENTURE PLC	895	324	289,884
ALPHABET INC	2,086	138	288,277
VMWARE INC	2,244	127	285,649
WALT DISNEY CO	2,858	98	280,934

## LSAM SF 3 Plc

### SIGNIFICANT PURCHASES & SALES FOR FINANCIAL YEAR ENDED 31 DECEMBER 2023 (Unaudited) (Continued)

#### FS Exponential China - Significant Sales

Description	Shares/Nominal	Price USD	Amount USD
MICROSOFT CORP	6,319	261	1,646,487
NVIDIA CORP	4,392	357	1,568,454
ADOBE INC	3,226	447	1,443,458
VISA INC	5,153	235	1,211,668
AIR LIQUIDE SA	5,773	175	1,010,271
MASTERCARD INC	2,560	387	989,841
PROCTER & GAMBLE CO	6,611	147	974,562
VERIZON COMMUNICATIONS INC	24,945	34	854,403
AXA SA	27,520	31	850,502
SAP SE	6,827	123	842,436
SCHNEIDER ELECTRIC SE	4,449	181	805,957
DEERE & CO	1,996	386	771,450
TOTALENERGIES SE	11,380	67	761,080
JOHNSON & JOHNSON	4,697	158	741,472
SALESFORCE INC	3,258	224	730,288
TESLA INC	2,850	253	722,269
PEPSICO INC	4,138	173	714,091
SERVICENOW INC	1,024	657	672,274
ALSTOM	23,147	29	670,313
MARVELL TECHNOLOGY INC	12,324	54	667,697
ALPHABET INC CL A	4,690	137	640,888
ALLIANZ SE	2,585	244	631,377
WALT DISNEY CO	5,981	94	564,344
ALPHABET INC CL C	6,203	89	554,236
APPLIED MATERIALS INC	4,149	124	512,873
INTEL CORP	13,002	37	474,974
INTERNATIONAL BUSINESS MACHINES CORP	3,288	144	474,953
CIE GENERALE DES ETABLISSEMENTS MICHELIN SCA	15,885	29	467,947
LINDE PLC	1,272	332	422,772
ZOETIS INC	2,525	167	420,448
INTERCONTINENTAL EXCHANGE IN	3,557	118	419,691
ELI LILLY & CO	804	489	393,477
INTUIT INC	727	515	374,679
ELECTRONIC ARTS INC	3,328	112	373,321
ENEL SPA	51,546	7	363,486
VMWARE INC	2,438	148	360,331
SCHLUMBERGER LTD	6,495	53	341,631
ESSILORLUXOTTICA	1,745	192	334,695
UNION PACIFIC CORP	1,421	231	328,785

Significant portfolio changes are defined as the aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate sales of a security exceeding one per cent of the total value of sales for the financial year. At a minimum, the 20 largest purchases and 20 largest sales are to be disclosed.

**LSAM SF 3 Plc****SIGNIFICANT PURCHASES & SALES FOR FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(Unaudited) (Continued)****VPV Chance Plus - Significant Purchases**

<b>Description</b>	<b>Shares/Nominal</b>	<b>Price EUR</b>	<b>Amount EUR</b>
PROCTER & GAMBLE CO	127,603	139	17,678,972
VISA INC	66,036	223	14,752,187
JOHNSON & JOHNSON	94,984	144	13,660,343
PEPSICO INC	81,651	162	13,197,539
ADOBE INC	35,011	348	12,178,740
VERIZON COMMUNICATIONS INC	350,971	32	11,394,913
INTEL CORP	293,005	34	10,020,416
MARVELL TECHNOLOGY INC	178,209	53	9,384,219
SALESFORCE INC	48,751	191	9,323,374
MASTERCARD INC	24,778	367	9,101,533
INTERNATIONAL BUSINESS MACHINES CORP	70,155	130	9,088,278
STMICROELECTRONICS NV	182,088	45	8,157,603
ENEL SPA	1,228,960	7	8,119,297
AXA SA	214,516	29	6,212,766
VESTAS WIND SYSTEMS A/S	241,860	26	6,195,154
CIE GENERALE DES ETABLISSEMENTS MICHELIN SCA	191,285	31	5,932,322
MICROSOFT CORP	16,291	335	5,460,341
INTERCONTINENTAL EXCHANGE IN	51,662	102	5,290,669
SERVICENOW INC	12,219	425	5,195,899
NVIDIA CORP	12,170	423	5,153,225
COCA COLA CO	95,242	54	5,138,706
KERING SA	12,521	408	5,104,068
UNION PACIFIC CORP	21,334	205	4,367,894
DEERE & CO	11,009	395	4,350,798
CADENCE DESIGN SYSTEM INC	22,971	180	4,124,200
SYNOPSYS INC	7,777	495	3,852,771
APPLIED MATERIALS INC	28,042	137	3,848,456
LVMH MOET HENNESSY LOUIS VUITTON SE	5,407	710	3,840,149
HERMES INTERNATIONAL SCA	1,962	1,957	3,840,138
L'OREAL SA	8,877	433	3,840,059
ELI LILLY & CO	6,998	549	3,839,961
MUENCHENER RUECKVERSICHERUNGS- GESELLSCHAFT AG IN MUENCHEN	9,822	391	3,839,480
LONZA GROUP AG	10,626	361	3,836,803
SIG GROUP AG	179,863	21	3,836,781
VAT GROUP AG	9,793	392	3,836,779
SWISS RE AG	36,113	106	3,836,774
NOVARTIS AG	42,707	90	3,836,769
INTUIT INC	7,444	515	3,833,317
ECOLAB INC	22,408	171	3,830,187
DANAHER CORP	18,950	202	3,830,065
ASML HOLDING NV	6,058	632	3,828,474
EMERSON ELECTRIC CO	47,203	81	3,813,919
MERCK & CO. INC.	40,949	93	3,807,988
ALPHABET INC	30,008	126	3,786,346
BOOKING HOLDINGS INC	1,325	2,833	3,753,731
JOHNSON CONTROLS INTERNATIONAL PLC	78,836	48	3,748,110
ACCENTURE PLC	12,480	300	3,746,999
ZOETIS INC	22,870	151	3,454,173



