

# PROSPERITY CAPITAL MANAGEMENT SICAV

Société d'investissement à capital variable  
(a Luxembourg domiciled open-ended investment company)

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



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No subscription can be received on the basis of these financial statements. Subscriptions are only valid if made on the basis of the current prospectus accompanied by the Key Investor Information Documents ("KIIDs"), the latest annual report, including audited financial statements, and the most recent unaudited semi-annual report, if published thereafter.

# PROSPERITY CAPITAL MANAGEMENT SICAV

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# PROSPERITY CAPITAL MANAGEMENT SICAV

## Organisation of the SICAV

<b>REGISTERED OFFICE</b>	15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
<b>BOARD OF DIRECTORS OF THE SICAV</b>	
<b>CHAIRMAN</b>	Mr John ALLDIS, Chairman of the Board of Directors, Carne Global Financial Services S.à r.l. 6B, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg
<b>MEMBERS</b>	Mr Joseph KEANE, Director, Prosperity Capital Management (UK) Ltd, 2 <sup>nd</sup> Floor, Cavendish Square, London W1G 0PD, United Kingdom  Ms Veronica BUFFONI, Director, Carne Global Financial Services S.à r.l. 6B, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg  Mr Cédric BIART, Affiliate Director, Pictet & Cie (Europe) S.A., 15A, avenue J.F. Kennedy, L-1855, Luxembourg, Grand Duchy of Luxembourg
<b>CENTRAL ADMINISTRATION AND MANAGEMENT COMPANY</b>	FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg
<b>BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY</b>	
<b>CHAIRMAN</b>	Mr Christian SCHRÖDER, Group Chief Digital Officer & Head of Organisation, Banque Pictet & Cie SA, 60, route des Acacias, CH-1211 Geneva 73, Switzerland
<b>MEMBERS</b>	Mrs Michèle BERGER, CEO and Managing Director, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg  Mr Yves FRANCIS, Independent Director, 67 rue Panebourg, 6700 Arlon, Belgium  Mr Geoffroy LINARD DE GUERTECHIN, Independent Director, 2, rue Jean-Pierre Beicht, L-1226 Luxembourg, Grand Duchy of Luxembourg

# PROSPERITY CAPITAL MANAGEMENT SICAV

## Organisation of the SICAV (continued)

### MEMBERS OF THE MANAGEMENT COMMITTEE

Mrs Michèle BERGER, CEO and Managing Director, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Mrs Annick BRETON, Chief Operations Officer, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since June 1, 2020)

Mr Pascal CHAUVAUX, Head of Central Administration, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (until May 31, 2020)

Mr Laurent DORLÉAC, Head of Risk & Compliance, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (until May 31, 2020)

Mr Dorian JACOB, Head of Investment Management Oversight, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Mr Abdellali KHOKHA, Head of Risk Management, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since June 1, 2020)

Mr Philippe MATELIC, Head of Compliance, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since June 1, 2020)

### INVESTMENT MANAGER AND GLOBAL DISTRIBUTOR

Prosperity Capital Management (UK) Ltd, 2nd Floor, 6 Cavendish Square, London, W1G 0PD, United Kingdom

### DEPOSITARY BANK

Pictet & Cie (Europe) S.A., 15A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### REVISEUR D'ENTREPRISES AGRÉÉ

KPMG Luxembourg, *Société coopérative*, 39, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### LEGAL ADVISOR AS TO LUXEMBOURG LAW

Elvinger Hoss Prussen, 2, place Winston Churchill, BP 425, L-2014 Luxembourg, Grand Duchy of Luxembourg

### LEGAL ADVISOR AS TO RUSSIAN LAW

CMS International B.V. Presnenskaya Nab., 10, 123317, Moscow, Russian Federation

# PROSPERITY CAPITAL MANAGEMENT SICAV

## General information

PROSPERITY CAPITAL MANAGEMENT SICAV (the "SICAV") publishes an annual report, including audited financial statements, within four months after the end of the business year and an unaudited semi-annual report within two months after the end of the period to which it refers.

Annual reports, including audited financial statements, and semi-annual reports provide information on each sub-fund and, on a consolidated basis, the SICAV as a whole.

The following documents are also available, free of charge, and copy thereof may be obtained at the registered office of the SICAV:

- (i) the Articles of Incorporation;
- (ii) the annual report, including audited financial statements, and semi-annual reports of the SICAV;
- (iii) the Prospectus;
- (iv) the KIIDs; and
- (v) a copy of the changes in the investment portfolio for the year from January 1, 2020 to December 31, 2020

Additional information is made available by the Management Company at its registered office, upon request, in accordance with the provisions of Luxembourg laws and regulations. This additional information includes the procedures relating to complaints handling, the strategy followed for the exercise of voting rights of the SICAV, the policy for placing orders to deal on behalf of the SICAV with other entities, the best execution policy as well as the arrangements relating to the fee, commission or non-monetary benefit in relation to the investment management and administration of the SICAV.

A detailed schedule of changes in the securities portfolios for the sub-fund for the period from January 1, 2020 to December 31, 2020 is available free of charge upon request at the registered office of the SICAV and from the representative in each country in which the SICAV is authorised for distribution.



# PROSPERITY CAPITAL MANAGEMENT SICAV

## Distribution abroad

### DISTRIBUTION IN AND FROM SWITZERLAND

The SICAV has been authorised in Switzerland as a foreign investment fund.

### Representative and Paying Agent

The representative and paying agent in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich (the "Representative"), with its registered office in Selnaustrasse 16, CH-8002 Zurich, Switzerland.

