



LGT (Lux) III

Société d'investissement à capital variable
(under Part II of the Law of 17.12.2010, as amended)
R.C.S. Luxembourg B178747

Audited Annual Report as at 30.09.2023

Table of Contents

Management and Administration	3
Audit Report	4
Combined Report	7
Notes	9
Manager's Report (unaudited)	13
Report by Subfund	
LGT (Lux) III - ILS Plus Fund	14
Unaudited information	20

Management and Administration

Company

LGT (Lux) III
5, rue Jean Monnet, L-2180 Luxembourg
R.C.S. Luxembourg B178747

Board of Directors of the Company

Roger Gauch, Chairman of the Board
Chief Executive Officer
LGT Capital Partners (FL) Ltd.
Herrengasse 12
FL-9490 Vaduz

Brigitte Arnold, Director
Head Tax/Products
LGT Group Holding Ltd.
Herrengasse 12
FL-9490 Vaduz

André Schmit, Director
28, rue Lehberg
L-9124 Schieren

Auditor of the Company

PricewaterhouseCoopers, Société coopérative
2, rue Gerhard Mercator
L-2182 Luxembourg

Alternative Investment Fund Manager ("AIFM")

LGT Capital Partners (Ireland) Limited
Third Floor, 30 Herbert Street,
Dublin 2, Ireland

Board of Directors of the AIFM

Werner von Baum, Chairman of the Board
LGT Capital Partners Ltd.
Schützenstrasse 6
CH-8808 Pfäffikon SZ

Dr. Hans Markvoort, Director
LGT Capital Partners Ltd.
Schützenstrasse 6
CH-8808 Pfäffikon SZ

Desmond Tobin, Director
LGT Capital Partners (Ireland) Ltd.
Third Floor, 30 Herbert Street
Dublin 2, Ireland

Brian Goonan, Director
LGT Capital Partners (Ireland) Ltd.
Third Floor, 30 Herbert Street
Dublin 2, Ireland

Gerald Brady, Director
Birch Hollow
Kilmacud Road Upper
Dundrum
Dublin 14, Ireland

Paul Garvey, Alternate Director
LGT Fund Managers (Ireland) Ltd.
Third Floor, 30 Herbert Street
Dublin 2, Ireland

Frank Sheedy, Alternate Director
LGT Fund Managers (Ireland) Ltd.
Third Floor, 30 Herbert Street
Dublin 2, Ireland

Depository and Paying Agent

Credit Suisse (Luxembourg) S.A.
5, rue Jean Monnet
L-2180 Luxembourg

Investment Manager

LGT ILS Partners Ltd.
Schützenstrasse 6
CH-8808 Pfäffikon SZ

Administrative Agent, Registrar and Transfer Agent

Credit Suisse Fund Services (Luxembourg) S.A.
5, rue Jean Monnet
L-2180 Luxembourg

No subscription may be accepted on the basis of the financial reports. Subscriptions are accepted only on the basis of the current Sales Prospectus accompanied by the latest annual report.

The issue and redemption prices may be obtained in Luxembourg at the registered office of the Company.

Shareholders may obtain the Sales Prospectus, the Key Information Documents (PRIIPS KID), the latest annual reports, the changes in the composition of the securities portfolio during the reporting period and copies of the Articles of Incorporation free of charge from the registered office of the Company and the AIFM.

Publications in Switzerland are available on the electronic internet platform www.fundinfo.com

The Company's financial year shall end on September 30 of each year.



Audit report

To the Shareholders of
LGT (Lux) III

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of LGT (Lux) III (the “Fund”) as at 30 September 2023, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

What we have audited

The Fund’s financial statements comprise:

- the combined statement of net assets as at 30 September 2023;
- the combined statement of operations/changes in net assets for the year then ended;
- the statement of investments in securities as at 30 September 2023; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

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

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

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



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

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

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

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

Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;



- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 19 December 2023

Patrick Ries

Statement of Net Assets (in USD)**30.09.2023****Assets**

Investments in securities at market value	277,930,512.69
Cash at banks	3,551,406.35
Premium receivable	550,331.19
Interest receivable on Bonds and risk premium Cat Bonds	2,505,875.68
Net unrealised gain on forward foreign exchange contracts	120,352.73
	284,658,478.64

Liabilities

Provisions for CRI losses	88,165,547.25
Unearned premium	121,195.02
Provisions for accrued expenses	391,258.70
	88,678,000.97

Net assets	195,980,477.67
-------------------	-----------------------

Statement of Operations / Changes in Net Assets (in USD)For the period from
01.10.2022 to 30.09.2023

Net assets at the beginning of the year	375,454,519.81
Income	
Interest on investments in securities (net)	6,875,340.86
Dividends (net)	1,437,689.78
Bank Interest	264,879.92
CRI premiums received	12,937,015.93
	21,514,926.49
Expenses	
Management fee	-3,873,453.90
Operational costs	-283,478.17
Printing and publication expenses	-2,041.38
Interest and bank charges	-12,068.27
Audit, control, legal, representative bank and other expenses	-241,508.26
"Taxe d'abonnement"	-99,349.22
CRI premiums paid	-850.00
	-4,512,749.20
Net income (loss)	17,002,177.29
Realised gain (loss)	
Realised gain on sales of investments	14,021,552.78
Realised loss on sales of investments	-15,988,116.79
Risk premium Cat Bonds	9,356,846.51
Fees on LoC	-136,851.60
Realised loss on CRI	-64,192,012.55
Realised gain on forward foreign exchange contracts	30,554,189.19
Realised loss on forward foreign exchange contracts	-32,389,812.44
Realised gain on foreign exchange	13,290,371.81
Realised loss on foreign exchange	-10,664,753.01
	-56,148,586.10
Net realised gain (loss)	-39,146,408.81
Change in net unrealised appreciation (depreciation)	
Change in unrealised appreciation on investments	19,740,544.24
Change in unrealised depreciation on investments	-8,609,388.54
Change in provision for CRI loss	55,441,802.68
Change in unrealised appreciation on forward foreign exchange contracts	818,903.93
Change in unrealised depreciation on forward foreign exchange contracts	-2,786,057.06
	64,605,805.25
Net increase (decrease) in net assets as a result of operations	25,459,396.44
Subscriptions / Redemptions	
Subscriptions	5,037,661.80
Redemptions	-209,971,100.38
	-204,933,438.58
Net assets at the end of the year	195,980,477.67

General

LGT (Lux) III (the "Company") is a société anonyme incorporated under the laws of the Grand Duchy of Luxembourg as a société d'investissement à capital variable. The Company is subject to Part II of the law of 17.12.2010 relating to undertakings for collective investment, as amended or supplemented from time to time (the "2010 Law"). The Company was incorporated under the name of LGT (Lux) III, on 05.07.2013 through Contribution in Kind.

The Company is registered under Number B178747 with the Registre de Commerce et des Sociétés, where the Articles have been filed and are available for inspection. The Company exists for an unlimited period.

The Board of Directors has designated LGT Capital Partners (Ireland) Limited to act as its AIFM.

The Subfund LGT (Lux) III - ILS Plus Fund is classified as article 8 under the Sustainable Finance Disclosure Regulation ("SFDR").

As at 30.09.2023 the Company had one Subfund.

Summary of significant accounting policies

a) Computation of the net asset value of each Subfund

The financial statements of the Company are presented in accordance with the regulations in force in Luxembourg governing Undertakings for Collective Investment.

The Net Asset Value of the Shares of each Category of the Subfund is determined in the currency of the relevant Category on the last Business Day of each month (the "Valuation Day"), and normally calculated within 5 Business Days after such Valuation Day (the "Calculation Day").

b) Valuation of the assets of each Subfund

The valuation of a security denominated in a currency other than the reference currency of the relevant Subfund is determined in that currency and converted into the reference currency at the prevailing mid-market foreign exchange rate on the relevant Valuation Day (as defined for each Subfund) as determined by the Administrative, Registrar, Transfer and Domiciliary Agent in accordance with the AIFM's guidance and valuation policy.

The valuation of a security denominated in a currency other than the reference currency of the relevant Subfund is determined in that currency and converted into the reference currency at the prevailing mid-market foreign exchange rate on the relevant Valuation Day (as defined for each Subfund) as determined by the Administrative, Registrar and Transfer Agent in accordance with the AIFM's guidance and valuation policy.

Shares or units in open-end UCI will be valued at the actual net asset value for such shares or units as of the relevant Valuation Day, or if no such actual net asset value is available they shall be valued at the estimated net asset value as of such Valuation Day, or if no such estimated net asset value is available they shall be valued at the last available actual or estimated net asset value which is calculated prior to such Valuation Day whichever is the closer to such Valuation Day.

All other assets will be valued at their respective fair values as determined in good faith by the Board of Directors in accordance with generally accepted valuation principles and procedures.

Catastrophe Bonds ("Cat Bonds") are valued by quotes provided by market makers, dealers or brokers specialised in this type of securities. The best bid price is used as a reference for valuation unless it is more than 2% higher than the second best bid which then becomes the best bid.

Collateralised Reinsurance Investments ("CRI") are valued based on the net premiums received which are recognised in the Statement of Operations / Changes in Net Assets gradually over the risk period. Losses are recorded in "Change in provision for CRI losses" upon notification of the trigger events or loss payments by the insurance broker, or are estimated by the Board of Directors when such information is not yet available. Upon payment the losses will be recognised in "realised loss on CRI". Fees on the LoC are recorded in the Statement of Operations / Changes in Net Assets at maturity of the corresponding CRI contract.

c) Realised gain/loss on sales of investments of each Subfund

The realised gains or losses on the sales of securities are determined on the basis of the average acquisition cost.

d) Cash at banks and at brokers

Cash at banks and at brokers includes cash in hand, margin calls and deposits held at call with banks.

e) Foreign exchange conversion of each Subfund

The financial statements are kept in the reference currency of the Company which is USD.

f) Valuation of forward foreign exchange contracts of each Subfund

Unmatured forward foreign exchange contracts are valued at valuation date at forward exchange rates prevailing at this date and resulting unrealised gains or losses are posted to the Statement of Operations / Changes in Net Assets and are shown under Change in unrealised appreciation/depreciation on forward foreign exchange contracts in the statement of net assets.

g) Income recognition

Interest income from money market instruments is recognised on an accrual basis, net of any irrecoverable withholding tax and classified under the line "Interest on investments in securities (net)" within the Statement of Operations / Changes in Net Assets. For the Cat Bonds the interest portion of the coupon is also classified under this line. The risk premium portion of the coupon is separated and classified under the line "Risk premium Cat Bonds" within the Statement of Operations / Changes in Net Assets.