**SIGNIFICANT PURCHASES & SALES FOR FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(Unaudited) (Continued)**

**VPV Chance Plus - Significant Sales**

<b>Description</b>	<b>Shares/Nominal</b>	<b>Price EUR</b>	<b>Amount EUR</b>
NVIDIA CORP	55,224	337	18,623,666
ADOBE INC	36,221	430	15,581,185
MICROSOFT CORP	62,684	246	15,405,434
VISA INC	64,293	220	14,122,247
PROCTER & GAMBLE CO	92,962	136	12,659,085
MASTERCARD INC	33,504	369	12,363,381
VERIZON COMMUNICATIONS INC	354,757	32	11,444,516
AIR LIQUIDE SA	69,592	158	11,025,649
SCHNEIDER ELECTRIC SE	64,011	166	10,606,579
JOHNSON & JOHNSON	68,236	148	10,105,674
PEPSICO INC	61,298	159	9,732,235
TESLA INC	41,325	234	9,666,820
SALESFORCE INC	46,924	205	9,609,035
AXA SA	324,412	28	9,205,458
MARVELL TECHNOLOGY INC	180,503	51	9,190,790
TOTALENERGIES SE	146,244	61	8,988,812
SERVICENOW INC	14,684	602	8,843,609
ALPHABET INC CL A	67,563	125	8,434,818
ALSTOM	309,302	26	8,054,165
WALT DISNEY CO	88,237	86	7,625,921
SAP SE	65,220	114	7,424,655
DEERE & CO	20,281	359	7,279,724
APPLIED MATERIALS INC	51,728	122	6,327,196
INTEL CORP	179,206	35	6,212,454
INTERNATIONAL BUSINESS MACHINES CORP	44,150	132	5,827,556
INTERCONTINENTAL EXCHANGE IN	51,924	109	5,648,356
CIE GENERALE DES ETABLISSEMENTS MICHELIN SCA	212,256	26	5,622,635
ALLIANZ SE	25,101	222	5,584,856
ALPHABET INC	61,653	85	5,215,277
ZOETIS INC	33,091	157	5,205,986
ELI LILLY & CO	10,376	475	4,926,292
VMWARE INC	35,329	139	4,912,426
INTUIT INC	9,788	491	4,809,356
ENEL SPA	741,642	6	4,783,560
UNION PACIFIC CORP	21,498	213	4,576,497
SCHLUMBERGER LTD	93,450	48	4,487,121
ECOLAB INC	22,848	180	4,110,886
ESSILORLUXOTTICA	23,313	173	4,021,534
EMERSON ELECTRIC CO	47,566	83	3,944,073
DANAHER CORP	19,321	204	3,937,362
MERCK & CO. INC.	41,264	95	3,927,953
VERTEX PHARMACEUTICALS INC	12,624	310	3,913,798

Significant portfolio changes are defined as the aggregate purchases of a security exceeding one per cent of the total value of purchases for the financial year and aggregate sales of a security exceeding one per cent of the total value of sales for the financial year. At a minimum, the 20 largest purchases and 20 largest sales are to be disclosed.

### APPENDIX I (Unaudited) REMUNERATION DISCLOSURES

#### Background

UBS Fund Management (Ireland) Limited (the "Manager") has been authorised by the Central Bank of Ireland ("CBI") as UCITS Management Company under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the "Regulations"). The Manager is subject to the relevant articles of the Regulations dealing with remuneration, including the Guidelines on Sound Remuneration Policies under the UCITS Directive (the "Guidelines") published by the European Securities and Markets Authority (ESMA/2016/575).

The Manager is a wholly owned subsidiary of UBS AG and is part of the UBS group. The Manager has a remuneration policy in place which is consistent with the UBS group remuneration policy. The Manager's policy was developed by senior management of the Manager, reviewed by the Human Resources function of UBS and approved by the Manager's board of directors. A summary of the key aspects of the UBS group remuneration practices is described in the following paragraphs.

#### UBS Compensation Governance and Philosophy

As determined in the Articles of Association and UBS's Organization Regulations, the UBS Group Compensation Committee supports the board of directors of UBS (the "BoD") in its duties to set guidelines on compensation and benefits, to oversee implementation thereof, to approve certain compensation and to scrutinize executive performance. The Compensation Committee consists of independent BoD members, who are elected annually by UBS shareholders at the Annual General Meeting (the AGM), and is responsible for governance and oversight of the UBS compensation process and practices. This includes the alignment between pay and performance, and ensuring that the compensation framework supports appropriate risk awareness and management, as well as appropriate risk-taking. In 2023, to additionally support the connection between the Compensation Committee and the Risk Committee, the Compensation Committee Chairperson was also a member of the Risk Committee. The Risk Committee, a committee of the BoD, works closely with the Compensation Committee with the goal of ensuring that the compensation framework appropriately reflects risk awareness and management, and supports appropriate risk-taking. It supervises and sets appropriate risk management and risk control principles and is regularly briefed on how risk is factored into the compensation process. It also monitors the involvement of Group Risk Control and Compliance and Operational Risk in compensation and reviews risk-related aspects of the compensation process.

All elements of pay are considered when making UBS compensation decisions. UBS regularly review its principles and compensation framework in order to remain competitive and aligned with stakeholders' interests. In 2023, the UBS compensation framework remained broadly unchanged. UBS will continue to review our approach to salaries and performance awards, considering market developments, our performance and our commitment to deliver sustainable returns to shareholders.