### Place of distribution of reference documents

The Prospectus, the Key Investor Information Documents ("KIIDs"), the Articles of Incorporation, the annual and semi-annual reports of the SICAV, and a breakdown of the purchases and sales of the SICAV during the financial period under review can be obtained free of charge from the registered office of the Representative in Switzerland.

### DISTRIBUTION IN LIECHTENSTEIN

### Paying Agent in Liechtenstein

Volksbank AG  
Feldkircher Str. 2  
FL-9494 Schaan

The current prospectus, the KIIDs, the articles of incorporation and the annual and semi-annual reports are available free of charge from the Paying Agent in Liechtenstein.

Any notices and amendments to the current prospectus and the articles of incorporation must be published in a Liechtenstein newspaper, the "*Liechtensteiner Vaterland*".

The subscription and redemption prices of the shares of the SICAV shall be published at least twice per month in a Liechtenstein newspaper, the "*Liechtensteiner Vaterland*".

The place of execution and jurisdiction for shares distributed in Liechtenstein is Schaan.

### DISTRIBUTION IN GERMANY

### Paying Agent in Germany

Deutsche Bank AG  
Taunusanlage 12  
60325 Frankfurt/Main

# PROSPERITY CAPITAL MANAGEMENT SICAV

## Management report

During 2020 we observed remarkable economic, business and market volatility, while by the end of the year, the Russian stock market was nearly flat with RPFL being slightly better than the index.

Russia's economy was highly resilient to the crisis. GDP contracted by just 3.5% and the Russian budget was in a 4% deficit, which was covered by domestic borrowings. Even in the quarter of super-low oil prices, the current account was still balanced. We have a rather optimistic mid-term outlook with 3-4% economic growth as rates remain low, in fact neutral in real terms.

Oil was the most volatile commodity ever ranging between USD 70 and USD 20 during the year, while it finished the year at USD 52 and now is trading back to pre-COVID levels. Gas prices were volatile to the same degree. Gazprom, which was 9.8% of the fund at year-end (9% of the benchmark) was 25% lower during the year. While there are short-term profitability pressures on Gazprom, we remain confident in long-term demand for Russian pipeline gas both in Europe and China and a valuation of 3x 2022 P/E and an approved increase in payout to 50% makes it an attractive investment. Lukoil, which was 7.7% of the fund vs 9% for the index, also lost 25%. Lukoil trades at 6x 2020 P/E with an 11% DY and remains attractive in our view. Surgut common shares (4.5% of the fund on average) were rather weak being 40% lower during the year. Surgut remains a restructuring option on its gigantic cash pile, exceeding market capitalization by over three times, while it is rather problematic to call the timing of this option. We added Rosneft later in the year to 3.3% of the fund on valuation grounds - being the lowest P/E multiple among oil companies, while paying less dividends. We avoided other index names, such as expensive Novatek and Tatneft as well as Transneft. We sold the remainder of our Bashneft position during the year. Overall being underweight oil and gas helped the fund last year. Oil and gas exposure produced a negative 7.1% return for the fund in 2020.

On the materials side the price volatility was also there, while unlike oil prices, metals and fertilisers exceeded pre-COVID levels and moved closer to 5-year highs. Our special situations investment into Petropavlovsk produced a strong 161% gain. Petropavlovsk was in the middle of a corporate conflict, which is not yet over, while the asset remains cheap at 4x P/E and we continue our dialogue with an industrial owner of a 25% stake. We added to Alrosa during the year (finished at 3.4% of the Fund) and it had slight positive performance. We had 4.5% of the fund in both Rusal and En+, both stocks were slightly positive during the year. Valuation looks very low on a P/E basis, while dividends remain an issue in the current shareholder structure setup. We held both NLMK and MMK through the year, while finished with 4% of the fund in MMK, which remains rather attractive with a serious double digit dividend and a 7x P/E. We had 2.5% of the fund in Phosagro, which was 18% higher during the year and valuation still looks cheap at 7x 2022 P/E and 9% DY. We avoided Norilsk Nickel which was slightly up last year. We also sadly did not have other large-cap gold stocks, such as Polyus and Polymetal, which were 60-80% higher on rising gold prices, while we captured this trend through Petropavlovsk. Overall, our materials exposure gave a decent 11% boost to the overall portfolio last year.

Retail holdings (13.7% of the fund) had a good performance in 2020. Large companies benefitted in the current environment as consolidation intensified. Magnit rose by 55% as the company demonstrated clear turnaround signs and paid significant dividends. Both Lenta and X5 also rose by 14% on positive sales and profit evolution. Valuation of retail holdings remains acceptable at 7-10x 2022 P/E and 9-10% DY. Lenta completed its redomiciliation to Russia and is in a position to start paying dividends out of its significant double digit free-cashflow yield.

*Past performance is not an indicator of current or future returns.*

# PROSPERITY CAPITAL MANAGEMENT SICAV

## Management report (continued)

Financials (11% of the fund at year-end) were slightly up last year overall. Sberbank was in a negative territory (5% lower), while our off-benchmark exposure to Halyk Bank, TBC and Bank of Georgia added to the positive performance. Sberbank remains cheap, well run and dividend paying at 6x 2022 P/E and 7% DY, while CIS banks trade at a 20-30% discount on a P/E basis. We sold our Tinkoff exposure at a price which we felt was appropriate after a pending transaction with Yandex fell apart, while sadly before the founder unified the company's capital structure by giving out his voting shares to free-float.

Our utilities exposure (9.7% of the fund at year-end) was 5% lower for the year overall. InterRAO (3.2%) was 8.5% lower during the year as its long-awaited capital markets day failed to bring positive news about an increased dividend payout. The company remains cheap on a P/E basis, while dividends are unlikely to see a step-up increase in the current capital structure. Our regional MRSKs (2.4% of the fund at year-end) were mixed, while overall in negative territory. They still feature 3x P/E and 8% dividend yield.