CRI premiums are recognised gradually over the risk period as described above. The part of the premiums which is to be allocated to the subsequent financial period is deferred and shown in the balance sheet under the captions "unearned premiums". Premiums for the current financial period which have not yet been received are shown in the balance sheet under the caption "premium receivable".

Management Fee

The AIFM is entitled to receive, out of the assets of each Subfund, an annual fee for the asset management and distribution, if any, of the relevant Subfund. The Management fees are calculated on the basis of the net assets of each Subfund at each Valuation Day and charged pro rata temporis on such Valuation Day by the AIFM who then transfers such fee to the Investment Manager.

Operational costs

The Principal Agents, including the Custodian and Paying Agent, the Administrative, Registrar, Transfer and Domiciliary Agent and the Management Company are entitled to receive, out of the assets of each Subfund, fees and commissions, the sum of all such fees being the "Operational costs". Such fee is calculated on the basis of the net assets of each Subfund as at each Valuation Day and charged pro rata temporis on such Valuation Day.

Taxation of the Company

The Company is as a rule liable in Luxembourg to a subscription tax ("taxe d'abonnement") at a rate of 0.05% per annum of its net assets and 0.01% per annum of the net assets of the relevant Category if such Category is reserved for Institutional Investors. Such tax is payable quarterly and calculated on the Net Asset Value of the relevant Category at the Valuation Day.

Total Expense Ratio (TER)

The TER expresses the sum of all costs and commissions charged on an ongoing basis to the Subfund's assets, taken retrospectively as a percentage of the average assets.

The TER is calculated following the Asset Management Association Switzerland ("AMAS") guideline.

No TER is disclosed for shares launched less than 6 months before closing.

Portfolio Turnover Rate (PTR)

The PTR is used as the indicator for the Subfund's trading activities (excluding purchases and sales resulting from subscriptions and redemptions) and is expressed as a percentage of the average net assets of the Subfund during the preceding twelve-month period.

The PTR is calculated following the AMAS guideline.

Changes in the composition of the securities portfolio

Changes in the composition of the securities portfolio during the reporting period/year are available to Shareholders free of charge at the registered office of the AIFM or the local representatives in the countries where the Company is registered.

Fund performance

The performance is calculated based on the fair value of the investments as of the last business day of the respective periods.

Historical performance is no indicator of current or future performance.

The performance data given does not take into account commissions and costs incurred in the purchase or redemption of shares.

The performance of distributing share classes includes reinvestments of dividends. For shares launched more than 3 years ago no performance since inception is disclosed.

Transaction costs

Transactions costs include brokerage fees, stamp duty, local taxes and other foreign charges if incurred during the period. Transaction costs are included in the cost of securities purchased and sold.

For the year ended on 30.09.2023, the Company incurred transaction costs relating to purchase or sale of investments in securities and similar transactions, (including derivatives instruments or other eligible assets) as follows:

LGT (Lux) III - ILS Plus Fund USD 30,401.98

Not all transaction costs are separately identifiable. For fixed income investments, forward currency contracts and for some other derivative contracts, transaction costs will be included in the purchase and sales price of the investment. Whilst not separately identifiable, these transaction costs will be captured within the performance of each Subfund.

Cash at banks

The Subfund may hold cash and overdraft positions in multiple currencies. At 30.09.2023 cash positions were made up as follows:

Account	Base currency	In base currency	In USD
Credit Suisse (Switzerland) Ltd	AUD	14,733.78	9,509.21
Credit Suisse (Switzerland) Ltd	EUR	12,944.92	13,705.43
Credit Suisse (Switzerland) Ltd	GBP	8,370.22	10,216.71
Credit Suisse (Switzerland) Ltd	JPY	2,785,624.00	18,667.28
Credit Suisse (Switzerland) Ltd	NZD	9,471.14	5,690.69
Credit Suisse (Switzerland) Ltd	USD	49,412.81	49,412.81
Credit Suisse (Luxembourg) S.A.	CHF	139,030.25	151,977.98
Credit Suisse (Luxembourg) S.A.	EUR	510.20	540.17
Credit Suisse (Luxembourg) S.A.	GBP	0.62	0.76
Credit Suisse (Luxembourg) S.A.	JPY	-0.46	0.00
Credit Suisse (Luxembourg) S.A.	USD	3,291,550.08	3,291,550.08
Escrow account Bank of NY Mellon	USD	135.23	135.23
			3,551,406.35

Exchange rates

1 USD =	1.549421	AUD
1 USD =	1.351972	CAD
1 USD =	0.914805	CHF
1 USD =	0.944510	EUR
1 USD =	0.819843	GBP
1 USD =	149.224982	JPY
1 USD =	10.741267	NOK
1 USD =	1.664321	NZD
1 USD =	10.864227	SEK

Collateralised Reinsurance Investments (CRI)

These instruments provide exposure to insurance-linked risks through contracts similar to swaps whose performance is linked to the occurrence or non-occurrence of certain clearly defined insured events.

As at 30.09.2023, LGT (Lux) III - ILS Plus Fund had the following Collateralised Reinsurance Investments:

Trade Reference	Region	Currency	Limit	Maturity
2021-0678-01-01-YF	Europe	EUR	100,000	31.12.2023
2021-0678-01-12-YF	Europe	EUR	200,000	31.12.2023
2022-0132-03-04-YF	United States	USD	200,000	31.12.2023
2022-0240-01-01-YF	United States	USD	500,000	31.12.2023
2022-0365-01-03-YF	Europe	EUR	150,000	31.12.2023
2023-0040-02-01	Worldwide	EUR	300,000	31.12.2023
2023-0065-02-03	United States	USD	150,000	31.12.2023
2023-0065-02-04	United States	USD	150,000	31.12.2023
2023-0070-01-03	United States	USD	250,000	31.12.2023
2023-0070-01-04	United States	USD	100,000	31.12.2023
2023-0057-02-01	United States	USD	200,000	31.12.2023
2023-0079-02-02	United States	USD	50,000	31.12.2023
2023-0079-02-03	United States	USD	100,000	31.12.2023
2023-0081-01-02	Worldwide	USD	125,000	31.12.2023
2023-0081-01-03	Worldwide	USD	250,000	31.12.2023
2023-0190-02-01	Europe	EUR	500,000	31.12.2023
2023-0190-02-02	Europe	EUR	200,000	31.12.2023
2023-0153-01-01	United States	USD	250,000	31.12.2023
2023-0149-01-02	United States	USD	150,000	31.12.2023
2023-0149-01-03	United States	USD	250,000	31.12.2023
2023-0132-01-05	United States	USD	200,000	31.12.2023
2023-0199-01-02	United States	USD	150,000	31.12.2023
2023-0118-01-09	Worldwide	GBP	100,000	31.12.2023
2023-0118-01-10	Worldwide	GBP	100,000	31.12.2023
2023-0118-01-11	Worldwide	GBP	100,000	31.12.2023
2023-0118-01-04	Worldwide	CAD	250,000	31.12.2023
2023-0137-03-04	Europe	EUR	500,000	31.12.2023
2023-0128-01-01	United States	USD	75,000	31.12.2023
2023-0128-01-02	United States	USD	150,000	31.12.2023
2023-0128-01-03	United States	USD	50,000	31.12.2023
2023-0119-01-02	United States	USD	300,000	31.12.2023
2023-0148-01-03	United States	USD	200,000	31.12.2023
2023-0107-01-03	Europe	EUR	200,000	31.12.2023
2023-0280-01-01	Worldwide	USD	200,000	31.12.2023
2023-0223-01-03	United States	USD	200,000	31.12.2023
2023-0222-01-01	Europe	CHF	150,000	31.12.2023
2023-0278-01-01	United States	USD	500,000	31.12.2023
2023-0208-01-03	Worldwide	CAD	200,000	31.12.2023
2023-0307-01-03	Europe	EUR	200,000	31.12.2023
2023-0384-01-02	Can	CAD	150,000	31.12.2023
2023-0384-01-03	Can	CAD	75,000	31.12.2023
2023-0350-01-03	Worldwide	EUR	250,000	31.12.2023
2023-0365-01-03-Y1	Europe	EUR	100,000	31.12.2023
2023-0368-01-02	United States	USD	100,000	31.12.2023
2023-0368-01-03	United States	USD	150,000	31.12.2023
2023-0368-01-04	United States	USD	100,000	31.12.2023
2023-0370-02-02	Worldwide	EUR	250,000	31.12.2023
2023-0373-01-01	Worldwide	USD	200,000	31.12.2023
2023-0380-01-01	United States	USD	500,000	31.12.2023
2023-0390-02-01	Worldwide	AUD	300,000	31.12.2023
2023-0390-02-00	New Zealand	NZD	300,000	31.12.2023
2023-0312-01-02	United States	USD	200,000	31.12.2023
2023-0312-01-03	United States	USD	100,000	31.12.2023
2023-0414-01-03	Worldwide	USD	250,000	31.12.2023
2023-0423-01-01	United States	USD	660,000	31.12.2023
2023-0423-01-02	United States	USD	340,000	31.12.2023
2023-0570-01-03	Worldwide	USD	1,000,000	31.12.2023
2023-0590-01-01	Worldwide	USD	250,000	31.12.2023
2023-0756-02-02	United States	USD	400,000	31.12.2023
2022-0079-01-01-YF	United States	USD	4,000,000	15.01.2024
2023-0161-03-05	United States	USD	500,000	28.02.2024
2021-0088-02-02-YF	Japan	JPY	8,000,000	31.03.2024
2021-0790-02-01-YF	Japan	JPY	100,000,000	31.03.2024
2023-0084-01-03	Japan	JPY	50,000,000	31.03.2024
2023-0088-01-02	Japan	JPY	9,000,000	31.03.2024
2023-0088-01-06	Japan	JPY	9,500,000	31.03.2024
2023-0154-01-04	Japan	JPY	10,000,000	31.03.2024
2023-0154-01-05	Japan	JPY	12,000,000	31.03.2024
2023-0257-01-02	Worldwide	USD	1,500,000	31.03.2024
2023-0257-01-03	Worldwide	USD	1,627,045	31.03.2024
2023-0389-01-01	United States	USD	100,000	31.03.2024
2023-0399-01-02	Worldwide	USD	300,000	31.03.2024
2023-0328-01-02	United States	USD	100,000	31.03.2024
2023-0328-01-03	United States	USD	200,000	31.03.2024
2023-0328-01-04	United States	USD	75,000	31.03.2024
2023-0409-03-04	Japan	JPY	50,000,000	31.03.2024
2023-0445-04-03	United States	USD	300,000	31.03.2024
2023-0445-04-04	United States	USD	600,000	31.03.2024
2023-0445-02-01	Worldwide	JPY	70,000,000	31.03.2024
2023-0401-01-01	Japan	JPY	10,000,000	31.03.2024
2023-0564-02-02	United States	USD	1,000,000	31.03.2024
2023-0564-02-03	United States	USD	600,000	31.03.2024
2023-0653-02-01	Japan	JPY	10,000,000	31.03.2024
2023-0653-02-02	Japan	JPY	10,000,000	31.03.2024
2023-0653-01-04	Japan	JPY	15,000,000	31.03.2024
2023-0653-01-05	Japan	JPY	15,000,000	31.03.2024
2023-0720-03-01	Worldwide	USD	2,000,000	31.03.2024
2023-0720-03-02	Worldwide	USD	1,500,000	31.03.2024
2023-0720-03-00	Worldwide	USD	1,000,000	31.03.2024
2023-0720-01-02	Japan	JPY	200,000,000	31.03.2024
2023-0720-06-03	Japan	JPY	175,000,000	31.03.2024
2023-0720-06-04	Japan	JPY	65,000,000	31.03.2024