UBS's compensation approach supports the firm's purpose and strategy, fosters engagement among employees and aligns their long-term interests with those of clients and stakeholders. The compensation structure encourages employees to have a focus on risk management and behave consistently with the firm's risk framework and appetite, thereby anticipating and managing risks effectively to protect UBS's capital and reputation. Compensation is appropriately balanced between fixed and variable elements and delivered over an appropriate period to support UBS's growth ambitions and sustainable performance. Compensation for each employee is based on individual, team, business division and Group performance, within the context of the markets in which UBS operates. At UBS, a holistic Total Reward approach is applied, generally consisting of fixed compensation (base salary and role-based allowances, if applicable), performance awards, pension contributions and benefits. UBS's Total Reward approach is structured to support sustainable results and growth ambitions. The Total Reward Principles apply to all employees globally, but may vary in certain locations due to local legal requirements, regulations and practices.

UBS's compensation philosophy focuses on balancing performance with appropriate risk-taking, retaining talented employees and shareholder returns. Its overall performance award pool funding percentage reduces as financial performance increases. In years of strong financial performance, this prevents excessive compensation and results in an increased proportion of profit before performance awards being available for distribution to shareholders or growing the Group's capital. In years where performance declines, the performance award pool will generally decrease; however, the funding percentage may increase. UBS's performance award pool funding framework is based on Group and business division performance, including achievements against defined performance measures. For the avoidance of doubt, UBS have excluded the positive and negative financial impacts generated by the acquisition of the Credit Suisse Group (such as the negative goodwill of USD 27.7bn) from consideration in the UBS performance award pool determination process.

**APPENDIX I (Unaudited) (Continued)**  
**REMUNERATION DISCLOSURES (Continued)**

**UBS Compensation Governance and Philosophy (Continued)**

In assessing performance, UBS consider relative performance versus peers, market competitiveness of its pay position, as well as progress against strategic and integration objectives, including returns, risk-weighted assets and cost efficiency.

The Risk and Compliance functions support UBS's holistic reflection and consideration of the financial and non-financial impact (including reputation) of risk matters. UBS further considers the firm's risk profile and culture, the extent to which operational risks and audit issues have been identified and resolved, and the success of risk reduction initiatives including accountability for significant events. The funding for Group Functions is linked to overall Group performance and reflects headcount, workforce location and demographics. For each functional area, quantitative and qualitative assessments evaluate service quality, risk management and financial achievements.

UBS's decisions regarding the performance award pool also balance consideration of financial performance with a range of factors, including diversity, equity and inclusion ("DE&I") and other environmental, social and governance ("ESG") metrics, the impact of litigation, regulatory costs, the effect of changes in financial accounting standards, capital returns, and relative total shareholder return.

**UBS Material Risk Takers and Key Risk Takers**

For relevant EU- or UK-regulated entities, UBS identifies individuals who are deemed to be Material Risk Takers (MRTs) based on sectorial and / or local regulatory requirements, including the respective EU Commission Delegated Regulation, the fifth iteration of the EU Capital Requirements Directive (CRD V) and equivalent UK requirements, as applicable. This group consists of senior management, risk takers, selected staff in control or support functions and certain highly compensated employees. For 2023, UBS identified 1,321 MRTs in relation to its relevant EU or UK entities. The increase in the number of MRTs compared with last year has been driven by the MRT population identified in relation to Credit Suisse legal entities. Subject to individual or legal-entity level proportionality considerations, variable compensation awarded to MRTs is subject to additional deferral and other requirements. For CRD-relevant entities, these include a minimum deferral rate of 40% or 60% (depending on role / variable compensation level) on performance awards and delivery of at least 50% of any upfront performance award in UBS shares that are vested but blocked for 12 months after grant. Deferred awards granted to MRTs under UBS's deferred compensation plans for their performance in 2023 are subject to 6- or 12-month blocking periods post vesting and do not pay out dividends or interest during the deferral period. Additionally, MRTs are subject to a maximum ratio between fixed and variable pay. Across EU locations, the maximum variable to fixed compensation ratio is set to 200%, based on approval through relevant shareholder votes. For UK-regulated MRTs, the maximum ratio was set by UBS taking into account the business activities and prudential and conduct risks of the relevant legal entities. In addition, the maximum ratios were set considering the scenario that the relevant legal entities might exceed their financial objectives. The maximum ratio for all UK-regulated MRTs was approved by the compensation committees of the relevant entities in December 2023. For up to seven years after grant, performance awards granted to MRTs are subject to clawback provisions, which allow UBS to claim repayment of both the upfront and the vested deferred element of any performance award if an individual is found to have contributed substantially to significant financial losses for the UBS Group or UBS corporate structure in scope, a material downward restatement of disclosed results, or engaged in misconduct and / or failed to take expected actions, thus contributing to significant reputational harm.

Key Risk Takers (KRTs) are defined as those employees that, by the nature of their roles, have been determined to materially set, commit or control significant amounts of the firm's resources and / or exert significant influence over its risk profile. This includes employees working in front-office roles, logistics and control functions. Identifying KRTs globally is part of our risk control framework and an important element in ensuring we incentivize only appropriate risk-taking. For 2023, in addition to the Group Executive Board ("GEB") members, 1,038 employees were classified as KRTs throughout the UBS Group globally, including all employees with a total compensation exceeding USD / CHF 2.5m (Highly Paid Employees), who may not have been identified as KRTs during the performance year. Compared with 2022, the increase in the number of KRTs has been driven by the inclusion of Credit Suisse employees in the identification process. In line with regulatory requirements, the performance of employees identified as KRTs during the performance year is evaluated by the control functions. In addition, KRTs' performance awards are subject to a mandatory deferral rate of at least 50%, regardless of whether the deferral threshold has been met (excluding KRTs with de minimis performance awards below a predetermined threshold where standard deferral rates apply). Consistent with all other employees, the deferred portion of a KRT's compensation is also subject to forfeiture or reduction if the KRT commits harmful acts.