In the telecom/media space, we had a mixed bag of performance. Veon (2.5%) was down by 36% on lack of a turnaround and cancelled dividends. We invested in mail.ru on an attractive valuation (15x EV/E) and the stock returned 20% last year. Veon still looks promising at 6x P/E and a double digit dividend yield once Russian mobile problems are solved, while it is taking more time than anticipated to get there. We did not have any exposure to Yandex on its super-high valuation or to MTS due to preference of VEON.

Our real estate companies (5.3% of the fund at year-end) produced a 4% positive return. LSR, our core exposure (2.9% of the fund) was flat including dividends. The fundamental backdrop for real estate was highly favorable in 2020. Following multiple CBR cuts in its key rate, as well as the introduction of subsidized mortgages, property prices increased by as much as 20-25%, significantly improving mid-term profits. We also added to the portfolio a stake (2.3%) in a mid-size developer owned by Sistema, called Etalon Group at a low P/E multiple of 2-3x.

MHP (5.7%), our sole agriculture exposure was 34% lower in 2020. The company has had a weak year financially, as trade in poultry was somewhat restricted and agriculture yields in Ukraine were weak. Sadly, there was an additional corporate governance issue with related-party lending, which has not yet resolved. Valuation looks cheap on a normalized P/E of 3x and over a 25% FCF yield. We continue to work with the board and controlling shareholder to improve corporate governance and transparency.

Among smaller investments, MD Medical (3% of the fund) was 32% higher in 2020. The company proved to be highly efficient in the pandemic and benefitted from increased attention paid to health. Valuation looks cheap at 6x 2022 P/E.

Among other portfolio changes, we sold our residual exposure to Aeroflot, Akron and Novorossisk Sea Port on fundamental grounds during the year. Overall, at the time of writing, the fund trades at 5x 2021 and 4x 2022 with 11% and 14% 2021 and 2022 DY, respectively.

Prosperity Capital Management (UK) Ltd

Approved by the Board of Directors of the SICAV

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To the Shareholders of  
Prosperity Capital Management SICAV  
15 avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

## **REPORT OF THE REVISEUR D'ENTREPRISES AGREE**

### ***Report on the audit of the financial statements***

#### ***Opinion***

We have audited the financial statements of Prosperity Capital Management SICAV (“the Fund”), which comprise the statement of net assets and the statement of investments and other net assets as at December 31, 2020 and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Prosperity Capital Management SICAV as at December 31, 2020, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### ***Basis for opinion***

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (“Law of 23 July 2016”) and with International Standards on Auditing (“ISAs”) as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (“CSSF”). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of “réviseur d’entreprises agréé” for the Audit of the Financial Statements » section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (“IESBA Code”) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### ***Other information***

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the “réviseur d’entreprises agréé” thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

### ***Responsibilities of the Board of Directors of the Fund for the financial statements***

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Responsibilities of the “réviseur d’entreprises agréé” for the audit of the financial statements***

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Luxembourg, April 16, 2021

KPMG Luxembourg  
Société coopérative  
Cabinet de révision agréé

Rushvin Appadoo  
Partner

# PROSPERITY CAPITAL MANAGEMENT SICAV

## Statement of net assets as at December 31, 2020

	COMBINED	PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG)
	EUR	USD
<b>ASSETS</b>		
Investments in securities at acquisition cost (note 2.f)	173,770,331.63	212,616,673.59
Net unrealised gain on investments	2,284,609.18	2,795,333.36
Investments in securities at market value (note 2.d)	176,054,940.81	215,412,006.95
Cash at banks (note 2.d)	338,283.39	413,906.61
Formation expenses (note 2.g)	636.75	779.10
	176,393,860.95	215,826,692.66
<b>LIABILITIES</b>		
Investment management fee payable (note 4)	242,559.61	296,783.79
"Taxe d'abonnement" payable (note 3)	16,945.85	20,734.09
Other fees payable (note 9)	183,623.64	224,672.69
	443,129.10	542,190.57
<b>TOTAL NET ASSETS AS AT DECEMBER 31, 2020</b>	<b>175,950,731.85</b>	<b>215,284,502.09</b>
<b>TOTAL NET ASSETS AS AT DECEMBER 31, 2019</b>	<b>413,288,873.77</b>	<b>463,917,071.64</b>
<b>TOTAL NET ASSETS AS AT DECEMBER 31, 2018</b>	<b>341,079,606.60</b>	<b>389,905,080.41</b>