Trade Reference	Region	Currency	Limit	Maturity
2023-0790-01-01	Japan	JPY	100,300,000	31.03.2024
2023-0790-01-02	Japan	JPY	50,000,000	31.03.2024
2023-0800-04-01	Worldwide	USD	750,000	31.03.2024
2023-0099-01-04	United States	USD	50,000	30.04.2024
2023-0099-01-05	United States	USD	50,000	30.04.2024
2023-0099-01-06	United States	USD	50,000	30.04.2024
2023-0099-01-07	United States	USD	50,000	30.04.2024
2023-0276-01-02	United States	USD	50,000	30.04.2024
2023-0276-01-03	United States	USD	70,000	30.04.2024
2023-0276-01-04	United States	USD	70,000	30.04.2024
2023-0516-01-07	United States	USD	150,000	30.04.2024
2023-0159-02-01	Worldwide	USD	500,000	10.05.2024
2023-0408-01-01	Worldwide	USD	500,000	16.05.2024
2023-0417-01-05	United States	USD	150,000	30.05.2024
2023-0417-01-06	United States	USD	100,000	30.05.2024
2021-0047-01-03-YF	United States	USD	50,000	31.05.2024
2021-0047-01-04-YF	United States	USD	50,000	31.05.2024
2021-0495-01-02-YF	United States	USD	200,000	31.05.2024
2021-0495-01-03-YF	United States	USD	300,000	31.05.2024
2021-0495-01-04-YF	United States	USD	500,000	31.05.2024
2021-0495-01-05-YF	United States	USD	500,000	31.05.2024
2021-0495-01-08-YF	United States	USD	50,000	31.05.2024
2022-0047-02-04-YF	United States	USD	25,000	31.05.2024
2022-0047-01-02-Y2	United States	USD	50,000	31.05.2024
2022-0047-01-03-Y2	United States	USD	50,000	31.05.2024
2022-0047-01-04-Y2	United States	USD	25,000	31.05.2024
2023-0047-02-06	United States	USD	100,000	31.05.2024
2023-0047-01-03-Y1	United States	USD	50,000	31.05.2024
2023-0047-01-04-Y1	United States	USD	50,000	31.05.2024
2023-0100-02-04	United States	USD	150,000	31.05.2024
2023-0101-01-02	United States	USD	208,750	31.05.2024
2023-0101-01-03	United States	USD	100,000	31.05.2024
2023-0180-02-05	Worldwide	USD	75,000	31.05.2024
2023-0180-02-06	Worldwide	USD	300,000	31.05.2024
2023-0180-02-07	Worldwide	USD	150,000	31.05.2024
2023-0260-01-01	United States	USD	200,000	31.05.2024
2023-0260-01-02	United States	USD	200,000	31.05.2024
2023-0260-02-01-A	United States	USD	300,000	31.05.2024
2023-0260-02-00	United States	USD	200,000	31.05.2024
2023-0269-01-05	United States	USD	100,000	31.05.2024
2023-0269-01-06	United States	USD	25,000	31.05.2024
2023-0320-01-01	New Zealand	NZD	1,100,000	31.05.2024
2023-0320-01-02	New Zealand	NZD	200,000	31.05.2024
2023-0320-01-03	New Zealand	NZD	100,000	31.05.2024
2023-0347-02-03	United States	USD	100,000	31.05.2024
2023-0347-02-04	United States	USD	200,000	31.05.2024
2023-0347-01-04	United States	USD	100,000	31.05.2024
2023-0347-01-05	United States	USD	100,000	31.05.2024
2023-0347-01-06	United States	USD	100,000	31.05.2024
2023-0766-01-03	United States	USD	250,000	31.05.2024
2023-0766-01-04	United States	USD	100,000	31.05.2024
2021-0024-01-01-YF	United States	USD	50,000	30.06.2024
2021-0024-01-02-YF	United States	USD	125,000	30.06.2024
2021-0024-01-03-YF	United States	USD	175,000	30.06.2024
2021-0024-01-04-YF	United States	USD	75,000	30.06.2024
2022-0024-01-01-Y2	United States	USD	50,000	30.06.2024
2022-0024-01-02-Y2	United States	USD	125,000	30.06.2024
2022-0024-01-03-Y2	United States	USD	175,000	30.06.2024
2022-0024-01-04-Y2	United States	USD	125,000	30.06.2024
2022-0068-01-03-YF	United States	USD	100,000	30.06.2024
2022-0068-01-04-YF	United States	USD	500,000	30.06.2024
2023-0020-01-03	Worldwide	EUR	500,000	30.06.2024
2023-0024-01-01-Y1	United States	USD	50,000	30.06.2024
2023-0024-01-02-Y1	United States	USD	125,000	30.06.2024
2023-0024-01-03-Y1	United States	USD	175,000	30.06.2024
2023-0024-01-04-Y1	United States	USD	125,000	30.06.2024
2023-0098-01-04	United States	USD	75,000	30.06.2024
2023-0098-01-05	United States	USD	200,000	30.06.2024
2023-0098-01-06	United States	USD	200,000	30.06.2024
2023-0098-01-07	United States	USD	150,000	30.06.2024
2023-0066-01-02	United States	USD	400,000	30.06.2024
2023-0066-01-03	United States	USD	600,000	30.06.2024
2023-0066-01-04	United States	USD	200,000	30.06.2024
2023-0068-02-02	United States	USD	50,000	30.06.2024
2023-0068-02-03	United States	USD	300,000	30.06.2024
2023-0068-02-04	United States	USD	150,000	30.06.2024
2023-0063-01-02	United States	USD	150,000	30.06.2024
2023-0063-01-03	United States	USD	300,000	30.06.2024
2023-0063-01-04	United States	USD	150,000	30.06.2024
2023-0063-02-02	United States	USD	100,000	30.06.2024
2023-0137-04-01	Europe	EUR	500,000	30.06.2024
2023-0287-01-01	United States	USD	200,000	30.06.2024
2023-0287-01-02	United States	USD	150,000	30.06.2024
2023-0287-01-03	United States	USD	200,000	30.06.2024
2023-0258-01-02	United States	USD	200,000	30.06.2024
2023-0258-01-03	United States	USD	350,000	30.06.2024
2023-0343-01-02	Worldwide	USD	250,000	30.06.2024
2023-0343-01-03	Worldwide	USD	600,000	30.06.2024
2023-0442-01-02	United States	USD	150,000	30.06.2024
2023-0442-01-03	United States	USD	50,000	30.06.2024
2023-0442-01-04	United States	USD	75,000	30.06.2024
2023-0442-01-05	United States	USD	100,000	30.06.2024
2023-0440-02-01	Worldwide	USD	100,000	30.06.2024
2023-0756-03-01	United States	USD	600,000	30.06.2024
2023-0756-05-01	United States	USD	200,000	30.06.2024
2023-0257-06-01	United States	USD	400,000	31.08.2024

The collateral provided by the Company for each single contract consists of either of two categories:

- All assets of the Company held on accounts of the depositary are pledged as collateral to Credit Suisse (Luxembourg) S.A. On certain CRIs, Credit Suisse AG issued in turn Letter of Credit ("LoC") as guarantees for potential loss payments to counterparties.

- On other CRIs, the cash and money market instruments held on escrow accounts with third-party trustees are pledged as collateral to counterparties to secure potential loss payments.

The Subfund will in most cases sell protection and receive a premium from the protection buyer. The Subfund will also buy protection and pay a premium. Premiums on CRI are included in the income in the Statement of Operations / Changes in Net Assets and amount to USD 12,937,015.93 for premiums received.

The total commitment arising from these CRIs, which represents the maximum loss in case all catastrophic events occur before the maturity, amounts to:

USD	40,525,795
EUR	4,182,063
CAD	499,271
NZD	1,021,437
JPY	6,492,210
AUD	193,621
GBP	366,181
CHF	163,969
Total in USD	53,444,547

Provisions for CRI losses as at 30.09.2023 are USD 88,165,547.

