

# River and Mercantile Investment Funds

Investment Company with Variable Capital under Luxembourg Law

Luxembourg R.C.S. B81507

Audited Annual Report at 30.09.2023

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## Management and Administration

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### The Company

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River and Mercantile Investment Funds  
5, rue Jean Monnet, L-2180 Luxembourg  
R.C.S. Luxembourg B81507

### Board of Directors of the Company

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Robert Edward Bradshaw (alias Brad) Crombie, (since 09.08.2023)  
Alquity Investment Management Limited, London, United Kingdom

Michael White (until 08.08.2023)  
River and Mercantile, London, United Kingdom

William Blackwell  
Independent Director, Luxembourg

Alex Vilchez  
Independent Director, Luxembourg

### Auditor of the Company

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

### Management Company

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MultiConcept Fund Management S.A.  
5, rue Jean Monnet, L-2180 Luxembourg  
R.C.S. Luxembourg B98834

### Board of Directors of the Management Company

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Annemarie Arens, Member of the Board  
Independent Director, Luxembourg

Hans Peter Bär, Member of the Board (since 24.05.2023)  
Head of Fund Management Companies, Credit Suisse (Schweiz) AG, Switzerland

Marcus Ulm, Member of the Board (since 24.05.2023)  
CEO MultiConcept Fund Management S.A., Luxembourg

Arnold Spruit, Member of the Board  
Independent Director, Luxembourg

Patrick Tschumper, Member of the Board (until 24.05.2023)  
Managing Director, Credit Suisse Funds AG, Zurich

Ilias Georgopoulos, Member of the Board (until 31.12.2022)  
Managing Director, MultiConcept Fund Management S.A., Luxembourg

Richard Browne, Member of the Board  
Director, Credit Suisse Fund Services (Luxembourg) S.A., Luxembourg

### Auditor of the Management Company

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

### Depository Bank

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

### Central Administration

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

### Representative in Switzerland

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ACOLIN Fund Services AG  
Leutschenbachstrasse 50, CH-8050 Zurich

### Paying Agent in Switzerland

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Credit Suisse (Switzerland) Ltd.  
Paradeplatz 8, CH-8001 Zurich

### Distribution Agent

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River and Mercantile Asset Management LLP  
30 Coleman Street, London, EC2R 5AL, United Kingdom

### Investment Manager

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Glovista Investments Asset Management LLC  
1209 Orange Street, Wilmington, Delaware 19801, United States of America

### Legal Advisor

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Maples and Calder (Luxembourg) SARL  
12E, rue Guillaume Kroll, L-1882 Luxembourg

### Representatives and Paying Agents outside Luxembourg and Switzerland

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The full list of Representatives and Paying Agents outside Luxembourg and Switzerland can be obtained, free of charge, at the registered office of the Management Company.

In respect of the shares distributed in and from Switzerland, the place of performance and jurisdiction is at the registered office of the representative.

No subscription may be accepted on the basis of the financial reports. Subscriptions are accepted only on the basis of the current prospectus accompanied by the Key Investor Information Documents, the latest annual report and the latest semi-annual report.

The issue and redemption prices are published in Luxembourg at the registered office of the Company.

Shareholders may obtain the prospectus, the Key Information Documents (PRIIPS KID), the latest annual and semi-annual reports, the changes in the composition of the securities portfolio during the reporting period and copies of the Articles of Association free of charge from the registered office of the Company or the local representatives in the countries where the Company is registered.



## Audit report

To the Shareholders of  
**River and Mercantile Investment Funds**

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### Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of River and Mercantile Investment Funds (the “Fund”) and of each of its sub-funds as at 30 September 2023, and of the results of their operations and changes in their 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 for the Fund and the Statement of Net Assets of the sub-fund as at 30 September 2023;
- the Statement of Investments in Securities of the sub-fund as at 30 September 2023;
- the Combined Statement of Operations / Changes in Net Assets for the Fund and the Statement of Operations / Changes in Net Assets of the sub-fund for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### 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.

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### 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.