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

# PROSPERITY CAPITAL MANAGEMENT SICAV

## Statement of operations and changes in net assets for the year ended December 31, 2020

	COMBINED	PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG)
	EUR	USD
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	<b>413,288,873.77</b>	<b>463,917,071.64</b>
<b>INCOME</b>		
Dividends, net (note 2.h)	9,495,277.44	11,617,945.86
	<u>9,495,277.44</u>	<u>11,617,945.86</u>
<b>EXPENSES</b>		
Investment management fees (note 4)	3,010,987.31	3,684,093.25
Performance fees (note 5)	2,269.51	2,776.86
Depository Bank and Central Administration fees (note 7)	312,402.83	382,240.45
Audit and legal fees	103,219.26	126,293.92
Directors' fees (note 8)	74,839.18	91,569.47
Printing and publishing fees	2,783.30	3,405.51
"Taxe d'abonnement" (note 3)	64,158.84	78,501.54
Transaction fees (note 2.i)	25,491.55	31,190.18
Other expenses (note 6)	670,212.19	820,038.07
	<u>4,266,363.97</u>	<u>5,220,109.25</u>
<b>NET INVESTMENT INCOME</b>	<b>5,228,913.47</b>	<b>6,397,836.61</b>
Net realised loss on sales of investments (note 2.e)	-22,089,060.91	-27,027,068.49
Net realised loss on foreign exchange	-681,403.06	-833,730.65
<b>NET REALISED LOSS</b>	<b>-17,541,550.50</b>	<b>-21,462,962.53</b>
<b>Change in net unrealised depreciation:</b>		
- on investments	-23,766,045.66	-29,078,943.02
<b>DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS</b>	<b>-41,307,596.16</b>	<b>-50,541,905.55</b>
Proceeds from subscriptions of shares	10,747,820.45	13,150,494.74
Cost of shares redeemed	-172,646,131.59	-211,241,158.74
Revaluation difference on the net assets at the beginning of the year*	-34,132,234.62	
<b>NET ASSETS AT THE END OF THE YEAR</b>	<b>175,950,731.85</b>	<b>215,284,502.09</b>

\* The difference mentioned above results from the conversion of the net assets at the beginning of the year (for the sole sub-fund denominated in USD) at the EUR/USD exchange rates applicable on December 31, 2019 and the EUR/USD exchange rates applicable on December 31, 2020.

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



# PROSPERITY CAPITAL MANAGEMENT SICAV

## Number of shares outstanding and net asset value per share

Sub-fund Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
		31.12.2020	31.12.2020	31.12.2019	31.12.2018
PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG)					
A EUR	EUR	57,414.69	124.84	139.78	100.22
A USD	USD	583,486.59	115.65	118.31	86.58
B EUR	EUR	167,787.20	125.18	138.71	102.04
B USD	USD	19,450.50	118.66	120.19	88.87
I USD	USD	280,071.54	224.24	227.88	165.67
IP USD	USD	-	-	115.29	85.43
R EUR	EUR	-	-	155.75	109.33
S EUR	EUR	29,701.80	152.97	170.42	121.60
X EUR	EUR	222,681.55	155.53	169.85	118.80

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

# PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG)

## Statement of investments and other net assets as at December 31, 2020 (expressed in USD)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>SHARES</b>				
<i>BERMUDA</i>				
VEON ADR -SPONS.-	USD	3,493,921.00	5,310,759.92	2.47
			5,310,759.92	2.47
<i>BRITISH VIRGIN ISLANDS</i>				
MAIL.RU GROUP GDR -SPONS.-	USD	203,983.00	5,334,155.45	2.48
			5,334,155.45	2.48
<i>CYPRUS</i>				
ETALON GROUP GDR -SPONS.- REG.S	USD	2,879,878.00	5,025,387.11	2.33
LENTA -GDR SPONSORED- REG.S	USD	3,038,705.00	10,620,273.98	4.93
MD MED GROUP INVESTMENT GDR -SPONS.-	USD	1,073,368.00	6,493,876.40	3.02
MHP GDR -SPONS.- -S-	USD	2,002,794.00	12,197,015.46	5.67
			34,336,552.95	15.95
<i>KAZAKHSTAN</i>				
HALYK SAVINGS BANK OF KAZAKHSTAN GDR -SPONS.-S-	USD	492,142.00	5,733,454.30	2.66
			5,733,454.30	2.66
<i>NETHERLANDS</i>				
X5 RETAIL GROUP GDR -SPONS.-	USD	223,630.00	8,113,296.40	3.77
			8,113,296.40	3.77
<i>RUSSIA</i>				
ALROSA	USD	5,516,243.00	7,306,649.99	3.39
EN+ GROUP -GDR SPONS.- 'S'	USD	545,843.00	5,676,767.20	2.64
EN+ GROUP INTERNATIONAL	USD	414,829.00	4,297,242.65	2.00
GAZPROM	USD	6,149,807.00	17,517,663.74	8.13
GAZPROM ADR -SPONS.-	USD	639,279.00	3,583,798.07	1.66
IDGC CENTER & VOLGA	USD	747,162,304.00	2,532,880.21	1.18
IDGC OF CENTRE	USD	495,728,346.00	2,667,018.50	1.24
INTER RAO UES	USD	96,146,561.00	6,820,637.04	3.17
LSR GROUP	USD	540,767.00	6,277,244.97	2.92
LUKOIL OIL COMPANY	USD	240,562.00	16,638,528.46	7.73
MAGNIT	USD	140,552.00	10,691,657.12	4.97
MAGNITOGORSK IRON & STEEL WORKS	USD	12,469,333.00	9,315,090.52	4.33
OGK-2	USD	363,327,889.00	3,560,613.31	1.65
PHOSAGRO GDR -SPONS.-	USD	376,469.00	5,142,566.54	2.39
ROSNEFT OIL COMPANY	USD	1,220,374.00	7,104,297.41	3.30
ROSSETTI SOUTH PJSC	USD	1,425,065,773.00	926,292.75	0.43
SBERBANK OF RUSSIA	USD	516.00	1,875.42	0.00
SBERBANK OF RUSSIA ADR -SPONS.-	USD	1,022,296.00	14,894,852.72	6.92
SURGUTNEFTEGAS PUBLIC	USD	15,665,434.00	7,542,279.85	3.50
T PLUS PJSC	USD	72,889,596.00	1,975,308.05	0.92
			134,473,264.52	62.47