Trade Reference	Currency	Amount in USD
2017-0009-01-03-Y2	AUD	27,006
2018-0030-03-01	USD	76,285
2019-0030-01-03	USD	256,599
2022-0100-02-03	USD	150,000
2020-0100-01-01	USD	176,257
2021-0100-02-02	USD	187,500
2018-0190-03-01	EUR	4,923,907
2019-0190-03-01	EUR	3,372,119
2020-0190-02-04	EUR	2,117,500
2020-0190-02-03	EUR	10,481,625
2020-0190-01-01	EUR	7,093,625
2021-0190-04-01	EUR	1,397,550
2021-0190-05-03	EUR	68,819
2021-0190-02-05	EUR	3,467,406
2021-0190-02-04	EUR	2,231,442
2022-0190-05-03	EUR	59,616
2022-0190-05-03-R1	EUR	693,569
2022-0190-05-03-R2	EUR	277,922
2021-0020-01-02	EUR	397,031
2022-0040-01-01	EUR	1,164,625
2022-0040-01-02	EUR	132,344
2019-0047-01-03-Y3	USD	146,389
2020-0047-01-02-Y2	USD	175,681
2021-0047-01-02-Y1	USD	58,560
2017-0065-01-01-Y2	USD	329,312
2018-0065-01-01	USD	372,074
2022-0065-01-01	USD	11
2022-0065-01-02	USD	893,208
2017-0140-01-01	USD	50,000
2021-0140-01-02	USD	435,000
2020-0028-02-03	USD	200,000
2017-0207-01-01-Y1	USD	212,242
2018-0220-01-01	USD	68,478
2021-0187-01-04	USD	6,702
2022-0257-03-01	USD	100,000
2019-0257-03-01	USD	63,564
2017-0257-01-01	USD	110,506
2019-0257-01-01	USD	889,110
2020-0257-03-01	USD	98,306
2017-0260-01-01	USD	197,228
2019-0268-01-03	USD	17,857
2020-0268-01-02	USD	104,966
2022-0307-03-01	EUR	52,938
2021-0307-01-02	EUR	604,912
2019-0343-01-01	USD	437,500
2020-0343-01-01	USD	675,408
2020-0343-01-02	USD	170,000
2021-0132-01-02-Y1	USD	216,681
2021-0132-02-02	USD	300,153
2017-0331-01-03	USD	314,269
2017-0331-01-04	USD	184,705
2018-0331-01-03	USD	82,137
2018-0350-02-01	EUR	671,875
2019-0350-02-01	EUR	413,037
2021-0350-02-01	EUR	213,364
2021-0350-01-03	EUR	1,467,491
2022-0350-02-01	EUR	592,900
2023-0350-01-03	EUR	52,938
2020-0085-01-03	USD	79,906
2020-0368-01-01	USD	91,332
2017-0042-01-01	USD	90,116
2018-0042-01-01	USD	1,650,000
2020-0042-01-01	USD	166,945
2021-0042-01-01	USD	2,281,377
SEC 58	USD	1,571,116

The total exposure relating to transactions into CRI of the Subfund does not exceed 100% of the net assets of the Subfund. All CRI exposures are covered directly or indirectly by cash, money market funds and money market instruments in full in order to secure potential loss payments.

Notes

Trade Reference	Currency	Amount in USD
2020-0370-03-01	EUR	741,125
2021-0370-03-01	EUR	3,854,901
2018-0390-03-02	AUD	16,589
2020-0390-01-05	AUD	171,480
2021-0390-05-04	AUD	271,069
2022-0390-03-02	AUD	29,043
2023-0390-02-00	NZD	180,254
2020-0395-01-02	USD	859,959
2017-0395-01-03	USD	571,574
2022-0043-01-03	EUR	47,796
2022-0430-01-02	USD	750,000
2018-0445-01-02	JPY	0
2019-0445-01-02	JPY	86,558
2017-0440-01-01	USD	65,962
2017-0066-01-02	USD	68,330
2017-0490-02-02	USD	4,000,000
2017-0490-02-03	USD	1,350,000
2018-0516-02-01	USD	23,656
2017-0492-01-02	USD	101,279
2022-0124-01-02	EUR	430,117
2020-0495-01-09	USD	481,598
2023-0347-01-04	USD	100,000
2023-0347-01-05	USD	100,000
2023-0347-01-06	USD	100,000
2022-0113-01-02	EUR	2,703,143
2022-0113-01-03	EUR	285,863
2017-0044-01-01	USD	1,423,853
2021-0137-02-01	EUR	733,384
2018-0600-02-01-Y1	GBP	1,289,237
2018-0600-02-01-Y2	GBP	244,120
2018-0600-02-01-Y3	GBP	4,882,407
2020-0600-01-03	GBP	549,271
2018-0653-01-04	JPY	0
2016-0678-01-01	EUR	70,869
2021-0678-01-01-Y1	EUR	169,861
2021-0678-01-12-Y1	EUR	475,686
2020-0079-03-01	USD	8,586
2021-0079-03-01	USD	45,000
2022-0079-02-02	USD	177,278
2020-0062-01-02	USD	20,827
2017-0730-01-01	USD	300,000
2018-0720-01-02	JPY	164,269
2020-0720-03-01-b	USD	228,878
2022-0720-03-01-R1	USD	869,414
2023-0720-03-01	USD	800,000
2017-0766-01-01	USD	103,353
2018-0766-01-01	USD	102,410
2020-0018-01-01	EUR	140,648
2017-0022-01-06	USD	0
2019-0123-01-01	EUR	39,370
2021-0123-01-01	EUR	163,752
2021-0123-01-01-R1	EUR	323,600
2020-0775-01-03-Y2	EUR	228,908
2020-0775-01-03-Y2-R1	EUR	231,055
2020-0775-01-04-Y2	EUR	50,820
2021-0801-01-01	EUR	163,533
2021-0107-01-01-R1	EUR	115,253
2021-0107-01-02	EUR	48,156
2017-0786-01-01	USD	123,911
2017-0800-02-01	USD	3,627
2019-0800-02-01	USD	286,894
2020-0800-02-01	USD	62,705
2017-0800-01-02	USD	471,275
		88,165,547

Subsequent events

No significant event occurred after year end.

Insurance-Linked Securities (ILS or Cat Bonds)

These instruments are generally structured as bonds, notes, certificates, and preference shares. ILS are securities where the coupon and/or return are dependent on the probability or actual non-occurrence of insured natural catastrophe events such as storms, hurricanes, earthquakes, floods and other natural and non-natural perils.

Financial Derivative Instruments

The Subfund may engage in derivative transactions for the purpose of efficient portfolio management. Details of the derivatives are displayed in the Notes pages.

Depending on the type of derivatives held, collateral might be received from the different counterparties to reduce the counterparty exposure. For other type of derivatives, margin accounts might be used.

Transparency of the promotion of environmental or social characteristics and of sustainable investments

Information on environmental and/or social characteristics and/or sustainable investments is available in the relevant annexes under the (unaudited) Transparency of the promotion of environmental or social characteristics and of sustainable investments section.

LGT (Lux) III - ILS Plus Fund

Investment strategy

The investment strategy remained unchanged throughout the reporting period. The sub-fund invests in insurance-linked investments covering natural disasters and other insurance-related event risks. Main investment positions include insurance-linked securities ('ILS', so-called 'cat bonds') and collateralised reinsurance investments ('CRI'). The primary exposures include natural catastrophe risks such as US hurricane and earthquake, Japan typhoon and European windstorm events. To optimise diversification, the sub-fund may at times hold small positions in non-natural catastrophe risks such as fire / explosion or extreme mortality events.

Market review and outlook

During the reporting period, investors in the sub-fund were presented with a truly attractive return momentum. This positive performance is, of course, partially due to the fact that the 2023 hurricane season turned out to be below average, likely due to the influence of El Niño conditions. Such conditions lead to stronger sheer winds, which 'disturb' the formation of rotating windstorm systems – and furthermore help to 'push' active hurricane systems away from US mainland towards the open Atlantic. However, it would cut short to pin the positive performance of the sub-fund and the ILS asset class as a whole to a benign hurricane season. As a matter of fact, 2023 was so far yet again a costly year for the global insurance and reinsurance industry: The earthquake in the border region of Turkey and Syria in February, a series of very severe 'bad weather events' in Europe with massive flash floods in Italy, Greece and Spain, the strong hurricane 'Idalia' which made landfall in Northern Florida, a very active period of tornadoes events in the US – and most recently a wildfire outbreak in Hawaii destroying the town of Lahaina, has pushed the loss burden to the private insurance sector above USD 70bn, making 2023 another above-average year in terms of lost costs.

In order to fully understand the key reasons why the ILS market and the sub-funds have yielded much more stable returns this year compared to prior years, one has to consider the broader market dynamics over the recent years: In 2017, a series of prosperous years with strong performance in ILS came to an abrupt end, as the US was battered with hurricanes Harvey, Irma and Maria, and additionally suffered a severe outbreak of wildfires in California. In that year alone, the insurance industry faced a massive USD 140bn loss tally, which eroded earnings of insurers and reinsurers, and put pressure onto the performance of ILS funds. This was then followed by a series of years during which market participants continued to suffer from a clear pick-up in catastrophe loss activity. And whilst ILS investors may not necessarily have seen an impact to their allocated principal, their expected earnings were wiped out year after year by a general increase of mostly weather-induced insurance losses. This loss activity, combined with the fact that the collateral yield was at an all-time low during these years (2018 to 2022), ultimately led to a fundamental question amongst investors whether ILS is a viable and sustainable asset class. And whilst ILS investors were putting pressure on ILS managers, equity analysts and rating agencies were equally scrutinizing reinsurers for being unable to generate a technical profit from their underwriting activity.

Reinsurers and ILS managers thus worked hard to bring the asset class back into positive territory. And the industry ultimately had to conclude that elements of climate change are leading to an increase in extreme weather patterns, which results in a notable increase of 'secondary events' such as wildfires, tornadoes, hailstorms, or extreme rainfall which causes flash floods and mudslides. However, many of these losses stemmed from rather localized events – and thus affected predominantly riskier ILS transactions and so-called 'aggregate' transactions, which expose investors to losses from a series of events in any given calendar year (rather than a single, big event scenario). The key drivers of regulatory capital requirements of insurers are, however, still 'extreme' single catastrophe events, such as a massive hurricane or earthquake, which have not really witnessed a pick-up in occurrence probability.

The increased loss activity around smaller and mid-sized climate-induced events ultimately acted as a catalyst for a thorough change in portfolio assessment amongst all players in the global insurance market – referred to as 'the big re-underwriting'. Investment managers and underwriters such as LGT ILS responded in reducing the allocation to lower attaching or aggregate transactions, and a re-focus on the true drivers of capital relief in insurance – extreme catastrophe events such as hurricanes, typhoons, winterstorms and earthquakes. The LGT ILS portfolio management team spent a significant effort to 're-underwrite' the portfolio of the sub-fund: Over the last contract renegotiation cycles in 2022 and 2023, the portfolio management team substantially de-risked portfolios, by limiting allocations to transactions exposed to mid-sized and more localized events, and by radically cutting back on so-called 'aggregate' transactions, which accumulate climate-driven events such as local floods, hailstorms, bushfires, and tornados.

In 2023, this revised portfolio composition was put to the test: whilst the worldwide reinsurance industry has continued to suffer from a significant series of such (localized) events with an accumulated industry loss burden of over USD 70bn (as mentioned above), the adjusted allocation strategy and robust portfolio composition of LGT's ILS funds and mandates have provided the expected robust return despite the catastrophe activity.

Market outlook & Summary

The market outlook remains promising: during the initial round of negotiations for 2024 allocations, ILS managers and reinsurers alike concluded that whilst the year may not have presented the market with a single extreme catastrophe event, the level of attritional losses again eroded substantial parts of the earnings within the insurance industry. As such, premium levels for the 2024 reinsurance placements and correspondingly the coupons paid for newly issued cat bonds are expected to remain at the current (strong) levels, resulting in an attractive outlook. This is further supported by the fact that several counterparties have indicated an interest to conclude the negotiations for 2024 contracts early, which is a clear indication that market participants are concerned around the general availability of capacity and capital during the upcoming renewal cycles of Q1 2024.