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T : +352 494848 1, F : +352 494848 2900, [www.pwc.lu](http://www.pwc.lu)*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



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.

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**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 and each of its sub-funds' 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 close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

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**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 or any of its sub-funds' 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 or any of its sub-funds 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, 18 January 2024

Alain Maechling

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

Investments in securities at market value	130,666,370.59
Cash at banks and at brokers	3,581,559.16
Subscriptions receivable	7,934.59
Income receivable	117,813.84
Other assets	24.97
	<b>134,373,703.15</b>

**Liabilities**

Redemptions payable	677,913.69
Provisions for accrued expenses	634,216.94
Other liabilities	1,913.64
	<b>1,314,044.27</b>

<b>Net assets</b>	<b>133,059,658.88</b>
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**Statement of Operations / Changes in Net Assets (in USD)**For the period from  
01.10.2022 to 30.09.2023

<b>Net assets at the beginning of the year</b>	<b>118,738,175.86</b>
<b>Income</b>	
Dividends (net)	3,813,699.42
Bank Interest	73,026.54
	<b>3,886,725.96</b>
<b>Expenses</b>	
Management fee	510,400.95
Depository fee	119,930.32
Administration expenses	65,709.52
Printing and publication expenses	3,405.83
Interest and bank charges	1,874.66
Audit, control, legal, representative bank and other expenses	305,716.18
"Taxe d'abonnement"	25,695.25
<b>Gross expenses</b>	<b>1,032,732.71</b>
Expenses reimbursed or waived	-5,783.93
<b>Net expenses</b>	<b>1,026,948.78</b>
<b>Net income (loss)</b>	<b>2,859,777.18</b>
<b>Realised gain (loss)</b>	
Net realised gain (loss) on sales of investments	-6,370,671.41
Net realised gain (loss) on forward foreign exchange contracts	16,210.96
Net realised gain (loss) on foreign exchange	-39,056.78
	<b>-6,393,517.23</b>
<b>Net realised gain (loss)</b>	<b>-3,533,740.05</b>
<b>Change in net unrealised appreciation (depreciation)</b>	
Change in net unrealised appreciation (depreciation) on investments	17,950,743.99
	<b>17,950,743.99</b>
<b>Net increase (decrease) in net assets as a result of operations</b>	<b>14,417,003.94</b>
<b>Subscriptions / Redemptions</b>	
Subscriptions	41,948,184.02
Redemptions	-42,043,704.94
	<b>-95,520.92</b>
<b>Net assets at the end of the year</b>	<b>133,059,658.88</b>



## Notes

**General**

River and Mercantile Investment Funds (the "Company") is an undertaking for collective investment in transferable securities in the legal form of an investment company with variable capital (société d'investissement à capital variable, SICAV) subject to Part I of the amended Law of 17.12.2010. The Company was established on 18.04.2001.

The Company is managed by MultiConcept Fund Management S.A. ("Management Company") in accordance with the articles of incorporation of the Company (the "Articles of Incorporation").

The Company has an umbrella structure and therefore consists of at least one Subfund.

As of 30.09.2023 the Company had 1 Subfund.

**Summary of significant accounting policies**

## a) Presentation of financial statements

The financial statements are presented in accordance with the requirements of the Luxembourg supervisory authorities relating to investment funds under the going concern basis of accounting.

## b) Computation of the net asset value of each Subfund

The Net Asset Value ("NAV") of the Shares of each Subfund shall be calculated in the Reference Currency of the respective Subfund and shall be determined under the responsibility of the Company's Board of Directors in Luxembourg on each Banking Day on which banks are normally open all day for business in Luxembourg (each such day being referred to as a "Valuation Day").

The financial statements reflect the net asset values as of 30.09.2023 based on the market prices of the investments as of 29.09.2023.

The investment manager needs to undertake transactions in order to maintain the desired asset allocation as a result of subscriptions or redemptions, which may generate additional costs for the Subfund and its shareholders. As a consequence, in order to protect the existing investors' interest, from these capital movements, when net capital movements exceed a threshold pre-defined by the Board of Directors, an adjustment of the NAV per share used is applied. This adjustment reflects the estimated tax and dealing costs that may be incurred by the Subfund as a result of these transactions, and the estimated bid-offer spread of the assets in which the Subfund invests. A periodical review is undertaken in order to verify the appropriateness of the swing factor being applied.