**APPENDIX I (Unaudited) (Continued)**  
**REMUNERATION DISCLOSURES (Continued)****UBS Fixed compensation**

Employees' fixed compensation (e.g., base salary) reflects their level of skill, role and experience, as well as local market practice. Base salaries are usually paid monthly or fortnightly, in line with local market practice. UBS offers competitive base salaries that reflect location, function and role. Salary increases generally consider promotions, skill set, performance and overall responsibility. In addition to base salary, and as part of fixed compensation, some employees may receive a role-based allowance. This allowance is a shift in the compensation mix between fixed and variable compensation, not an increase in total compensation. It reflects the market value of a specific role and is fixed, nonforfeitable compensation. Unlike salary, a role-based allowance is paid only if the employee is in a specific role. Similar to previous years, 2023 role-based allowances consisted of a cash portion and, where applicable, a blocked UBS share award.

UBS provides a range of benefit plans, such as retirement benefits and health insurance, aiming to provide financial protection in case of significant life events, and support its employees' well-being and diverse needs. Retirement and other benefits are set in the context of local market practice and regularly reviewed for competitiveness. Pension plan rules in any one location are generally the same for all employees, including GEB members and other management. There are no enhanced or supplementary pension contributions for the GEB.

**UBS Variable compensation**

Most of UBS's employees are eligible for an annual performance award. The level of this award, where applicable, generally depends on the firm's overall performance, the employee's business division, team and individual performance, and behaviour, reflecting their overall contribution to the firm's results. These awards are in line with applicable local employment conditions and at the discretion of the firm.

In addition to the firm's Pillars (capital strength, simplification/efficiency and risk management) and Principles (client centricity, connectivity, sustainable impact), Behaviours related to accountability with integrity, collaboration and innovation are part of the performance management approach. Therefore, when assessing performance, UBS considers not only what was achieved but also how it was achieved.

Underlining UBS's emphasis on sustainable performance and risk management, and its focus on achieving its growth ambitions, UBS delivers part of the employees' annual variable compensation through deferred compensation plans. UBS believes that its approach, with a single incentive decision and a mandatory deferral, is transparent and well suited to implementing its compensation philosophy and delivering sustainable performance. This aligns the interests of its employees and shareholders and appropriately links compensation to longer-term sustainable performance.

Deferred compensation is delivered through a combination of equity-based plans and a contingent capital plan. The equity-based plans are (i) the Long-Term Incentive Plan (LTIP) which is for UBS's GEB members, and (ii) the Equity Ownership Plan (EOP), which is for all other employees and which primarily aligns employee interest with those of UBS's shareholders. The Deferred Contingent Capital Plan (DCCP) aligns employees' interests with the interests of debt holders.

The mandatory deferral approach applies to all employees with regulatory-driven deferral requirements or total compensation greater than USD / CHF 300,000. Certain regulated employees, such as Senior Management Functions (SMFs) and Material Risk Takers (MRTs), are subject to additional requirements (e.g., more stringent deferral requirements, additional blocking periods). In addition, SMFs and MRTs receive 50% of their non-deferred portion in the form of immediately vested shares, which are blocked for 12 months after grant.

The deferred amount increases at higher marginal rates in line with the value of the performance award. The effective deferral rate therefore depends on the amount of the performance award and the amount of total compensation. UBS believes its deferral regime has one of the longest vesting periods in the industry. The weighted average deferral period for non-regulated employees is 4.4 years for GEB members, 3.8 years for MDs receiving Long Term Incentive Plan ("LTIP") and 3.5 years for other employees. Additionally, from time to time, UBS may utilize alternative deferred compensation arrangements to remain competitive in specific business areas. To further promote sustainable performance, all of UBS's deferred compensation plans include employment conditions and malus conditions. These enable the firm to reduce or fully forfeit unvested deferred awards under certain circumstances, pursuant to performance and harmful acts provisions. In addition, forfeiture is triggered in cases where employment has been terminated for cause. UBS's share delivery obligations related to notional share awards are satisfied by delivering treasury shares, which are purchased in the market, to employees at vesting.

**APPENDIX I (Unaudited) (Continued)**  
**REMUNERATION DISCLOSURES (Continued)****UBS Variable compensation (Continued)**

The Equity Ownership Plan (the “EOP”) is the deferred compensation plan for employees that are subject to deferral requirements but do not receive LTIP awards. For the 2023 performance year, we granted EOP awards to 4,661 employees. Delivering sustainable results is a key objective for UBS. EOP creates a direct link with shareholder returns as a notional equity award and has no upward leverage. This approach promotes growth and sustainable performance. EOP awards generally vest over three years.

The Deferred Contingent Capital Plan (“DCCP”) is a key component of UBS’s compensation framework and supports alignment of the interests of senior employees with those of UBS’s stakeholders. All employees subject to deferral requirements receive DCCP awards. For the 2023 performance year, UBS granted DCCP awards to 5,562 (2022 – 4,326) employees. DCCP is consistent with many of the features of the loss-absorbing bonds that UBS issues to investors and may be paid at vesting in cash or, at the discretion of the firm, a perpetual, marketable additional tier 1 (AT1) capital instrument. Employees can elect to have their DCCP awards denominated in Swiss francs or US dollars. DCCP awards vest in full after five years (longer deferral periods may apply for regulated employees). DCCP awards bear notional interest paid annually (except as limited by regulation for MRTs), subject to review and confirmation by the Compensation Committee. The notional interest rate for grants in 2024 was 4.60% for awards denominated in Swiss francs and 8.30% for awards denominated in US dollars. These interest rates are based on the current market rates for similar AT1 capital instruments issued by UBS Group. Awards are forfeited if a viability event occurs, i.e., if FINMA notifies the firm that the DCCP awards must be written down to mitigate the risk of an insolvency, bankruptcy or failure of UBS or if the firm receives a commitment of extraordinary support from the public sector that is necessary to prevent such an event. DCCP awards are also written down for GEB members if the Group’s CET1 capital ratio falls below 10% and for all other employees if it falls below 7%.