This positive view is further supported by increasing capital requirements from regulators and rating agencies in response to the still high inflation levels and exposure growth from construction activity in already densely populated regions such as California and Florida. Such elevated capital requirements are forcing insurers and reinsurers to purchase additional protection, which is further fuelling market growth. This continued need for additional capacity in the ILS / cat bond market also means that any further influx of capacity from interested investors into this asset class will be well absorbed and is thus not expected to dilute return expectations for the sector.

LGT ILS Partners Ltd.

Technical Data and Notes

Technical Data

		Valoren	ISIN	Management Fee	Total Expense Ratio
B - Capitalisation	USD	21840665	LU0950816578	2.00%	2.29%
B2 - Capitalisation	USD	21840714	LU0950817030	1.50%	1.80%
C - Capitalisation	USD	21840902	LU0950817543	1.50%	1.80%
I2 - Capitalisation	USD	21841262	LU0950818780	1.10%	1.36%
IM - Capitalisation	USD	21841678	LU0950819242	0.00%	0.31%
B - Capitalisation	CHF	21840696	LU0950816735	2.00%	2.30%
B2 - Capitalisation	CHF	21840882	LU0950817204	1.50%	1.80%
C - Capitalisation	CHF	21840941	LU0950817899	1.50%	1.80%
I2 - Capitalisation	CHF	21841535	LU0950818947	1.10%	1.29%
B - Capitalisation	EUR	21840680	LU0950816651	2.00%	2.28%
B2 - Capitalisation	EUR	21840725	LU0950817113	1.50%	1.79%
C - Capitalisation	EUR	21840906	LU0950817626	1.50%	1.79%
I2 - Capitalisation	EUR	21841263	LU0950818863	1.10%	1.36%
I2 - Capitalisation	JPY	21841667	LU0950819168	1.10%	1.33%

For the period from 01.10.2022 to 30.09.2023, the Portfolio Turnover Rate was 206.39%.

Fund Performance

		YTD	Since Inception	2022	2021	2020
B - Capitalisation	USD	12.82%	/	-5.42%	-7.35%	0.44%
B2 - Capitalisation	USD	13.24%	/	-4.95%	-6.88%	0.94%
C - Capitalisation	USD	13.25%	/	-4.95%	-6.88%	0.94%
I2 - Capitalisation	USD	13.63%	/	-4.51%	-6.48%	1.40%
IM - Capitalisation	USD	14.51%	/	-3.51%	-5.49%	2.48%
B - Capitalisation	CHF	9.57%	/	-7.48%	-8.42%	-1.21%
B2 - Capitalisation	CHF	9.99%	/	-7.02%	-7.98%	-0.72%
C - Capitalisation	CHF	9.99%	/	-7.08%	-7.94%	-0.72%
I2 - Capitalisation	CHF	10.33%	/	-6.70%	-7.55%	-0.26%
B - Capitalisation	EUR	11.11%	/	-7.07%	-8.17%	-0.92%
B2 - Capitalisation	EUR	11.59%	/	-6.61%	-7.71%	-0.41%
C - Capitalisation	EUR	11.51%	/	-6.75%	-7.69%	-0.27%
I2 - Capitalisation	EUR	11.90%	/	-6.20%	-7.33%	-0.01%
I2 - Capitalisation	JPY	9.17%	/	-6.36%	-6.91%	0.25%

Notes

Forward foreign exchange contracts

Purchases		Sales		Maturity	Valuation (In USD)
Counterparty					
USD	53,601	CHF	-49,000	10.10.2023	-23.93
<i>Credit Suisse (Schweiz) AG - Zurich - Switzerland</i>					
CHF	49,000	USD	-53,723	31.10.2023	21.64
<i>Credit Suisse (Schweiz) AG - Zurich - Switzerland</i>					
CHF	2,465,000	USD	-2,699,565	31.10.2023	4,140.45
<i>Credit Suisse (Schweiz) AG - Zurich - Switzerland</i>					
CHF	46,611,000	USD	-51,046,424	31.10.2023	78,292.26
<i>Credit Suisse (Schweiz) AG - Zurich - Switzerland</i>					
EUR	11,954,000	USD	-12,647,344	31.10.2023	26,239.03
<i>Credit Suisse (Schweiz) AG - Zurich - Switzerland</i>					
USD	24,235,629	EUR	-22,907,000	31.10.2023	-50,212.29
<i>Credit Suisse (Schweiz) AG - Zurich - Switzerland</i>					
CHF	5,218,000	USD	-5,714,536	31.10.2023	8,764.64
<i>Credit Suisse (Schweiz) AG - Zurich - Switzerland</i>					
JPY	1,506,321,000	USD	-10,163,197	31.10.2023	-17,292.49
<i>Credit Suisse (Schweiz) AG - Zurich - Switzerland</i>					
EUR	600,000	USD	-634,801	31.10.2023	1,317.00
<i>Credit Suisse (Schweiz) AG - Zurich - Switzerland</i>					
EUR	1,427,000	USD	-1,509,767	31.10.2023	3,132.26
<i>Credit Suisse (Schweiz) AG - Zurich - Switzerland</i>					

Technical Data and Notes (Continued)**Forward foreign exchange contracts**

Purchases		Sales		Maturity	Valuation
<i>Counterparty</i>					<i>(In USD)</i>
EUR	6,097,000	USD	-6,450,632	31.10.2023	13,382.91
<i>Credit Suisse (Schweiz) AG - Zurich - Switzerland</i>					
CHF	31,310,000	USD	-34,289,407	31.10.2023	52,591.25
<i>Credit Suisse (Schweiz) AG - Zurich - Switzerland</i>					
Net unrealised gain on forward foreign exchange contracts					120,352.73

Statement of Net Assets (in USD) and Fund Evolution

	30.09.2023
Assets	
Investments in securities at market value	277,930,512.69
Cash at banks	3,551,406.35
Premium receivable	550,331.19
Interest receivable on Bonds and risk premium Cat Bonds	2,505,875.68
Net unrealised gain on forward foreign exchange contracts	120,352.73
	284,658,478.64
Liabilities	
Provisions for CRI losses	88,165,547.25
Unearned premium	121,195.02
Provisions for accrued expenses	391,258.70
	88,678,000.97
Net assets	195,980,477.67

Fund Evolution		30.09.2023	30.09.2022	30.09.2021
Total net assets	USD	195,980,477.67	375,454,519.81	785,285,886.40
Net asset value per share				
B - Capitalisation	USD	176.87	161.89	168.70
B2 - Capitalisation	USD	150.53	137.10	142.16
C - Capitalisation	USD	113.71	103.56	107.38
I2 - Capitalisation	USD	117.75	106.77	110.19
IM - Capitalisation	USD	130.52	117.12	119.64
B - Capitalisation	CHF	124.26	118.13	125.09
B2 - Capitalisation	CHF	137.02	129.60	136.58
C - Capitalisation	CHF	91.53	86.58	91.27
I2 - Capitalisation	CHF	95.61	90.10	94.56
B - Capitalisation	EUR	142.13	132.77	140.38
B2 - Capitalisation	EUR	127.68	118.62	124.79
C - Capitalisation	EUR	96.75	89.94	94.75
I2 - Capitalisation	EUR	101.71	94.12	98.59
I2 - Capitalisation	JPY	8,901.00	8,473.00	8,851.00

Number of shares outstanding		At the end of the year	At the beginning of the year	Number of shares issued	Number of shares redeemed
B - Capitalisation	USD	54,588.492	98,083.483	0.000	43,494.991
B2 - Capitalisation	USD	334,548.940	380,624.082	11,720.000	57,795.142
C - Capitalisation	USD	20,362.750	24,302.750	0.000	3,940.000
I2 - Capitalisation	USD	42,987.444	42,987.444	0.000	0.000
IM - Capitalisation	USD	17,636.517	17,115.517	641.000	120.000
B - Capitalisation	CHF	255,179.050	300,721.373	2,160.370	47,702.693
B2 - Capitalisation	CHF	343,482.591	387,286.538	17,233.214	61,037.161
C - Capitalisation	CHF	58,083.859	77,975.279	0.000	19,891.420
I2 - Capitalisation	CHF	26,034.410	1,474,832.022	0.878	1,448,798.490
B - Capitalisation	EUR	43,296.670	82,220.653	0.000	38,923.983
B2 - Capitalisation	EUR	94,506.421	133,666.751	6,300.005	45,460.335
C - Capitalisation	EUR	14,885.004	23,995.004	0.052	9,110.052
I2 - Capitalisation	EUR	5,949.820	5,949.820	0.000	0.000
I2 - Capitalisation	JPY	170,771.185	690,683.752	0.000	519,912.567

The notes are an integral part of the financial statements.

Statement of Operations / Changes in Net Assets (in USD)For the period from
01.10.2022 to 30.09.2023

Net assets at the beginning of the year	375,454,519.81
Income	
Interest on investments in securities (net)	6,875,340.86
Dividends (net)	1,437,689.78
Bank Interest	264,879.92
CRI premiums received	12,937,015.93
	21,514,926.49
Expenses	
Management fee	-3,873,453.90
Operational costs	-283,478.17
Printing and publication expenses	-2,041.38
Interest and bank charges	-12,068.27
Audit, control, legal, representative bank and other expenses	-241,508.26
"Taxe d'abonnement"	-99,349.22
CRI premiums paid	-850.00
	-4,512,749.20
Net income (loss)	17,002,177.29
Realised gain (loss)	
Realised gain on sales of investments	14,021,552.78
Realised loss on sales of investments	-15,988,116.79
Risk premium Cat Bonds	9,356,846.51
Fees on LoC	-136,851.60
Realised loss on CRI	-64,192,012.55
Realised gain on forward foreign exchange contracts	30,554,189.19
Realised loss on forward foreign exchange contracts	-32,389,812.44
Realised gain on foreign exchange	13,290,371.81
Realised loss on foreign exchange	-10,664,753.01
	-56,148,586.10
Net realised gain (loss)	-39,146,408.81
Change in net unrealised appreciation (depreciation)	
Change in unrealised appreciation on investments	19,740,544.24
Change in unrealised depreciation on investments	-8,609,388.54
Change in provision for CRI loss	55,441,802.68
Change in unrealised appreciation on forward foreign exchange contracts	818,903.93
Change in unrealised depreciation on forward foreign exchange contracts	-2,786,057.06
	64,605,805.25
Net increase (decrease) in net assets as a result of operations	25,459,396.44
Subscriptions / Redemptions	
Subscriptions	5,037,661.80
Redemptions	-209,971,100.38
	-204,933,438.58
Net assets at the end of the year	195,980,477.67