The NAV per share as disclosed in the statistical information is the published swung NAV per share whereas the total net assets disclosed in the statement of net assets is the total net asset value excluding year end swing adjustment.

The Subfunds apply partial swing price. The net asset value will be increased by up to a maximum of 2% per share in the event of a net surplus of subscription applications or reduced by up to a maximum of 2% per share in the event of a net surplus of redemptions in respect of the applications received on the respective Valuation Day.

As at 30.09.2023 no swing pricing was applied on the Subfund:

River and Mercantile Emerging Market ILC Equity Fund.

## c) Valuation of investment securities of each Subfund

Securities which are listed or regularly traded on a stock exchange shall be valued at the last available traded price. If such a price is not available for a particular trading day, the closing mid-price (the mean of the closing bid and ask prices) or alternatively the closing bid price may be taken as a basis for the valuation.

If a security is traded on several stock exchanges, the valuation shall be made by reference to the exchange which is the main market for this security.

If a security is traded on a secondary market with regulated trading among securities dealers (with the effect that the price reflects market conditions), the valuation may be based on this secondary market.

Securities traded on a regulated market shall be valued in the same way as those listed on a stock exchange.

Securities that are not listed on a stock exchange and are not traded on a regulated market shall be valued at their last available market price. If no such price is available, the Company shall value these securities in accordance with other criteria to be established by the Board of Directors and on the basis of the probable sales price, the value of which shall be estimated with due care and in good faith.

Derivatives shall be treated in accordance with the above. OTC swap transactions will be valued on a consistent basis based on bid, offer or mid prices as determined in good faith pursuant to procedures established by the Board of Directors. When deciding whether to use the bid, offer or mid-prices, the Board of Directors will take into consideration the anticipated subscription or redemption flows, among other parameters.

If, in the opinion of the Board of Directors, such values do not reflect the fair market value of the relevant OTC swap transactions, the value of such OTC swap transactions will be determined in good faith by the Board of Directors or by such other method as it deems in its discretion appropriate.

The valuation price of a money market instrument which has a maturity or remaining term to maturity of less than 12 months and does not have any specific sensitivity to market parameters, including credit risk, shall, based on the net acquisition price or on the price at the time when the investment's remaining term to maturity falls below 12 months, be progressively adjusted to the repayment price while keeping the resulting investment return constant. In the event of a significant change in market conditions, the basis for the valuation of different investments shall be brought into line with the new market yields.

If a valuation in accordance with the above rules is rendered impossible or incorrect due to particular or changed circumstances, the Company's Board of Directors shall be entitled to use other generally recognized and auditable valuation principles in order to reach a proper valuation of the Subfund's assets.

Investments which are difficult to value (in particular those which are not listed on a secondary market with a regulated price-setting mechanism) are valued on a regular basis using comprehensible, transparent criteria. For the valuation of private equity investments, the Company may use the services of third parties which have appropriate experience and systems in this area. The Company's Board of Directors and the Auditor shall monitor the comprehensibility and transparency of the valuation methods and their application.

In exceptional circumstances, further valuations may be carried out on the same day; such valuations will be valid for any applications for subscription and/or redemption subsequently received.

## 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 and other short-term investments in an active market with original maturities of three months or less and bank overdrafts.

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

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

## f) Foreign exchange conversion

The financial statements are kept in the reference currency of each Subfund and the combined financial statements are kept in USD.

Cash at banks, other net assets and the value of portfolio securities in currencies other than the reference currency of each Subfund are converted into the reference currency at the foreign exchange rate prevailing on the date of valuation.

Income and expenses in currencies other than the reference currency of each Subfund are converted into the reference currency at the foreign exchange rate applicable at the date they accrue to the Subfund.

Realised gains or losses on foreign currencies are accounted for in the statement of operations.