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

# PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG)

## Statement of investments and other net assets as at December 31, 2020 (expressed in USD) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>SWEDEN</i>				
ENERGYO SOLUTION RUSSIA	SEK	370,555.00	656,581.40	0.30
			656,581.40	0.30
<i>UNITED KINGDOM</i>				
BANK OF GEORGIA GROUP	GBP	190,085.00	3,165,736.42	1.47
PETROPAVLOVSK	USD	38,027,661.00	16,639,003.07	7.72
			19,804,739.49	9.19
<b>TOTAL I.</b>			<b>213,762,804.43</b>	<b>99.29</b>
<b>II. OTHER TRANSFERABLE SECURITIES</b>				
<b>SHARES</b>				
<i>CYPRUS</i>				
MRIYA AGRO HOLDING GDR -SPONS.-	EUR	1,490,861.00	0.00	0.00
			0.00	0.00
<b>TOTAL II.</b>			<b>0.00</b>	<b>0.00</b>
<b>III. UNITS OF INVESTMENT FUNDS</b>				
<i>CAYMAN ISLANDS</i>				
NEW RUSSIAN GENERATION B USD	USD	3,926,672.66	1,649,202.52	0.77
			1,649,202.52	0.77
<b>TOTAL III.</b>			<b>1,649,202.52</b>	<b>0.77</b>
<b>TOTAL INVESTMENTS</b>			<b>215,412,006.95</b>	<b>100.06</b>
CASH AT BANKS			413,906.61	0.19
OTHER NET LIABILITIES			-541,411.47	-0.25
<b>TOTAL NET ASSETS</b>			<b>215,284,502.09</b>	<b>100.00</b>

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

# PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG)

## Geographical and industrial classification of investments as at December 31, 2020

### Geographical classification

(in % of net assets)	
Russia	62.47
Cyprus	15.95
United Kingdom	9.19
Netherlands	3.77
Kazakhstan	2.66
British Virgin Islands	2.48
Bermuda	2.47
Cayman Islands	0.77
Sweden	0.30
	<b>100.06</b>

### Industrial classification

(in % of net assets)	
Oil and gas	24.32
Banks and credit institutions	11.05
Public utilities	8.89
Retail and supermarkets	8.70
Gold	7.72
Food and other agricultural products	5.67
Construction and building materials	5.25
Food and soft drinks	4.97
Electronics and electrical equipment	4.64
Mining and steelworks	4.33
Metals and minings	3.39
Holding and finance companies	3.02
Internet, software and IT services	2.48
Communications	2.47
Chemicals	2.39
Units of investment funds	0.77
	<b>100.06</b>

# PROSPERITY CAPITAL MANAGEMENT SICAV

## Notes to the financial statements as at December 31, 2020

### NOTE 1

#### GENERAL

PROSPERITY CAPITAL MANAGEMENT SICAV (the "SICAV") is a limited liability company organised as a *société d'investissement à capital variable* incorporated in Luxembourg on January 30, 2013 for an unlimited duration. The SICAV is subject to the provisions of the Law of August 10, 1915 on commercial companies, as amended (the 1915 Law), and of Part I of the amended Law of December 17, 2010 (the 2010 Law) relating to undertakings for collective investment ("UCIs").

The SICAV qualifies as an undertaking for collective investment in transferable securities ("UCITS") under article 1(2) of the Directive 2009/65/EC, as modified. Directive 2014/91/EU of the European Parliament and the Council of July 23, 2014 on the coordination of laws, regulations and administrative provisions relating to UCIs in transferable securities modifying Directive 2009/65/EC was implemented in national law under the Luxembourg Law of May 10, 2016 amending the 2010 Law.

The Articles of Incorporation were published in the *Mémorial C, Recueil Spécial des Sociétés et Associations du Grand-Duché de Luxembourg* on February 18, 2013 and deposited with the *Registre de Commerce et des Sociétés* of Luxembourg, where they are available for inspection.

The share capital of the SICAV shall at any time be equal to the total net assets of the various sub-funds and is represented by registered shares of no par value and fully paid up. The minimum capital is EUR 1,250,000.

The SICAV has appointed FundPartner Solutions (Europe) S.A., a public limited company (*société anonyme*) with registered office at 15, avenue J.F. Kennedy, L-1855 Luxembourg, as its management company as of July 2, 2015. It is registered on the official list of Luxembourg management companies governed by Chapter 15 of the 2010 Law.

The SICAV provides investors with an opportunity for investment in all types of transferable securities and/or in other liquid financial assets referred to in Article 41 of the 2010 Law through professionally managed sub-funds, which are distinguished mainly by their specific investment policy and objective, and, as the case may be, by the currency in which they are denominated or other specific features applicable to each of them.

#### a) Sub-fund in activity

As at December 31, 2020, the following sub-fund is available to investors:

- PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG) (denominated in US Dollars)

#### b) Significant events and material changes

No significant events or material changes occurred as of December 31, 2020.

#### c) Share classes

The following classes of share are issued as at December 31, 2020:

- A EUR
- A USD

# PROSPERITY CAPITAL MANAGEMENT SICAV

## Notes to the financial statements as at December 31, 2020 (continued)

- B EUR
- B USD
- I USD
- IP USD (redeemed on December 2, 2020)
- R EUR (redeemed on June 15, 2020)
- S EUR
- X EUR

Class A and B shares are capitalisation shares and may be held by natural persons or legal entities.

The issue of Class I and Class IP shares is restricted to institutional investors within the meaning of Article 174 (2) of the 2010 Law ("Institutional Investors").

Class S shares are shares with no rebate to be paid and which may be offered in certain limited circumstances for distribution in certain countries and through distributors, platforms and/or brokers/dealers who (i) have separate fee arrangements with their clients and (ii) who, at the discretion of the Board of Directors of the SICAV and/or the Global Distributor, may be considered wholesale investors (i.e. intermediaries (such as platforms) providing financial services to other financial institutions, rather than to individuals) by dealing in large volume and/or providing services to other investors. In addition, Class S shares may be offered to professional investors and/or other investors at the discretion of the Board of Directors of the SICAV and/or the Global Distributor.