**UBS Control Functions**

UBS control functions must be independent in order to monitor risk effectively. Therefore, their compensation is determined separately from the revenue areas that they oversee, supervise or monitor. Their performance award pool is based not on the performance of these businesses, but on the performance of the Group as a whole. UBS also considers other factors, such as how effectively the function has performed, and UBS’s market position. Decisions on individual compensation for the senior managers of the control functions are made by the function heads and approved by the Group CEO. Decisions on individual compensation for the members of Group Internal Audit (GIA) are made by the Head GIA and approved by the Chairman. Following a proposal by the Chairman, total compensation for the Head GIA is approved by the Compensation Committee.

**Environmental, Social and Governance**

UBS compensation determination process considers environmental, social and governance (“ESG”) objectives in objective setting, performance award pool funding, performance evaluation and individual compensation decisions. ESG-related objectives have been embedded in our Pillars and Principles since they were established in 2011. In 2021, UBS introduced explicit sustainability objectives in the non-financial goal category of the Group CEO and GEB performance scorecards. In 2023, UBS further enhanced the GEB performance scorecard framework by establishing separate Environmental & Sustainability and People & Governance categories. The objectives in these categories are linked to the UBS sustainability priorities, and their progress is measured via robust quantitative metrics and qualitative criteria. Sustainability objectives are assessed for each GEB member on an individual basis, directly impacting their respective performance assessments and compensation decisions. The determination of the Group performance award pool funding also takes into account ESG factors. Aside from financial performance, an assessment of progress is made against objectives linked to the UBS focus areas of Planet, People (including progress made against the UBS diversity aspirations) and Partnerships, alongside other key non-financial considerations. Therefore, ESG is taken into consideration when the Compensation Committee assesses performance and compensation of each GEB member. Additionally, the assessment impacts the overall performance award pool for the Group. Going forward, UBS will continue to review and refine the role of ESG considerations in the UBS performance and compensation framework, to ensure they remain aligned to our strategic priorities and the sustainable growth of shareholder value.

**APPENDIX I (Unaudited) (Continued)**  
**REMUNERATION DISCLOSURES (Continued)****UBS's commitment to pay fairness, diversity, equity and inclusion**

Pay equity and equal opportunity are fundamental to achieving UBS's purpose. The diversity of UBS's employees in terms of experiences, perspectives and backgrounds is critical to UBS's success. Factors such as gender, race, ethnicity or part-time status should not impact opportunities available to UBS employees. Fair and consistent pay practices are designed to ensure that employees are appropriately rewarded for their contribution. UBS pay for performance, and it takes pay equity seriously. UBS have embedded clear commitments in our global compensation policies and practices. UBS regularly conduct internal reviews and independent external audits on pay equity, and its statistical analyses show a differential between men and women in similar roles across our major locations of less than 1%. In 2020, UBS completed an equal pay analysis in Switzerland, as required by the Swiss Federal Act on Gender Equality. The results confirmed that UBS are fully compliant with Swiss equal pay standards. Beginning in 2020, UBS was certified (through 2023) by the EQUAL-SALARY Foundation for our HR practices, including compensation, in Switzerland, the US, UK, the Hong Kong SAR and Singapore, covering more than two-thirds of the UBS global employee population. All of the UBS HR policies are global, and UBS apply the same standards across all locations. Furthermore, UBS reviews our approach and policies annually to support our continuous improvement. In 2023, UBS fully integrated former Credit Suisse Group employees into all of its fair pay practices and continued to monitor and improve its pay equity position in our leading countries. UBS also aim to ensure that all employees are paid at least a living wage. UBS regularly assess employees' salaries against local living wages, using benchmarks defined by the Fair Wage Network. Excluding the UBS US financial advisor staff (as their compensation is primarily based on a formulaic approach), its analysis in 2023 showed that employees' salaries were at or above the respective benchmarks.

Increasing the UBS gender and ethnic diversity is a strategic priority. UBS want to support and enable more women to build long and satisfying careers with UBS, and UBS is committed to increasing the representation of women at senior levels. Equally, investing in attracting, supporting and advancing its ethnically diverse employees is a key focus for UBS. UBS takes a multi-pronged approach, examining the process, culture and organization design elements around hiring, promoting and retaining women and ethnic minority background employees at all levels, and senior management are accountable for driving change.

**Further information**

Further details on the UBS policy and practices can be found in the 2023 Compensation Report and the 2023 Annual Report of UBS Group AG, both of which are available on [www.ubs.com](http://www.ubs.com).

**Proportionality**

Given the small size and non-complex nature of the Manager, it has applied the proportionality provisions of the Guidelines. The below information provides the total remuneration paid by the Manager during the year to 31 December 2023. There is no allocation made by the Manager to each UCITS and as such the disclosure reflects the remuneration paid by the Manager in relation to work performed on all UCITS, as well as the remuneration paid by the Manager in relation to work performed on non-UCITS (e.g. AIF funds).

Of the total remuneration paid of EUR 3,524,231 for the year ended 31 December 2023 to 24 beneficiaries, EUR 2,573,031 (73%) has been paid as fixed remuneration. The remainder (27%) is variable remuneration. Remuneration code staff consists of those whom the Manager has determined undertake professional activities which have a material impact on the risk profiles of the Manager or of the AIFs, namely the board of directors of the Manager, senior management, material risk takers, control function staff, as well as high-earning staff members (i.e. whose total remuneration falls into the remuneration bracket of senior managers and risk takers who are not already in the above categories and who have a material impact on the risk profile of the Company or of the funds it manages). There are 16 individuals who meet this definition and their total remuneration was EUR 2,833,731, split EUR 1,941,730 (69%) as fixed remuneration and the remainder (31%) as variable remuneration.

Portfolio management activities for Euro Protect have been delegated by the Manager to UBS La Maison de Gestion ("LMDG") which is subject to regulatory requirements on remuneration disclosure for its staff that are equally as effective as those under Article 69(3)(a) of the UCITS Directive - the following remuneration information has been disclosed by LMDG.