The acquisition cost of securities in currencies other than the reference currency of each Subfund is converted into the reference currency at the foreign exchange rate valid at the date of acquisition.

## g) Transactions on investments in securities of each Subfund

The transactions on investments in securities are booked on a trade date basis.

h) 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 unrealised gain/loss on forward foreign exchange contracts in the statement of net assets. Realised gains or losses are also posted to the Statement of Operations / Changes in Net Assets under "Net realised gain (loss) on forward foreign exchange contracts".

i) Allocation of accrued expenses

Accrued expenses which can be allocated directly to a Subfund are charged to this Subfund. Accrued expenses which cannot be allocated directly are divided among the Subfunds in proportion to the net assets of each Subfund.

j) Securities Lending

The Company can practise lending of securities included in its portfolios of its Subfunds. The Company may only lend securities within a standardized system of securities lending organised by a recognised institution of securities compensation or by first class financial institutions specialised in this type of operations. The income from securities lending is showing the gross income from securities lending less the direct and indirect costs and fees retained by the counterparty acting as securities lending principal.

During the year ended 30.09.2023, the Company neither engaged in Securities Lending activities nor held any total return swaps or entered into other security financing transactions.

k) Income recognition

Dividends are recorded on ex-dividend date, net of withholding tax. Interests are accrued on a daily basis.

l) Other income

The trailer commissions received during the year are accounted under "Other income".

#### Management fee

(see detail at Subfund level)

The Management Fee includes the fee payable monthly to the Management Company and the Investment Manager.

The Management Company is entitled to a variable fee of up to 0.05% p.a., subject to a minimum fee of EUR 40,000 p.a..

The Investment Manager is entitled to a fee that may be charged at different rates for individual Subfunds and Share Classes within a Subfund or may be waived.

Both are payable at the end of each month and calculated on the basis of the average of the daily net asset value of the relevant share class during that month.

The rates shown in technical data are the sum of the Management Company and Investment Manager rates.

#### Depository Fee

The Depository Bank receives from the Company fees which are charged on the basis of usual market rates prevailing in Luxembourg and which are based on the net assets of the respective Subfund.

The Depository Bank is entitled to charge a service fee of up to 0.04% p.a. of the net assets of the Subfund, subject to a minimum fee of EUR 24,000, as well as a depository control and monitoring fee of EUR 15,000 p.a..

#### "Taxe d'abonnement"

Under the prevailing laws and regulations, the Company is subject in Luxembourg, on the basis of its investments, to a "taxe d'abonnement" at the annual rate of 0.05%, payable quarterly and calculated on the basis of the net assets of each Subfund at the end of each quarter.

This rate is however 0.01% per annum for:

- individual Subfunds the exclusive object of which is the collective investment in money market instruments and the placing of deposits with credit institutions;

- individual Subfunds the exclusive object of which is the collective investment in deposits with credit institutions; and,

- individual Subfunds as well as for individual Share Classes, provided that the Shares of such Subfund or Share Class are reserved to one or more institutional investors (as referred to in Articles 174 and 175 of the Law of December 17, 2010 and defined by the administrative practice of the CSSF).

The Net Asset Value of each Subfund at the end of each quarter is taken as the basis for calculation.

A subscription tax exemption is available for:

- the portion of assets of a Subfund invested in other UCIs which itself is subject to the subscription tax;

- Subfunds (i) whose securities are reserved for institutional investors, (ii) whose exclusive object is the collective investment in money market instruments and the placing of deposits with credit institutions, (iii) whose weighted residual portfolio maturity must not exceed ninety (90) days, and (iv) which have obtained the highest possible rating from a recognized rating agency;

- Subfunds whose Shares are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, created on the initiative of a same group for the benefit of its employees and (ii) undertakings of this same group investing funds they hold, to provide retirement benefits to their employees;

- Subfunds whose main objective is the investment in microfinance institutions; and

- Subfunds whose:  
(i) securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public; and  
(ii) exclusive object is to replicate the performance of one or more indices.

#### Total Expense Ratio (TER)

(see details at a Subfund level)

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 these assets. The TER is calculated following the AMAS guideline.