Statement of Investments in Securities

Breakdown by Country

Bermuda	41.32
USA	40.45
Germany	27.60
Ireland	11.26
Cayman Islands	9.98
United Kingdom	5.12
Singapore	4.30
Supranational	1.28
Australia	0.26
Japan	0.16
New Zealand	0.09
Total	141.82

Breakdown by Economic Sector

Countries and central governments	54.61
Financial, investment and other div. companies	46.15
Insurance companies	20.31
Investment trusts/funds	17.67
Supranational organisations	1.28
Real estate	1.02
Non-classifiable/non-classified institutions	0.78
Total	141.82

Statement of Investments in Securities

Description	Quantity / Nominal	Valuation (in USD)	% of net assets
Securities listed on a stock exchange or other organised markets			
Bonds			
AUD AUSTRALIA S 137 2.75%/12-210424	796,000	509,815.16	0.26
NZD NEW ZEALAND GOVERNMENT 0.5%/20-150524	305,000	177,455.96	0.09
GBP UK TSY 0 1/8% 2024 0.125%/20-310124	5,820,000	6,990,950.42	3.57
Total Bonds		7,678,221.54	3.92
Cat Bonds			
USD 2001 CAT RE LTD S20-1 144A FRN/20-080124	2,000,000	1,970,984.76	1.01
USD ACORN RE LTD 144A FRN/21-071124	3,500,000	3,419,096.56	1.74
USD AKIBARE RE PTE LTD 144A FRN/20-070424	1,500,000	1,485,087.30	0.76
USD ALAMO RE LTD 144A FRN/21-070624	1,000,000	998,954.52	0.51
USD ALAMO RE LTD S A 144A FRN/23-070626	1,500,000	1,549,314.60	0.79
USD AQUILA RE LTD 2023-1 FRN/23-080626	250,000	249,822.42	0.13
USD AQUILA RE LTD 2023-1 FRN/23-080626	250,000	248,122.42	0.13
USD ATLAS CAP RE 2022 FRN/22-060628	1,000,000	1,018,350.66	0.52
USD ATLAS CAPITAL DAC S A 144A FRN/23-050626	1,500,000	1,520,066.67	0.78
EUR AZZURRO RE II DAC 144A FRN/20-170124	4,200,000	4,439,635.20	2.27
USD BALDWIN RE LTD 144A FRN/21-070725	2,000,000	1,935,169.18	0.99
USD BALDWIN RE LTD 23-1 144A FRN/23-070627	1,000,000	1,002,896.79	0.51
USD BAYOU RE LTD 144A FRN/23-260526	500,000	516,639.35	0.26
USD BAYOU RE LTD S 2023-1 144A FRN/23-260526	575,000	586,372.75	0.30
USD CAELUS RE V 2017-1 B 144A FRN 17-050624	860,000	735,698.63	0.38
USD CAELUS RE V 2017-1 C 144A FRN 17-050624	2,271,512	1,032,638.60	0.05
USD CAELUS RE V 2018-1 A 144A FRN 18-090625	3,000,000	2,089,647.63	1.07
USD CAELUS RE V 2018-1 B 144A FRN 18-090625	11,009	61.95	0.00
USD CAELUS RE VI LTD 144A FRN/20-070623	532,914	335.34	0.00
USD CAELUS RE VI LTD 144A FRN/20-070627	11,250,000	177,736.73	0.09
USD COMMONWEALTH FRN/22-080725	2,000,000	1,993,369.32	1.02
USD COMMONWEALTH RE FRN/23-080726	1,500,000	1,504,664.90	0.77
USD COSAINT RE PTE LTD 144A FRN/21-030424	4,250,000	3,615,875.31	1.85
USD EASTON RE PTE LTD S. -2020-1- -144A- FRN/20-08.01.2024	1,500,000	1,499,075.25	0.76
USD EDEN RE II LTD 144A 0%/19-220324	1,200,000	386,280.00	0.20
USD EVERGLADES RE II LTD 144A FRN/21-140524	1,250,000	1,232,872.09	0.63
USD EVERGLADES RE II LTD 144A FRN/21-140524	750,000	733,412.63	0.37
USD FOUR LAKES RE LTD S 2020-1 FRN/20-050124	1,500,000	1,498,690.74	0.76
USD FOUR LAKES RE LTD S 2020-1 FRN/20-050124	1,250,000	1,235,140.60	0.63
USD GALILEO RE LTD 144A FRN/19-080124	3,000,000	2,931,888.65	1.50
USD GALILEO RE LTD 144A FRN/19-080124	2,750,000	2,707,954.40	1.38
USD HERBIE RE LTD 144A FRN/20-080125	1,000,000	978,084.66	0.50
USD HERBIE RE LTD -144A- FRN/20-28.01.2025	2,250,000	2,187,190.49	1.12
USD HERBIE RE LTD S 2021-1 144A FRN/21-060625	750,000	409,209.36	0.21
EUR HEXAGON II 144A FRN/19-170124	5,150,000	5,447,109.94	2.78
EUR HEXAGON III RE PTE LTD 144A FRN/21-150126	350,000	365,622.13	0.19
USD INTL BK RECON & DEV SA144A FRN/20-130324	2,500,000	2,500,000.00	1.28
USD KILIMANJARO III RE 144A FRN/19-191223	3,975,000	3,886,200.49	1.98
USD KILIMANJARO III RE 144A FRN/19-191224	4,475,000	4,419,939.15	2.26
USD LA VIE RE LTD -144A- FRN/20-06.10.2023	2,000,000	1,977,102.88	1.01
USD LIGHTNING RE SERIE 23 144A FRN/23-310326	750,000	793,412.63	0.40
EUR LION III RE DAC S 21-A 144A FRN/21-160725	5,000,000	5,255,813.98	2.68
USD LOCKE TAVERN RE LTD 144A FRN/23-090426	500,000	511,554.80	0.26
USD LONG POINT RE IV LTD 144A FRN/22-010626	2,000,000	1,989,375.34	1.02
USD MERNA REINSURANCE II 144A FRN/21-050424	1,500,000	1,477,562.54	0.75
USD MERNA REINSURANCE II LTD 144A FRN/21-080724	1,000,000	970,228.66	0.50
USD MYSTIC RE IV LTD 144A FRN/20-080124	3,000,000	2,956,477.14	1.51
USD NAKAMA RE LTD 144A FRN/21-131026	800,000	783,107.67	0.40
USD NAKAMA RE LTD 144A FRN/21-131026	2,500,000	2,405,211.48	1.23
USD NAKAMA RE LTD S. -2020-1- -144A- FRN/20-14.01.2025	1,000,000	996,910.00	0.51
USD NORTSHORE RE II LTD S21-1 FRN/20-080124	1,000,000	983,384.65	0.50
EUR ORANGE CAPITAL RE DAC FRN/21-170125	2,000,000	2,072,263.00	1.06
USD QUEEN STREET 23 RE DAC A FRN/23-081225	2,250,000	2,310,213.38	1.18
USD RESIDENTIAL RE 19 LTD 144A FRN/19-060623	562,500	341,402.02	0.17
USD RESIDENTIAL RE 2020 LTD S. -2020-II- -144A- FRN/20-06.12.2024	500,000	492,024.28	0.25
USD RESIDENTIAL RE 2022 FRN/22-061226	1,500,000	1,528,105.32	0.78
USD RESIDENTIAL RE 2023 FRN/23-060627	750,000	745,097.66	0.38
USD RESIDENTIAL RE 21 LTD S I FRN/21-060625	1,000,000	821,702.09	0.42
USD RESIDENTIAL RE 21 LTD S I FRN/21-060625	1,800,000	1,526,403.94	0.78
USD RESIDENTIAL RE 21S 2021-II FRN/061225	2,000,000	1,940,896.04	0.99
USD RESIDENTIAL RE S 2020-II FRN/20-061224	2,750,000	2,720,667.26	1.39
USD RIVERFRONT RE LTD 144A FRN/21-070125	2,550,000	2,440,736.81	1.25
USD RIVERFRONT RE LTD 144A FRN/21-070125	1,000,000	901,658.29	0.46
USD SANDERS RE II LTD 144A FRN/19-070423	700,231	2,625.87	0.00
USD SANDERS RE II LTD 144A FRN/20-070424	1,250,000	625,000.00	0.32
USD SANDERS RE LTD 144A FRN/21-070425	2,750,000	2,694,583.02	1.37
USD SANDERS RE LTD S B 144A FRN/21-070425	250,000	221,560.74	0.11
USD SECTOR RE V LTD S 9 144A 0%/19-010324	21,271	509,797.80	0.26
USD SUSSEX CAP UK PCC LTD 20-1 FRN/20-080125	3,150,000	3,049,176.00	1.56
USD TOMONI RE PTE LTD 144A FRN/22-070426	1,500,000	1,455,276.89	0.74
USD TOMONI RE PTE LTD 144A FRN/22-070426	1,250,000	1,214,572.75	0.62
USD UMIGAME RE L S 2021-1 144A FRN/21-070425	1,500,000	1,466,076.89	0.75
USD URSA RE II LTD 144A FRN/20-071223	5,000,000	4,986,311.80	2.54
USD URSA RE LTD 144A FRN/23-061225	500,000	500,431.18	0.26
USD URSA RE LTD 144A FRN/23-061225	1,000,000	1,004,562.36	0.51
USD VISTA RE LTD 144A FRN/21-210524	2,000,000	1,978,505.44	1.01
USD VITALITY RE XI LTD -144A- FRN/20-09.01.2024	1,000,000	982,415.95	0.50
USD VITALITY XII S 2021 144A FRN/21-070125	3,000,000	2,939,861.31	1.50
USD VITALITY XII S 2021 144A FRN/21-070125	2,500,000	2,418,145.50	1.23
EUR WINDMILL II RE LTD 144A FRN/20-050724	5,250,000	5,467,981.04	2.79
Total Cat Bonds		134,038,208.57	68.39

The notes are an integral part of the financial statements.
Any differences in the percentage of Net Assets are the result of roundings.