Class R shares are restricted to Institutional Investors specially approved by the Board of Directors of the SICAV and/or the Global Distributor.

Class X shares are restricted to investors who are approved by the Board of Directors of the SICAV and are party to a discretionary management agreement with the Investment Manager or one of its affiliates (including any sub-fund of the SICAV).

## NOTE 2

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) General

The financial statements are prepared in accordance with generally accepted accounting principles and presented in accordance with the legal reporting requirements applicable in Luxembourg relating to UCIs. The financial statements have been prepared based on the Net Asset Value ("NAV") as of December 31, 2020.

#### b) Foreign exchange translation

Assets and liabilities expressed in currencies other than the sub-fund's reporting currency are translated into the currency of the sub-fund at the exchange rate prevailing at the reporting date.

Income and expenses in currencies other than the sub-fund's reporting currency are translated into the currency of the sub-fund at the exchange rate prevailing on the transaction date.

Resulting realised and variation on unrealised foreign exchange gains and losses are included in the statement of operations and changes in net assets.

# PROSPERITY CAPITAL MANAGEMENT SICAV

## Notes to the financial statements as at December 31, 2020 (continued)

### c) Combined financial statements

The combined financial statements of the SICAV are equal to the sum of the various corresponding positions in the financial statements of each sub-fund converted into euros (EUR) at the exchange rate prevailing at the date of the financial statements.

At the date of the financial statements, the exchange rate is the following:

1 USD = 0.817294 EUR

### d) Valuation of assets

1) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received are deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as the SICAV considers appropriate in such case to reflect the true value thereof;

2) Transferable securities and money market instruments which are quoted or dealt in on any stock exchange or dealt in on any other Regulated Market are, where such transferable security or money market instrument has been traded since the last Valuation Point, valued according to the following principles:

- (i) Where the last trade price falls within the bid/ask spread at the applicable Valuation Point on the stock exchange or any other Regulated Market on which it is traded, such transferable security or money market instrument is valued at the last trade price; and
- (ii) Where the last trade price at which such transferable security or money market instrument has been traded on the applicable Valuation Day falls outside the bid/ask spread at the relevant Valuation Point on the stock exchange and any other Regulated Market on which it is traded, such transferable security or money market instrument is valued at the average of the bid and ask price at this Valuation Point;

3) Transferable securities and money market instruments which have not been traded on any stock exchange or any other Regulated Market since the last Valuation Point shall be valued at the average of the closing bid and closing ask price at which it traded most recently prior to the applicable Valuation Day. For the purpose of this provision, the reference to "closing" bid or ask price means to be the last bid or ask price of the relevant transferable securities and money market instruments at the Valuation Point on the stock exchange or other Regulated Market on which the relevant transferable securities and money market instruments traded most recently prior to the applicable Valuation Day;

4) Units or shares in UCIs are valued on the basis of their last available NAV;

5) Liquid assets and money market instruments are valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, are valued in the same manner;

# PROSPERITY CAPITAL MANAGEMENT SICAV

## Notes to the financial statements as at December 31, 2020 (continued)

6) In the event that any of the transferable securities and money market instruments held in the SICAV's portfolios are not quoted or dealt in on any stock exchange, over-the-counter market or other Regulated Market or if, with respect to transferable securities and money market instruments quoted or dealt in on any stock exchange or dealt in on any over-the-counter market or other Regulated Market, the price as determined pursuant to the above valuation rules is not representative of the fair market value of the relevant transferable securities and money market instruments, the value of such transferable securities and money market instruments is determined based on the reasonably foreseeable sales price determined prudently and in good faith by the Board of Directors of the SICAV.

### e) Net realised gain/loss on sales of investments

The net realised gain/loss on sales of investments is calculated on the basis of the weighted average cost of the investments sold.

### f) Cost of investment securities

Cost of investment securities in currencies other than the sub-fund's reporting currency is converted into the sub-fund's reporting currency at the exchange rate applicable at purchase date.

### g) Formation expenses

Formation expenses are amortised on a straight line basis over a period of 5 years.

### h) Income

Dividends are recorded net of withholding tax at ex-date. Interest is recorded on an accrual basis.

### i) Transaction fees

The transaction fees represent the costs incurred by each sub-fund in connection with purchases and sales of investments.

Transactions fees include brokerage fees, bank commissions and other transaction fees. They are included in the statement of operations and changes in net assets.

## NOTE 3

### "TAXE D'ABONNEMENT"

The SICAV is not subject to taxation in Luxembourg on its income, profits or gains.

No stamp duty, capital duty or other tax are payable in Luxembourg upon the issue of the shares of the SICAV.

The SICAV is however subject to a subscription tax ("*taxe d'abonnement*") levied at the rate of 0.05% per annum based on its NAV at the end of the relevant quarter, calculated and paid quarterly. A reduced subscription tax of 0.01% per annum is applicable to Classes of the sub-fund which are reserved to one or more institutional investors.



# PROSPERITY CAPITAL MANAGEMENT SICAV

## Notes to the financial statements as at December 31, 2020 (continued)

### NOTE 4

#### INVESTMENT MANAGEMENT FEES

The Investment Manager is entitled to an investment management fee payable monthly by the sub-fund PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG) at the following rates:

Class A : 2.50% of the NAV per annum  
Class B : 1.50% of the NAV per annum  
Class I : 1.875% of the NAV per annum  
Class IP : 1.10% of the NAV per annum\*  
Class R : 0.40% of the NAV per annum\*\*  
Class S : 2.00% of the NAV per annum  
Class X : none

\* for the period from January 1, 2020 to December 2, 2020.