The Total Expense Ratio (TER) is calculated following the current "Guidelines on the calculation and disclosure of the Total Expense Ratio (TER) of collective investment schemes" of the AMAS. The TER is calculated for the period from 01.10.2022 until 30.09.2023.

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

#### Changes in the composition of the securities portfolio

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

#### Fund performance

(see details at a Subfund level)

The performance is based on the net asset values as calculated on the last business day of the year. Those net asset values reflect the market prices of the investments as of the last business day of the year.

The YTD (Year-To-Date) performance includes the period from 01.01.2023 until 30.09.2023.

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 Subfund shares.

For shares launched more than 3 years ago no performance since inception is disclosed.

Performance of distributing shares includes reinvestments of dividends.

#### Risk management

The global exposure of the Subfund will be calculated on the basis of the commitment approach.

### Transaction costs

Transactions costs include brokerage fees, stamp duty, local taxes and other foreign charges if incurred during the year. 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:

Subfund	CCY	Transaction costs
River and Mercantile Emerging Market ILC Equity Fund	USD	121,322.63

Not all transaction costs are separately identifiable. For fixed income investments, forward foreign exchange 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.

### 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 types of derivatives, margin accounts might be used.

No collateral was received by the Company to reduce the counterparty risk as of 30.09.2023.

### Expenses reimbursement

For the share class River and Mercantile Emerging Market ILC Equity Fund -PB-GBP, since the beginning of January 2020, the Subfund River and Mercantile Emerging Market ILC Equity Fund pays expenses based on a capped TER (management fees + 50 bps).

On a monthly basis, the total amount of the expenses actually incurred by the Subfund is determined and compared to the accrued amount of expenses calculated on the basis of the capped TER. Where the level of actual expenses is higher than the cap, the difference is booked as a decrease of expense (the "waiver fees").

The amount of waiver fees is disclosed as "Expense reimbursed or waived" in the "Statement of Operations / Change in Net Assets".

### Financial aspects raised by the war between Russia and Ukraine

During late February 2022, the eastern part of Europe has entered into a phase of instability following the military action taken by Russia against Ukraine (the "Situation"). As a result, a list of global leading countries, not limited to Canada, the European Union, Japan, New Zealand, Taiwan, the United Kingdom, and the United States unveiled a series of sanctions against Russia to cripple the economy targeting banks, oil refineries, and military exports, etc. Amid the worsening situations in Ukraine due to the prevalent military situation, the economy deterioration and volatility in Ukraine is expected. In addition to the direct impact on the concerned economies and parties, Ukraine and Russia, the impact on other economies is inevitable. More specifically, the link between the economies of Europe and Russia is considerable enough for its effects to an extent that may hit the western economy even harder, also with effects on the US economy.

The Board of Directors is closely monitoring the effects of the Situation on the investors, investments and other stakeholders and have assessed that the Situation does not impact the financial statements as at 30.09.2023 and the ability of the Company and its Subfund to continue as going concern.

### 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.

### Significant event during the the year

On 12 June 2023, Credit Suisse Group AG was merged into UBS Group AG and the combined entity now operates as a consolidated banking group (the "Merger"). The Fund receives various services and has banking relationships with consolidated subsidiaries of Credit Suisse Group AG, and as such these relationships and service providers may change in the future as a result of the Merger.

### Subsequent events

There is no subsequent event after the year end that needs disclosure.

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### **River and Mercantile Emerging Market ILC Equity Fund**

#### **Development of the relevant market and market environment**

The year delivered gains early as investors anticipated the re-opening of China. While a Chinese consumption recovery has taken place, it has not been enough to offset the headwinds of the ongoing property market downturn. The gains in Emerging Markets for the year were primarily derived outside of China. The US economy remained resilient in the year, and this led to a continuation of interest rate hikes from the US Federal Reserve. This lent strength to the US Dollar and tied the hands of many EM central banks that would have preferred to begin their loosening programs over the summer.