Statement of Investments in Securities (Continued)

Description	Quantity / Nominal	Valuation (in USD)	% of net assets	
Total securities listed on a stock exchange or other organised markets		141,716,430.11	72.31	
Securities not listed on a stock exchange				
Cat Bonds				
EUR	EIFFEL RE LTD 144A FRN/23-190127	1,000,000	1,053,466.22	0.54
USD	SOLOMON RE 144A FRN/23-080626	1,500,000	1,526,826.78	0.78
USD	SUTTER RE LTD 144A FRN/23-190626	750,000	754,128.67	0.38
Total Cat Bonds		3,334,421.67	1.70	
Total securities not listed on a stock exchange		3,334,421.67	1.70	
Money market instruments				
EUR	GERMAN TRE BILL 0%/22-181023	29,959,000	31,671,753.63	16.16
EUR	GERMAN TREASURY BILL 0%/22-221123	2,915,000	3,072,694.19	1.57
EUR	GERMAN TREASURY BILL 0%/23-131223	3,375,000	3,758,490.80	1.92
EUR	GERMAN TREASURY BILL 0%/23-170124	475,000	497,597.87	0.25
EUR	GERMAN TREASURY BILL 0%/23-200324	7,555,000	7,857,294.05	4.01
EUR	GERMAN TREASURY BILL 0%/23-210224	6,925,000	7,228,224.45	3.69
JPY	JAPAN TREASURY BILL 1161 0%/23-111223	47,000,000	315,147.07	0.16
USD	TREASURY BILL 0%/22-281223	8,980,000	8,882,342.14	4.53
USD	TREASURY BILL 0%/23-040124	1,470,000	1,449,433.22	0.74
USD	TREASURY BILL 0%/23-070324	1,035,000	1,010,856.14	0.52
USD	TREASURY BILL 0%/23-091123	31,360,000	31,182,867.12	15.91
USD	TREASURY BILL 0%/23-121023	1,456,000	1,453,482.32	0.74
USD	TREASURY BILL 0%/23-210324	1,000,000	974,438.58	0.50
Total money market instruments		99,354,621.58	50.70	
Investment funds				
Money Market Funds				
USD	BLACKROCK INSTITUTIONAL US TREASURY FUND	13,304,581	13,304,580.60	6.79
USD	GOLDMAN SACHS TREASURY INSTRUMENTS FUND	10,706,631	10,706,631.18	5.46
USD	HSCB FUNDS INTERMEDIARY USD	8,656,000	8,656,000.20	4.42
USD	WELLS FARGO 100% TREASURY MM FD INST USD	857,827	857,827.35	0.44
Total Money Market Funds		33,525,039.33	17.11	
Total investment funds		33,525,039.33	17.11	
Total of Portfolio		277,930,512.69	141.82	
Cash at banks		3,551,406.35	1.81	
Other net liabilities		-85,501,441.37	-43.63	
Total net assets		195,980,477.67	100.00	

The notes are an integral part of the financial statements.
Any differences in the percentage of Net Assets are the result of roundings.

AIFM

The Board of Directors has designated LGT Capital Partners (Ireland) Limited to act as its AIFM. LGT Capital Partners (Ireland) Limited was incorporated in the Republic of Ireland on 28.01.2005 and is entered in the Commercial and Company Register under no. 396995. The AIFM has its registered office at Third Floor, 30 Herbert Street, Dublin 2, Ireland. LGT Capital Partners (Ireland) Limited is regulated by the Central Bank of Ireland. LGT Capital Partners (Ireland) Limited is authorised as an alternative investment fund manager to carry out activities listed in Annex I of the European Union (Alternative Investment Fund Managers) regulations 2013. In addition to the Fund, the AIFM also manages other undertakings for collective investment including alternative investment funds.

Material changes

In accordance with the Law of 12.07.2013 on alternative investment fund managers, the management hereby declares that no material changes occurred during the year to report, except the issuance of a new prospectus in May 2023.

Remuneration

The AIFM operates a remuneration policy in accordance with the principles set out in the Alternative Investment Fund Management Directive ("AIFMD"). The policy contains uniform compensation guidelines, which adequately take into consideration the AIFM's capital, liquidity and risk profile, as well as its long-term success, thus representing incentives for employees.

The AIFM does not guarantee any variable remuneration. Fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration in order to incentivise employees and to allow the operation of a fully flexible policy on variable remuneration, including the possibility to pay no variable remuneration. The measurement of performance used to calculate variable remunerations, or pools of variable remuneration, includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks.

Identified employees of the AIFM are defined as senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior managers and risk takers, whose professional activities have a material impact on the risk profiles of the AIFM for the funds under management. The disclosures below have been adjusted to reflect the total net variable compensation breakdown for identified staff as it applies to Luxembourg based liquid funds under management by the AIFM, based on the relevant share of total assets under management.

	2023
	(,000)
Total variable remuneration paid	EUR 11
Total variable remuneration deferred	EUR 4
Deferred net variable remuneration based on AIFMD	EUR 4
Number of identified employees	3
Number of funds	13

Leverage

In accordance with the Law of 12.07.2013, the level of leverage for the year ended 30.09.2023 is as follows:

	Percentage leverage under gross method	Percentage leverage under commitment method
LGT (Lux) III – ILS Plus Fund	219.38%	144.91%

Transparency of the promotion of environmental or social characteristics and of sustainable investments

As requested in Art. 11(1) of Regulation (EU) 2019/2088 (SFDR), Subfunds as referred to in Art. 8 of that Regulation, shall describe the extent to which environmental or social characteristics are met. Products as referred to in SFDR Art. 9 shall describe the overall sustainability-related impact of the Subfund by means of relevant sustainability indicators.

The only Subfund of LGT (Lux) III is the ILS Plus Fund and is classified as Art. 8 under SFDR. The respective information is disclosed below.

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: LGT (Lux) III – ILS Plus Fund

Legal entity identifier: 549300XMTL45Z4JKSY18

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes
 No

<p><input type="checkbox"/> It made sustainable investments with an environmental objective: ____%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It made sustainable investments with a social objective: ____%</p>	<p><input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments¹</p>
---	--

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**. The Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

The Investment Manager considers that the environmental and/or social characteristics have been met in accordance with pre-contractual commitments.

The promoted environmental and social characteristics were taken into account in the asset selection and investment consideration and/or monitoring process in the following ways:

ESG Exclusion Policy: Exclusions are applied in the investment selection process based on ESG factors as a means of promoting environmental and social characteristics. For example, the following companies are excluded from investment consideration:

¹ For the avoidance of doubt, the Sub-Fund does not commit to making sustainable investments, but such investments may exist in the Sub-Fund on a non-committal basis.

- Reinsurance companies that, to the best of the Investment Manager’s knowledge, generate any revenue from *inhumane weapons*; and/or
- Reinsurance companies that generate a significant amount of their revenue from industries or business activities deemed by the Investment Manager to be controversial (e.g. *arms, tobacco, pornography, nuclear power production, coal*).

ESG Rating: The following are key performance indicators on ESG factors related to reinsurance companies that are included in the ESG Cockpit, which is a proprietary tool used [by the Investment Manager] as part of the ESG rating system. In a systematic process of identifying a universe of investable companies, the Investment Manager relies on information of the ESG Cockpit regarding the underlying companies (and therefore it is promoted as environmental and/or social characteristics by the Sub-Fund):

- *greenhouse gas emissions, energy consumption, water and sanitation, natural resources and biodiversity, waste and emissions, labour conditions, health and safety, human resources, diversity, education, suppliers, community relations and product impact.*

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

As at financial year-end, the Sub-Fund achieved 74.5% investments, which promoted environmental and/or social characteristics. The Sub-Funds commitment is to have at least 50% of the assets invested in investments, which promote environmental and/or social characteristics.

The assessment of whether the environmental and/or social characteristic has been attained, is measured by the following indicators:

- **ESG Exclusion Policy:** The first factor contributing to whether the Sub-Fund will be considered to have attained the environmental and/or social characteristics it promotes, is an assessment of whether the Sub-Fund has successfully and consistently executed its ESG exclusion policy in relation to investments **with exposure to companies active in the fossil fuel sector**.
- **Screening based on ESG Rating:** Another factor contributing to whether the Sub-Fund will be considered to have attained the environmental and/or social characteristics it promotes is an assessment of whether the Sub-Fund has successfully and consistently applied its ESG rating system in the process to identify a universe of investable instruments. This screening includes an assessment of the following indicators:
 - Investments covering natural perils; and**
 - Investments covering primarily climate-related perils.**
- **UN Sustainable Development Goals (“UN SDGs”):** Additionally, it is considered whether investments of the Sub-Fund have successfully and consistently applied its policy relating to UN SDGs. The specified UN SDG 11 and 13 (see below) are looked at by virtue of positively contributing to an environmental goal and passing the applicable “do no significant harm” and minimum safeguard assessments.

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

Not applicable.

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

The Sub-Fund invests in catastrophe bonds and collateralized reinsurance contracts. Such instruments provide reinsurance capacity to insurance and reinsurance companies.

The Sub-Fund provides reinsurance to companies that positively contribute to the UN SDGs. An investment with an environmental objective aligned with SFDR is one which is oriented towards, for example, climate change adaptation (e.g. support adaptation-related research), climate change

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

mitigation (e.g. develop renewable energies technologies), protection of biodiversity (e.g. promote organic farming), reduction of air, soil and water pollution. The Sub-Fund specifically intends to contribute to the following objectives:

- **Substantial contribution to SDG 11 – Sustainable Cities and Communities:** After the occurrence of a severe natural disaster such as a major hurricane or earthquake, the proceeds of such instruments – if being triggered for a pay-out – are used to re-build homes, buildings and infrastructure, ultimately supporting society's efforts to build more resilient and sustainable cities. The insurance-linked securities market offers benefits to society by taking on peak risks to support the availability of insurance protection for people living in areas prone to damages by natural disasters.
- **Substantial contribution to SDG 13 – Climate Action:** The insurance-linked securities market offers benefits to society by taking on peak risks to support the availability of insurance protection for people living in areas prone to the effects of climate change. Furthermore, the pricing dynamic of the insurance and reinsurance market encourages policyholders to invest in preventative measures and better construction techniques, which ultimately supports society's efforts to adapt to climate change.

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

To avoid the inclusion of investments that cause significant harm to the environmental objective of the Sub-Fund of making a substantial contribution to society's adaptation to and mitigation of the effects of climate change, the Investment Manager performed a due diligence check on each investment position in order ensure that:

- the reinsurance activity does not cover the cession of insurance of the extraction, storage, transport or manufacture of fossil fuels.
- the reinsurance activity does not cover the cession of insurance of vehicles, property or other assets dedicated to such purpose.

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

Principal adverse impacts on sustainability factors are considered in the following manner:

- Principal adverse impact indicators are captured under the "do no significant harm" principle for sustainable investments outlined in the section entitled "How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?"
- The applicable mandatory principal adverse impact indicators from technical standards supplementing SFDR are assessed as part of the ESG rating system
- Principal adverse impact indicators are reported as outlined in the section "Does this financial product consider principal adverse impacts on sustainability factors?"