\*\* for the period from January 1, 2020 to June 15, 2020.

When a sub-fund invests in the units/shares of other UCITS, "Undertakings for Collective in Transferable Securities Directives", and/or other UCIs linked to the SICAV by common management or control, or by a substantial direct or indirect holding, or managed by a management company linked to the relevant Investment Manager, the total management fee (excluding any performance fee, if any) charged to the sub-fund and each of the UCITS or other UCIs concerned shall not exceed 2.50% of the relevant net assets under management.

### NOTE 5

#### PERFORMANCE FEES

The Investment Manager receives out of the portion of the NAV attributable to the Class B shares and Class IP Shares, a performance fee equal to 15.00% of the excess of the NAV attributable to the Class B shares and Class IP Shares, before deduction of accrued performance fees, over the Target NAV (as defined in the Prospectus).

The Investment Manager receives, out of the portion of the NAV attributable to the relevant Class R shares, a performance fee equal to 25% of the excess of the NAV attributable to the relevant Class R shares over the Benchmark NAV of the relevant Class R shares (as defined in the Prospectus).

The performance fee is accrued at each Valuation Day and becomes payable on the last Valuation Day of the year. In the case of redemptions, the pro rata portion of the accrued performance fee attributable to those shares becomes payable immediately upon the Valuation Day as of which the shares are redeemed.

For the period from January 1, 2020 to December 31, 2020, performance fees amounted to USD 2,776.86 for the sub-fund PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG).

### NOTE 6

#### MANAGEMENT COMPANY FEES

The Management Company is entitled to a management company fee payable quarterly by the SICAV at a rate of up to 0.05% of the net assets of the sub-fund per annum with a minimum of EUR 50,000. Management company fees are recorded under the caption "Other expenses" in the statement of operations and changes in net assets.

# PROSPERITY CAPITAL MANAGEMENT SICAV

## Notes to the financial statements as at December 31, 2020 (continued)

The Management Company is also entitled to charge the SICAV a commission of a maximum of up to 0.10% of the average Net Asset Value of each sub-fund per annum with a minimum of up to EUR 100,000.

For the period from January 1, 2020 to December 31, 2020, the management company fee amounted to USD 137,624.56 for the sub-fund PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG).

### NOTE 7 DEPOSITARY BANK AND CENTRAL ADMINISTRATION FEES

The Depositary Bank is entitled to charge the SICAV a commission of a maximum of up to 0.08% of the average NAV of the sub-fund per annum with a minimum of up to EUR 80,000 for acting as Depositary Bank.

The central administration function, performed by the Management Company, is entitled to charge the SICAV a commission of a maximum of up to 0.10% of the average NAV of the sub-fund per annum with a minimum of up to EUR 100,000 for acting as Central Administration of the SICAV.

### NOTE 8 DIRECTORS' FEES

Each Director may receive a fee to be determined by the Annual General Meeting (the "AGM") of shareholders. In addition, directors may be reimbursed for any other expenses they incur in fulfilling their duties to the Company, to the extent that these expenses are deemed reasonable.

For the period from January 1, 2020 to December 31, 2020 an amount of USD 91,569.47 has been paid as directors' fees.

### NOTE 9 OTHER FEES PAYABLE

As at December 31, 2020, the other fees payable include mainly Directors fees, Central Administration fees, Custody fees, Management Company fees, Depositary Bank fees and audit expenses.

### NOTE 10 SUBSCRIPTION AND REDEMPTION COMMISSION

A subscription fee of up to 2.5%, and a redemption fee of 0.5%, calculated as a percentage of the NAV of the shares subscribed/redeemed, may be charged by the SICAV on behalf of the relevant Class of shares (except for Class X shares) and may be payable to the Global Distributor.

# PROSPERITY CAPITAL MANAGEMENT SICAV

## Notes to the financial statements as at December 31, 2020 (continued)

### Swing Pricing

If on any Valuation Day the aggregate transactions in shares of a sub-fund result in a net increase or decrease of shares which exceeds a threshold set by the Board of Directors of the SICAV from time to time for that sub-fund (relating to the cost of market dealing for that sub-fund), the NAV of the sub-fund is adjusted by an amount (not exceeding 2% of that NAV) which reflects both the estimated fiscal charges and dealing costs that may be incurred by the sub-fund and the estimated bid/offer spread of the assets in which the sub-fund invests. The adjustment is an addition when the net movement results in an increase of all shares of the sub-fund and a deduction when it results in a decrease.

The SICAV has the power to charge a dilution levy of up to 1% of the applicable NAV on individual subscriptions or redemptions, such dilution levy to accrue to the affected sub-fund. The SICAV operates this measure in a fair and consistent manner to reduce dilution and only for that purpose and such dilution levy is not to be applied if the swing pricing mechanism is used.

The Board of Directors of the SICAV decided on May 17, 2013 not to apply the swing pricing at least during the first year of the SICAV. Additionally, the Board of Directors of the SICAV has not taken any further decision to start the application of the swing pricing since the launch of the SICAV.

### NOTE 11

#### COVID-19

The Board of Directors of the SICAV acknowledges that the worldwide COVID-19 outbreak is an event during the year as of December 31, 2020. The COVID-19 outbreak and the consequences of all the measures taken in response to the virus by the world community has affected the global economy, the financial markets worldwide and therefore also the asset management industry.

There are still a lot of uncertainties in relation to the duration of this outbreak.