#### **Development of the Subfund**

The fund managed to remain ahead of the market's double digits returns through narrowed allocation decisions at the country level and effective stock selection. Our allocation to China has grown in the year, but the nature of the holdings there have been condensed towards retailers that are focused on offering compelling bargains to consumers. This has been one of the bright stories of growth within the Chinese economy. The Indian consumer is feeling far more confident than their Chinese counterparts, and our bigger ticket consumer durables there (three wheelers, SUVs, and EV batteries) provided additional support to the Fund's returns.

## Technical Data and Notes

### Technical Data

		Valoren	ISIN	Management Fee	Total Expense Ratio
B - Capitalisation	USD	38478342	LU1692115071	1.92%	2.33%
EB - Capitalisation	USD	38478695	LU1692110783	0.35%	0.71%
IB - Capitalisation	USD	38478723	LU1692115402	0.50%	/
UB - Capitalisation	USD	38479069	LU1692111088	1.50%	1.91%
PB - Capitalisation	GBP	57088378	LU2181281739	0.35%	0.73%

River and Mercantile Emerging Market ILC Equity Fund -IB- USD was liquidated on 03.11.2022.

The management fee disclosed included a management company fee of 0.05%.

### Fund Performance

		YTD	Since Inception	2022	2021	2020
B - Capitalisation	USD	-0.82%	/	-18.90%	-0.15%	18.64%
EB - Capitalisation	USD	0.40%	/	-17.69%	1.31%	20.19%
IB - Capitalisation	USD	/	/	/	1.27%	19.86%
UB - Capitalisation	USD	-0.51%	/	-18.58%	0.28%	19.65%
PB - Capitalisation	GBP	-1.09%	2.72%	-7.24%	2.38%	/

**Statement of Net Assets (in USD) and Fund Evolution**

	<b>30.09.2023</b>
<b>Assets</b>	
Investments in securities at market value	130,666,370.59
Cash at banks and at brokers	3,581,559.16
Subscriptions receivable	7,934.59
Income receivable	117,813.84
Other assets	24.97
	<b>134,373,703.15</b>
<b>Liabilities</b>	
Redemptions payable	677,913.69
Provisions for accrued expenses	634,216.94
Other liabilities	1,913.64
	<b>1,314,044.27</b>
<b>Net assets</b>	<b>133,059,658.88</b>

Fund Evolution		<b>30.09.2023</b>	<b>30.09.2022</b>	<b>30.09.2021</b>
<b>Total net assets</b>	<b>USD</b>	<b>133,059,658.88</b>	<b>118,738,175.86</b>	<b>118,721,471.11</b>
<b>Net asset value per share</b>				
B - Capitalisation	USD	10.94	9.86	13.64
EB - Capitalisation	USD	1,297.74	1,150.60	1,568.72
IB - Capitalisation	USD	/	1,145.12	1,562.14
UB - Capitalisation	USD	11.77	10.56	14.55
PB - Capitalisation	GBP	102.72	99.60	112.29

Number of shares outstanding		<b>At the end of the year</b>	<b>At the beginning of the year</b>	<b>Number of shares issued</b>	<b>Number of shares redeemed</b>
B - Capitalisation	USD	152,516.406	154,407.224	11,373.030	13,263.848
EB - Capitalisation	USD	80,190.995	80,352.082	26,120.612	26,281.699
IB - Capitalisation	USD	0.000	2,950.000	0.000	2,950.000
UB - Capitalisation	USD	46,969.099	62,383.723	0.000	15,414.624
PB - Capitalisation	GBP	213,523.040	186,415.727	56,664.736	29,557.423