**APPENDIX I (Unaudited) (Continued)**  
**REMUNERATION DISCLOSURES (Continued)**

**Proportionality (Continued)**

As at 31 December 2023, a total of 36 individuals have been identified as LMDG Code Staff. On the basis that LMDG has one business unit (asset management), aggregate remuneration expenditure in the year to 31 December was as follows:

**Aggregate quantitative information on remuneration**

	<b>Total</b>
<b>Total</b>	<b>EUR 4 308 790</b>
<b>Fixed Remuneration</b>	EUR 3 535 290
<b>Variable Remuneration</b>	EUR 773 500
<i>Number of beneficiaries</i>	36

Portfolio management activities for VPV Chance Plus have been delegated by the Manager to Allianz Global Investors GmbH (“AGI”) which is subject to regulatory requirements on remuneration disclosure for its staff that are equally as effective as those under Article 69(3)(a) of the UCITS Directive - the following remuneration information has been disclosed by AGI.

As at 31 December 2023, a total of 1,503 individuals have been identified as AGI Code Staff. On the basis that AGI has one business unit (asset management), aggregate remuneration expenditure in the year to 31 December was as follows:

**Aggregate quantitative information on remuneration**

	<b>Total</b>
<b>Total</b>	<b>EUR 276.9m</b>
<b>Fixed Remuneration</b>	EUR 170.4m
<b>Variable Remuneration</b>	EUR 106.5m
<i>Number of beneficiaries</i>	1,503

Portfolio management activities for FS Exponential China have been delegated by the Manager to FERI (Schweiz) AG (“FERI”) which is subject to regulatory requirements on remuneration disclosure for its staff that are equally as effective as those under Article 69(3)(a) of the UCITS Directive - the following remuneration information has been disclosed by AGI.

As at 31 December 2023, a total of 8 individuals have been identified as FERI Code Staff. On the basis that FERI has one business unit (asset management), aggregate remuneration expenditure in the year to 31 December was as follows:

**Aggregate quantitative information on remuneration**

	<b>Total</b>
<b>Total</b>	<b>EUR 4,710,861</b>
<b>Fixed Remuneration</b>	EUR 3,780,687
<b>Variable Remuneration</b>	EUR 441,300
<i>Number of beneficiaries</i>	25

**APPENDIX II (Unaudited)  
SECURITIES FINANCE TRANSACTIONS**

Securities Financing Transactions Regulation (“SFTR”) introduces reporting and disclosure requirements for securities financing transactions (“SFTs”) and total return swaps. SFTs are specifically defined as per Article 3(11) of the SFTR as follows:

- a repurchase/reverse repurchase agreement
- securities or commodities lending/borrowing
- a buy-sellback or sale-buyback transaction
- a margin lending transaction

The Funds held total return swaps (“TRS”) during the financial year ended 31 December 2023.

**Below is the fair value, counterparty details and maturity tenor of the TRS held on the Funds as at 31 December 2023:**

	<b>Euro Protect</b>	<b>FS Exponential China</b>	<b>VPV Chance Plus</b>
Currency	EUR	USD	EUR
Fair value	194,388	890,492	9,195,015
% of net assets	0.92	4.20	43.35
Counterparty name	UBS AG	UBS AG	UBS AG
Counterparty country of establishment	Switzerland	Switzerland	Switzerland
Maturity tenor of TRS	1 to 3 months	above 1 year	3 months to 1 year
Settlement of TRS	bilateral	bilateral	bilateral

**Collateral:**

The aggregate transaction data for collateral positions received by the Funds as of 31 December is detailed below. No cash collateral has been received by the Funds and no collateral has been pledged by the Funds as of 31 December 2023.

	<b>Euro Protect</b>	<b>FS Exponential China</b>	<b>VPV Chance Plus</b>
Total collateral value	960,000	1,570,000	8,319,999
Collateral type	fixed income	fixed income	fixed income
Collateral quality	investment grade	investment grade	investment grade
Collateral issuer:			
- Canada Government	143,867	234,878	1,247,732
- Belgium Government	143,980	235,500	1,247,999
- French Republic Government	143,998	235,501	1,248,000
- Germany Government	143,725	235,258	1,247,887
- Netherlands Government	96,312	157,673	832,289
- UK Government	143,962	235,451	1,247,673
- US Government	142,042	228,697	1,246,305
- European Bank	2,114	7,042	2,114
Collateral currency:			
- CAD	143,867	234,878	1,247,732
- EUR	528,015	863,932	4,576,175
- GBP	146,076	242,493	1,249,787
- USD	142,042	228,697	1,246,305
Maturity tenor of collateral:			
- below 1 month	142,042	228,697	1,246,305
- 3 months to 1 year	287,626	469,999	2,493,643
- above 1 year	530,332	871,304	4,580,051



**APPENDIX II (Unaudited) (Continued)**  
**SECURITIES FINANCE TRANSACTIONS (Continued)**

**Safekeeping of collateral**

Collateral received by each of the Sub-Funds is held with the Depository, State Street Custodial Services (Ireland) Limited.

**Reuse of collateral**

The reinvestment of stock collateral is not permitted under the UCITS Regulations.

**Returns and costs of the SFTs**

Euro Protect

Type of Securities Financing Transaction	Notes	Total	Collective Investment Undertaking	Manager	Third parties
<b>Total return swap</b>	<b>1</b>				
<b>Absolute terms</b>		<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Return	2	(18,058,149)	(18,058,149)	Nil	Nil
Cost	3,8	(615,510)	(615,510)	Nil	Nil
Economic benefit	4	(18,673,659)	(18,673,659)	Nil	Nil
<b>Percentage of overall returns generated by type</b>		<b>% of overall return</b>	<b>% of overall return</b>	<b>% of overall return</b>	<b>% of overall return</b>
Return		(100.00%)	100.00%	Nil	Nil
Cost	5	(3.41%)	(3.41%)	Nil	Nil
Economic benefit	4	(103.41%)	(103.41%)	Nil	Nil
<b>Percentage of NAV</b>		<b>% of NAV</b>	<b>% of NAV</b>	<b>% of NAV</b>	<b>% of NAV</b>
Return	6	(41.43%)	(41.43%)	Nil	Nil
Cost	7,8	(1.41%)	(1.41%)	Nil	Nil
Economic benefit	4	(42.84%)	(42.84%)	Nil	Nil