Although the potential impacts arising from the situation are still difficult to accurately assess, the following key elements should be noted in relation to the SICAV, since the COVID-19 outbreak and until the closing date as at December 31, 2020:

- No specific liquidity risk management measures were triggered, such as: NAV suspension, gating, deferred redemptions.
- The SICAV did not suffer from any significant operational service disruptions. The SICAV-RAIF has therefore been continuing its usual operations in accordance with its investment strategy and prospectus. The published unaudited sub-funds net assets values and financial information are available on Fundsquare or upon request at the registered office of the SICAV.

### NOTE 12

#### SUBSEQUENT EVENTS

No events occurred after the year-end.

# PROSPERITY CAPITAL MANAGEMENT SICAV

## Total Expense Ratio ("TER") (unaudited appendix)

Pursuant to the "Guidelines on the calculation and disclosure of the total expense ratio (TER) of collective investment schemes" of May 16, 2008 (version of April 20, 2015) of the Swiss Funds & Asset Management Association ("SFAMA"), the SICAV is obliged to publish a TER for the latest 12-month financial period.

The TER is defined as the ratio between the total operating expenses (operating charges primarily consist of management and investment advisory fees, depositary fees, bank charges and interest, service fees, performance fees, taxes and duties) and the relevant sub-fund's / Classes of share average NAV (calculated on the basis of the daily average of the total net assets for the relevant period) expressed in its reference currency.

For the period from January 1, 2020 to December 31, 2020, the TER were the following:

<b>Class</b>	<b>Currency</b>	<b>Annualised TER including performance fees</b>	<b>Annualised TER excluding performance fees</b>
PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG)			
A EUR	EUR	3.10%	3.10%
A USD	USD	3.09%	3.09%
B EUR	EUR	2.10%	2.09%
B USD	USD	2.03%	2.02%
I USD	USD	2.44%	2.44%
S EUR	EUR	2.59%	2.59%
X EUR	EUR	0.59%	0.59%

# PROSPERITY CAPITAL MANAGEMENT SICAV

## Performance (unaudited appendix)

The performance per Class of shares was calculated by comparing the net assets per share as at December 31, 2019 with the net assets per share as at December 31, 2020.

The performance was calculated at the end of each financial period according to the 'Guidelines on the calculation and disclosure of the performance of collective capital investment schemes' of May 16, 2008 (version of July 1, 2013) of the Swiss Funds & Asset Management Association (SFAMA).

The performance is based on historical data, which is no guide to current or future performance. Commissions and fees levied for the issue or redemption of shares, as applicable, have not been taken into account in this performance calculation.

Performances for active share classes as at December 31, 2020 were the following:

Class	Currency	Performance for the financial year ending December 31, 2020	Performance for the financial year ending December 31, 2019	Performance for the financial year ending December 31, 2018
PROSPERITY CAPITAL MANAGEMENT SICAV - RUSSIAN PROSPERITY FUND (LUXEMBOURG)				
A EUR	EUR	-10.69%	39.47%	-11.09%
A USD	USD	-2.25%	36.65%	-15.03%
B EUR	EUR	-9.75%	35.94%	-10.14%
B USD	USD	-1.27%	35.24%	-14.62%
I USD	USD	-1.60%	37.55%	-14.47%
S EUR	EUR	-10.24%	40.15%	-10.63%
X EUR	EUR	-8.43%	42.97%	-8.85%

# PROSPERITY CAPITAL MANAGEMENT SICAV

## Other information to Shareholders (unaudited appendix)

### 1. Securities Financing Transactions Regulation ("SFTR")

As at December 31, 2020, the SICAV is in the scope of the requirements of the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse. Nevertheless, no corresponding transactions were carried out during the period referring to the financial statements.

### 2. Remuneration of the members of the Management Company

The Management Company has adopted a Remuneration Policy which is in accordance with the principles established by the law of 10 May 2016, amending the law of December 17, 2010 ("the 2010 Law").

The financial year of the Management Company ends on December 31 of each year.

The table below shows the total amount of the remuneration for the financial year ended as at December 31, 2020, split into fixed and variable remuneration, paid by the Management Company to its staff.

The table has been prepared taking into consideration point 162 of section 14.1 of the European Securities and Market Authority ("ESMA") remuneration guidelines relating to the confidentiality and data protection in presenting the remuneration information.

	Number of beneficiaries	Total remuneration (EUR)	Fixed remuneration (EUR)	Variable remuneration (target or discretionary bonuses, parts remuneration) (EUR)
Total remuneration paid by the Management Company during 2020	21	16,408	11,288	5,120

#### *Additional explanation :*

- The beneficiaries reported are composed of the risk takers (including the 4 Conducting Officers) and the staff of the Management Company dedicated to Management Company activities for all the Funds under management, remunerated by the Management Company. In addition, the Management Company did not remunerate directly the staff of the Investment Manager, but rather ensured that the Investment Manager complies with the Remuneration Policy requirements itself.
- The benefits have been attributed according to criteria such as level of seniority, hierarchic level, or other eligibility criteria, not taking into account performance criteria, and are thus excluded from the fixed or variable remuneration figures provided above.
- Total fixed and variable remuneration disclosed is based on apportionment of Asset Under Management represented by the SICAV."
- The 2020 annual review outcome showed no exception.
- There have been no changes to the adopted remuneration policy since its implementation.

# PROSPERITY CAPITAL MANAGEMENT SICAV

Other information to Shareholders (unaudited appendix) (continued)

### **3. Information on risk measurement**

The global risk exposure is monitored by using the Commitment approach. In that respect, financial derivatives instruments are converted into their equivalent position in the underlying asset. The global risk exposure shall not exceed the sub-fund's NAV.