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

<b>Net assets at the beginning of the year</b>	<b>118,738,175.86</b>
<b>Income</b>	
Dividends (net)	3,813,699.42
Bank Interest	73,026.54
	<b>3,886,725.96</b>
<b>Expenses</b>	
Management fee	510,400.95
Depository fee	119,930.32
Administration expenses	65,709.52
Printing and publication expenses	3,405.83
Interest and bank charges	1,874.66
Audit, control, legal, representative bank and other expenses	305,716.18
"Taxe d'abonnement"	25,695.25
<b>Gross expenses</b>	<b>1,032,732.71</b>
Expenses reimbursed or waived	-5,783.93
<b>Net expenses</b>	<b>1,026,948.78</b>
<b>Net income (loss)</b>	<b>2,859,777.18</b>
<b>Realised gain (loss)</b>	
Net realised gain (loss) on sales of investments	-6,370,671.41
Net realised gain (loss) on forward foreign exchange contracts	16,210.96
Net realised gain (loss) on foreign exchange	-39,056.78
	<b>-6,393,517.23</b>
<b>Net realised gain (loss)</b>	<b>-3,533,740.05</b>
<b>Change in net unrealised appreciation (depreciation)</b>	
Change in net unrealised appreciation (depreciation) on investments	17,950,743.99
	<b>17,950,743.99</b>
<b>Net increase (decrease) in net assets as a result of operations</b>	<b>14,417,003.94</b>
<b>Subscriptions / Redemptions</b>	
Subscriptions	41,948,184.02
Redemptions	-42,043,704.94
	<b>-95,520.92</b>
<b>Net assets at the end of the year</b>	<b>133,059,658.88</b>

## Statement of Investments in Securities

### Breakdown by Country

Cayman Islands	16.41
India	14.62
South Korea	12.96
Taiwan	12.64
People's Republic of China	9.79
Brazil	8.03
Indonesia	4.65
Singapore	3.92
Mexico	3.57
Thailand	2.53
Malaysia	2.21
Hong Kong	1.44
Philippines	1.36
USA	1.28
Chile	0.96
Greece	0.76
United Kingdom	0.58
South Africa	0.51
Turkey	0.00
<b>Total</b>	<b>98.20</b>

### Breakdown by Economic Sector

Electronics and semiconductors	12.08
Banks and other credit institutions	12.05
Electrical appliances and components	7.85
Vehicles	7.23
Financial, investment and other div. companies	6.94
Miscellaneous services	5.81
Traffic and transportation	5.39
Mechanical engineering and industrial equipment	4.52
Petroleum	4.02
Pharmaceuticals, cosmetics and medical products	3.33
Internet, software and IT services	3.31
Insurance companies	3.07
Lodging and catering industry, leisure facilities	2.65
Food and soft drinks	2.64
Energy and water supply	2.30
Miscellaneous trading companies	2.20
Retailing, department stores	2.07
Textiles, garments and leather goods	2.04
Computer hardware and networking	1.87
Real estate	1.32
Graphics publishing and printing media	1.31
Chemicals	1.20
Forestry, paper and forest products	0.95
Non-ferrous metals	0.91
Agriculture and fishery	0.58
Various capital goods	0.55
<b>Total</b>	<b>98.20</b>