Note																													
1	With the exception of total return swaps, the Company did not engage in any securities financing transactions during the financial year.																												
2	This relates to the realised and unrealised gains and losses on the Fully Funded Swaps and Total Return Swaps (together the "TRS" under SFTR definition) during the 12 months ended 31 December 2023 which are included in the Statement of Comprehensive Income, before deduction of associated costs.																												
3	This relates to deductions made to the values of the TRS during the 12 months ended 31 December 2023.																												
4	Calculated as the difference between the return and the cost.																												
5	Calculated as the absolute amount of the cost as a percentage of the absolute amount of the returns.																												
6	Calculated as the absolute amount of the return as a percentage of average NAV for the financial year.																												
7	Calculated as the absolute amount of the cost as a percentage of average NAV for the financial year.																												
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APPENDIX II (Unaudited) (Continued)  
SECURITIES FINANCE TRANSACTIONS (Continued)

Returns and costs of the SFTs (Continued)

FS Exponential China

Type of Securities Financing Transaction	Notes	Total	Collective Investment Undertaking	Manager	Third parties
<b>Total return swap</b>	<b>1</b>				
<b>Absolute terms</b>		<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Return	2	(4,865,663)	(4,865,663)	Nil	Nil
Cost	3,8	(358,928)	(358,928)	Nil	Nil
Economic benefit	4	(5,224,591)	(5,224,591)	Nil	Nil
<b>Percentage of overall returns generated by type</b>		<b>% of overall return</b>	<b>% of overall return</b>	<b>% of overall return</b>	<b>% of overall return</b>
Return		(100.00%)	100.00%	Nil	Nil
Cost	5	(7.38%)	(7.38%)	Nil	Nil
Economic benefit	4	(107.38%)	(107.38%)	Nil	Nil
<b>Percentage of NAV</b>		<b>% of NAV</b>	<b>% of NAV</b>	<b>% of NAV</b>	<b>% of NAV</b>
Return	6	(28.46%)	(28.46%)	Nil	Nil
Cost	7,8	(2.10%)	(2.10%)	Nil	Nil
Economic benefit	4	(30.56%)	(30.56%)	Nil	Nil

Note																													
1	With the exception of total return swaps, the Company did not engage in any securities financing transactions during the financial year.																												
2	This relates to the realised and unrealised gains and losses on the Fully Funded Swaps and Total Return Swaps (together the "TRS" under SFTR definition) during the 12 months ended 31 December 2023 which are included in the Statement of Comprehensive Income, before deduction of associated costs.																												
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**APPENDIX II (Unaudited) (Continued)**  
**SECURITIES FINANCE TRANSACTIONS (Continued)**

**Returns and costs of the SFTs (Continued)**

VPV Chance Plus

Type of Securities Financing Transaction	Notes	Total	Collective Investment Undertaking	Manager	Third parties
<b>Total return swap</b>	<b>1</b>				
<b>Absolute terms</b>		<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Return	2	(14,142,974)	(14,142,974)	Nil	Nil
Cost	3,8	(4,398,824)	(4,398,824)	Nil	Nil
Economic benefit	4	(18,541,798)	(18,541,798)	Nil	Nil
<b>Percentage of overall returns generated by type</b>		<b>% of overall return</b>	<b>% of overall return</b>	<b>% of overall return</b>	<b>% of overall return</b>
Return		(100.00%)	100.00%	Nil	Nil
Cost	5	(31.10%)	(31.10%)	Nil	Nil
Economic benefit	4	(131.10%)	(131.10%)	Nil	Nil
<b>Percentage of NAV</b>		<b>% of NAV</b>	<b>% of NAV</b>	<b>% of NAV</b>	<b>% of NAV</b>
Return	6	(7.38%)	(7.38%)	Nil	Nil
Cost	7,8	(2.30%)	(2.30%)	Nil	Nil
Economic benefit	4	(9.68%)	(9.68%)	Nil	Nil

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ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: LSAM SF3 plc – VPV Chance Plus      Legal entity identifier: 549300A0W559VPNNI374

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

Yes

It made **sustainable investments with an environmental objective:** \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective:** \_\_\_%

No

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**

### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promotes climate change mitigation by allocating capital towards Indices that qualify as EU Paris-Aligned Benchmarks, as defined within the EU Benchmark regulation. To promote this characteristic, in determining the composition of the Investment Basket, the Investment Manager to the Investment Basket will select Components (as outlined in the Supplement at the section headed "Investment Basket managed by the Investment Manager to the Investment Basket" to provide the Fund with exposure to dedicated PABs within the Investment Basket when investing in the following regions:

- Eurozone
- UK
- USA
- Canada
- Switzerland



**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● **How did the sustainability indicators perform?**

The average exposure of the fund to Paris Aligned Benchmarks from conversion date\* to year end was 77.67%\*\*

\* VPV Chance Plus moved from Article 6 to Article 8 designation on the 9<sup>th</sup> November 2023.

\*\*Calculation considers positions held within the swap only( Please see supplement to the prospectus for more details regarding use "Swap Agreements" in the fund).

● **...and compared to previous periods?**

This is the first reference period of reporting for this financial product.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Not applicable.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

— How were the indicators for adverse impacts on sustainability factors taken into account?

Not applicable.

— Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



## How did this financial product consider principal adverse impacts on sustainability factors?

Not applicable.