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

In respect of reinsured counterparties where the Investment Manager identifies clear breaches of norms outlined in a) the OECD Guidelines for Multinational Enterprises, b) the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work, and/or c) the International Bill of Human Rights, the Investment Manager will seek to exclude risks of

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.

such counterparties from investment by the Sub-Fund. However, it cannot be guaranteed that all investments, especially in jurisdictions where data scarcity is pronounced, can be assessed and thereby excluded. The assessment is concluded on a “best-effort” basis.

For private entities where insufficient public ESG data is available to perform the full ESG assessment, the alignment with the OECD Guidelines for MNEs and the UN Guiding Principles on Business and Human Rights is met by virtue of such counterparties being regulated entities in their respective jurisdiction which in turn requires them to adhere to such standards.

The Investment Manager of the Sub-Fund transacts only with regulated entities, which ensures that all reinsured counterparties meet the minimum set of social safeguards with respect to human rights, anti-corruption and anti-bribery.

The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU 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 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.



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

Principle adverse impacts on sustainability factors are assessed as part of the ESG rating system in determining the ESG rating of companies for the purpose of identifying a universe of investable companies and may lead to exclusions as part of the screening process.

The Investment Manager considers and evaluates a range of principle adverse impact indicators, but the availability of data on some indicators is limited due to a lack of reporting of metrics by companies, issuers, or investee entities. The integration of principle adverse impact indicators is conducted on a best-efforts basis; however, it is expected that principle adverse impact indicators can be applied to a greater portion of the Investment Manager’s investable universe as data availability improves. This will allow for enhanced insight in the adverse impacts caused by investee companies or issuers.

The Investment Manager was able to assess principal adverse impact indicators for 96% of the portfolio. The resulting figures, below, represent the attained values for such proportion of the portfolio as at the financial year-end of the Sub-Fund.

Based on the performance of these indicators, the Investment Manager expects to mitigate the effects of the Sub-Fund over a longer time horizon.

Indicator	Metric	Portfolio exposure	Portfolio coverage	Portfolio eligibility
Indicators applicable to investments in counterparties				
GHG emissions	Scope 1 GHG emissions (tCO ₂ eq.)	3	64.75%	96.69%
	Scope 2 GHG emissions (tCO ₂ eq.)	10	64.75%	96.69%
	Scope 3 GHG emissions (tCO ₂ eq.)	703	64.75%	96.69%
	Total GHG emissions (tCO ₂ eq.)	716	64.75%	96.69%
GHG intensity of investee companies	GHG intensity of investee companies (Scope 1 & 2 per mln sales, weighted intensity) (tCO ₂ eq./mEUR)	1.47	64.75%	96.69%
	GHG intensity of investee companies (Scope 1 ,2 & 3 per mln sales, weighted intensity) (tCO ₂ eq./mEUR)	74.5	64.75%	96.69%
Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	44.83%	96.69%
Violations of UN Global Compact (UNGC) principles & Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	64.75%	96.69%
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	63.22%	96.69%



What were the top investments of this financial product?

The top investments as of the end of the financial year were as follows:

Largest investments	Sector	% Assets	Country
GERMAN TRE BILL 0%/22-181023	Government bonds	16.1%	DE
TREASURY BILL 0%/23-091123	Government bonds	15.8%	US
BLACKROCK INSTITUTIONAL US TREASURY FD	Money market fund	6.8%	US
GOLDMAN SACHS TREASURY INSTRUMENTS FUND	Money market fund	5.5%	US
TREASURY BILL 0%/22-281223	Government bonds	4.5%	US
HSBC FUNDS intermediary usd	Money market fund	4.4%	US
GERMAN TREASURY BILL 0%/23-200324	Government bonds	4.0%	DE
GERMAN TREASURY BILL 0%/23-210224	Government bonds	3.7%	DE
UK TSY 0 1/8% 2024 0.125%/20-310124	Government bonds	3.6%	UK
WINDMILL II RE LTD 144a frn/20-050724	Cat bonds	2.8%	BM
HEXAGON II 144a frn/19-170124	Cat bonds	2.8%	IE

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

01.10.2022-30.09.2023



LION III RE DAC s 21-a 144a frn/21-16072	Cat bonds	2.7%	IE
URSA RE II LTD 144a frn/20-071223	Cat bonds	2.5%	BM
AZZURRO RE II DAC 144a frn/20-170124	Cat bonds	2.3%	IE
KILIMANJARO III RE 144a frn/19-191224	Cat bonds	2.3%	BM

What was the proportion of sustainability-related investments?

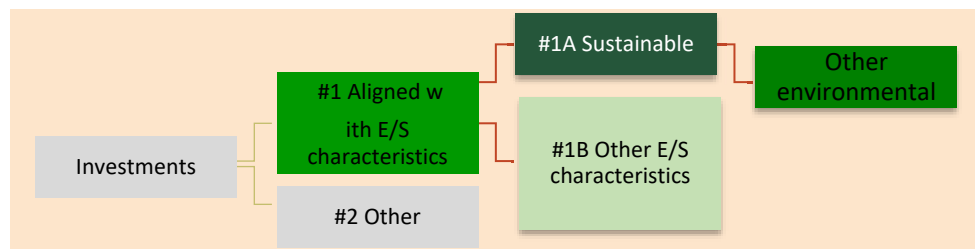
The Sub-Fund allocated 74.5% of the Sub-Fund’s NAV to investments aligned with environmental and/or social characteristics.

● What was the asset allocation?

The Sub-Fund allocated 74.5% to investments aligned with environmental and/or social characteristics (#1).

The remaining portion of 25.5% are neither aligned with the environmental or social characteristics nor do they qualify as sustainable investments (#2 Other).

57.7% of the assets of the Sub-Fund are committed to sustainable investments (#1A).



#1 Aligned with E/S characteristics includes the investments of the Sub-Fund used to attain the environmental or social characteristics promoted by the Sub-Fund.

#2 Other includes the remaining investments of the Sub-Fund 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 sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● In which economic sectors were the investments made?

The investment strategy of the Sub-Fund is a long-term investment in a diversified portfolio of insurance-linked investments.

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 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.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not commit to invest any proportion of its assets in environmentally sustainable economic activities aligned with the EU Taxonomy.

● Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?²

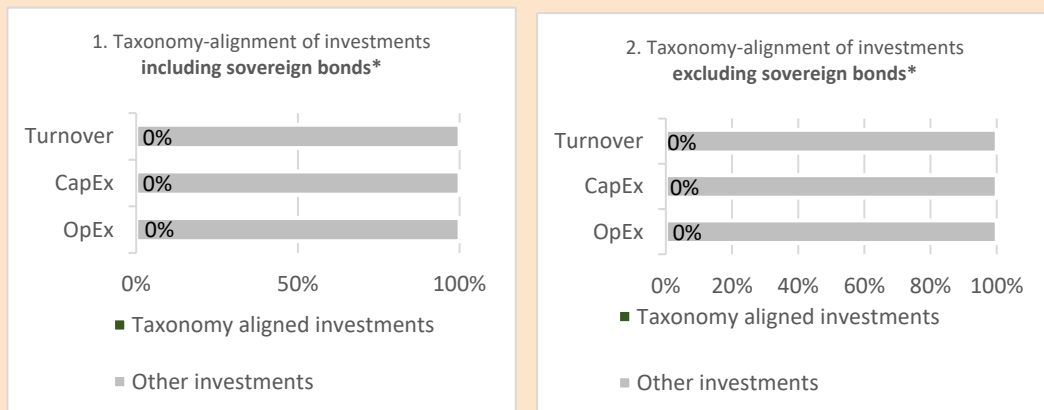
- Yes:
- In fossil gas
 - In nuclear energy
- No

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?

² 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.

The Sub-Fund did not have a minimum share 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.



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

The Sub-Fund commits to a minimum share of 20% sustainable investments of the Sub-Fund's NAV. Such sustainable investments may consist of non-Taxonomy aligned investments and Taxonomy-aligned investments. The Investment Manager expects the primary constituent of this portion to be non-Taxonomy aligned investments until available tools and data to assess alignment with the Taxonomy Regulation improves.

As at the Sub-Fund's financial year-end, 57.7% of its assets were in the category "(#1A) sustainable investments".



What was the share of socially sustainable investments?

The Sub-Fund does not commit to a minimum share of socially sustainable investments.



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


The Sub-Fund had 25.5% of investments in the category "#2 Other".

Investments under "#2 Other" are investments which are neither aligned with the environmental or social characteristics nor qualifying as sustainable investments, for example:

- There may be insufficient data available to verify any classification under sustainable investments or investments with environmental and/or social characteristics.
- There may be exposures where an ESG assessment cannot be applied or market practice is lacking for appropriate quantification of ESG factors.
- Exposures consisting of certain FDI, hedging, cash or cash equivalents.

To the extent possible, minimum safeguards are applied for this portion of the portfolio. A screening is conducted to capture severe controversies, which is taken into account as part of the final ESG score of an investee company. However, the Investment Manager does not guarantee that minimum social safeguards are applied for this portion of the Sub-Fund.

Additionally, to the extent possible and/or where any investments in "Other" form a portion of the strategic asset allocation, the Investment Manager's proprietary ESG rating is applied to the investments making up the 'Other' section of the Sub-Fund in order to continually consider and review such investments. In instances where the rating sufficiently improves, such investments may be deemed by the Investment Manager as contributing towards the environmental or social characteristics promoted by the Sub-Fund. In such circumstances these investments will no longer be considered "Other".

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



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

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

The Investment Manager considers that the environmental and/or social characteristics have been met in accordance with the pre-contractual commitments.

Further, the Investment Manager conducted the following engagements:

- **Engagement with reinsurance counterparties:** Ongoing engagement with reinsurance counterparties is an integral part of the Investment Manager's approach to ESG. This engagement is facilitated by the annual assessment process which helps identify excellence in implementation and flags areas for improvement. The Investment Manager specifically sets out to engage with lowly rated counterparties, as identified through the Manager ESG Rating System. Additionally, the Investment Manager actively engages and assesses governance practices of reinsurance counterparties through ongoing interactions in the context of any transactions with such counterparties. Such an active engagement is expected to ultimately improve the data transparency both at the level of counterparties as well as at the level of individual transactions.
- **Industry engagement:** The Investment Manager actively engages with international partners, networks and initiatives to raise awareness for ESG/SFDR topics and enhance analytical tools.



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

The Sub-Fund has not designated a specific index as a reference benchmark to determine whether it is aligned with the environmental and/or social characteristics that it promotes.