## What were the top investments of this financial product?

Largest Investments*	% Assets
MSCI USA Climate Paris Aligned Index	69.19%
NIKKEI 225 (OSE) Mar24 NS225 Future	16.86%
MSCI EMU Climate Paris Aligned Index	7.42%
MSCI Canada Climate Paris Aligned Index	3.11%
EURUSD Forward 2024-03-07	0.62%
Cash/ FX balances	2.80%

\*Calculation considers positions held within the swap only

## What was the proportion of sustainability-related investments?

### ● What was the asset allocation?

The proportions of investments of the financial product were calculated as per the end of the reference period, which is: 31.12.2023.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



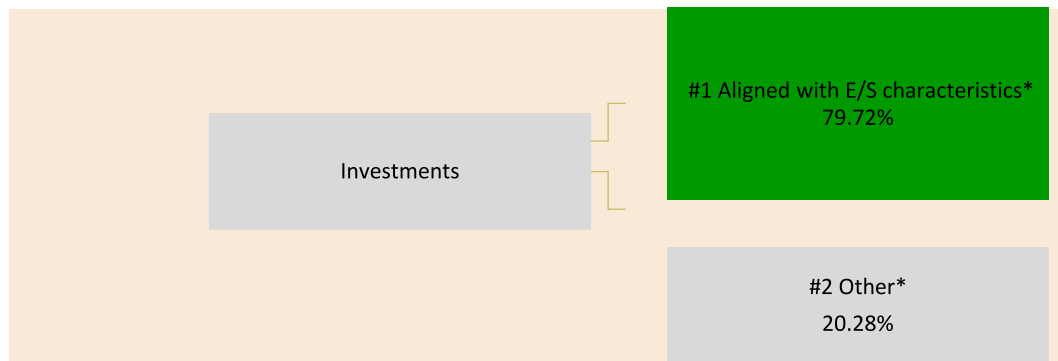
The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31 December 2023

**Asset allocation** describes the share of investments in specific assets.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or

*\*Calculation considers positions held within the swap only ("Asset Portfolio" positions which do not impact the NAV are excluded from this calculation)*

● **In which economic sectors were the investments made?**

Sector	Weight*
Communication Services	6.95%
Consumer Discretionary	12.93%
Consumer Staples	2.58%
Energy	0.07%
Financials	11.05%
Health Care	12.22%
Industrials	10.50%
Information Technology	29.35%
Materials	2.85%
Real Estate	5.99%
Utilities	2.09%

*\*Calculation considers positions held within the swap only ("Asset Portfolio" positions which do not impact the NAV are excluded from this calculation). Fossil fuel related exposure was <0.5% of NAV at year end.*





**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

**● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

Yes:

In fossil gas  In nuclear energy

No

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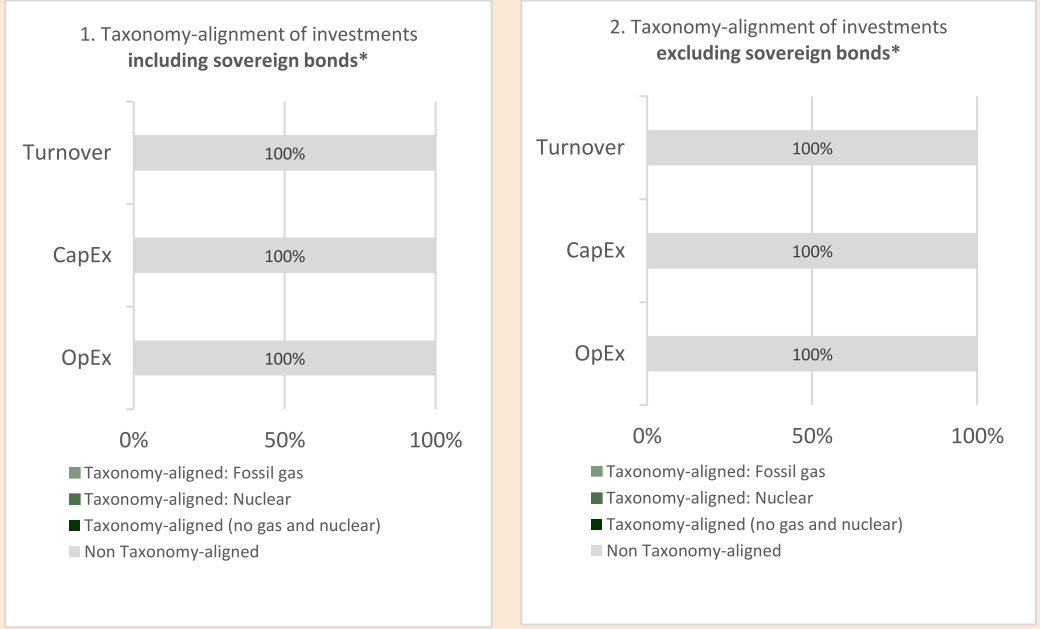
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

There is no commitment to a minimum proportion of investments in transitional and enabling activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable. The financial product had 0% Taxonomy Aligned Investments.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The financial product had a proportion of sustainable investment with an environmental objective not aligned with the EU Taxonomy as stated in the asset allocation section of this annex.



**What was the share of socially sustainable investments?**

The financial product had a proportion of socially sustainable investment as stated in the asset allocation section of this annex.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



### What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

As discussed above, the algorithm utilised by the Investment Manager to the Investment Basket dynamically allocates between the Investment Basket and Reserve Asset. The Reserve Asset represents a notional exposure to a EUR denominated interest rate linked to the prevailing €STR rate minus a spread and this aspect of the Dynamic Portfolio contains no minimum environmental or social safeguards. The DPPT algorithm adjusts the exposure to the Investment Basket and Reserve Asset, taking into account the constraint of protecting the relevant Protected Amount on any Monthly Reset Valuation Date.



### What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the reference period, the environmental and/ or social characteristics were met by following the investment strategy and applying exclusion criteria as per the sales prospectus. The investment strategies and/ or exclusion criteria are monitored to ensure adherence.



### How did this financial product perform compared to the reference benchmark?

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

- ***How does the reference benchmark differ from a broad market index?***  
Not applicable.
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***  
Not applicable.
- ***How did this financial product perform compared with the reference benchmark?***  
Not applicable.
- ***How did this financial product perform compared with the broad market index?***  
Not applicable.