### Statement of Investments in Securities

Description	Quantity / Nominal	Valuation (in USD)	% of net assets
<b>Securities listed on a stock exchange or other organised markets</b>			
<b>Shares</b>			
HKD AGRICULTURAL BANK OF CHINA -H-	4,183,000	1,559,579.31	1.17
HKD ALIBABA GROUP HOLDING LTD	480,600	5,252,841.30	3.95
HKD ANTA SPORTS PRODUCTS	170,400	1,917,911.91	1.44
GBP ANTOFAGASTA	43,900	765,721.35	0.58
INR ASIAN PAINTS	41,900	1,594,966.72	1.20
INR AXIS BANK	122,600	1,530,631.87	1.15
INR BAJAJ AUTO LTD	25,700	1,567,138.32	1.18
INR BAJAJ FINANCE	15,000	1,410,880.51	1.06
BRL BB SEGURIDADE PARTICIPACOES	211,600	1,319,436.36	0.99
BRL BM&F BOVESPA SA BOLSA DE VALORES MERCADORIAS E FUTUROS	471,100	1,156,761.97	0.87
IDR BNI TBK PT	2,350,300	1,570,161.53	1.18
HKD BUDWEISER BREWING CO APAC LTD	716,200	1,413,775.84	1.06
HKD BYD COMPANY LTD -H-	52,000	1,606,776.45	1.21
CLP CENCOSUD	677,000	1,276,928.48	0.96
TWD CHAILEASE HOLDING	331,195	1,857,042.45	1.40
ZAR CLICKS GROUP	49,000	1,204,729.90	0.91
THB CP ALL PUBLIC (NVDR)	727,100	1,204,615.69	0.91
MYR CTOS DIGITAL BHD	2,330,800	712,873.07	0.54
SGD DBS GROUP HOLDINGS	60,000	1,478,777.25	1.11
TWD DELTA ELECTRONICS	118,000	1,186,195.28	0.89
MXN DEUTSCHE BANK MEXICO S. -12-	542,720	912,209.91	0.69
KRW DOOSAN BOBCAT (REG. SHARES)	37,300	1,409,737.66	1.06
TWD E INK HOLDINGS	447,000	2,485,601.26	1.87
TWD ECLAT TEXTILE	53,000	799,584.41	0.60
HKD ENN ENERGY HOLDINGS	170,700	1,416,718.70	1.06
TWD EXIDE INDUSTRIES LTD	636,700	1,999,242.19	1.50
TWD FENG TAY ENTERPRISE	179,200	1,015,894.43	0.76
MXN GRUPO AEROPORTUARIO DEL CENTRO B	102,900	1,119,917.84	0.84
MXN GRUPO FINANCIERO BANORTE	172,600	1,451,136.06	1.09
INR HINDUSTAN LEVER (DEMAT. SHARES)	46,500	1,380,644.32	1.04
USD HOUSING DEVELOPMENT FINANCE ADR	40,999	2,419,350.99	1.82
KRW HYOSUNG ADVANCED MATERIALS COR	2,500	727,175.04	0.55
PHI INTL CONTAINER TERMINAL SERV	493,900	1,808,826.15	1.36
BRL ITAU UNIBANCO HOLDING (PREF. SHARES)	327,300	1,779,317.96	1.34
MXN KIMBERLY CLARK DE MEXICO -A-	633,300	1,264,521.93	0.95
KRW LG ELECTRONICS	23,800	1,779,620.57	1.34
KRW LS INDUSTRIAL SYSTEMS	17,200	1,190,514.30	0.89
INR MAHINDRA & MAHINDRA	195,000	3,649,738.30	2.74
MYR MALAYSIA AIRPORTS HOLDINGS	668,700	1,015,457.56	0.76
SGD MAPLETREE LOGISTICS TRUST	1,426,000	1,755,190.78	1.32
HKD MINISO GROUP HOLDING LTD A	173,000	1,149,750.44	0.86
TWD MOMO.COM	60,060	934,003.56	0.70
EUR MOTOR OIL HELLAS	39,900	1,011,324.35	0.76
HKD NETEASE INC	172,700	3,517,140.95	2.64
BRL PETRO RIO SA	231,300	2,173,811.89	1.63
USD PINDUODUO INC ADR -A-	17,800	1,745,646.00	1.31
HKD PING AN INSURANCE H	273,000	1,563,370.25	1.17
HKD POSTAL SAVINGS BANK OF CHINA S. -H- -144A- (REG. -S-)	2,609,000	1,319,185.94	0.99
MYR PRESS METAL ALUMINIUM HOLDINGS	1,202,600	1,206,376.95	0.91
IDR PT BANK MANDIRI (PERSERO)	3,743,400	1,459,332.51	1.10
IDR PT INDOFOOD CBP SUKSES MAKMUR	1,737,100	1,244,799.85	0.94
IDR PT SUMBER ALFARIA TRUJAYA	9,992,800	1,913,858.73	1.44
THB PTT EXPLORATION AND PRODUCTION PUBLIC (NVDR)	461,800	2,162,464.74	1.63
BRL RAI A DROGASIL	239,732	1,322,905.12	0.99
USD SAMSUNG ELECTRONICS 144A GDR	4,900	6,174,000.00	4.64
KRW SAMSUNG LIFE INSURANCE	23,000	1,198,236.25	0.90
CNH SHENZHEN MINDRAY BIO-MEDICAL E -A-	46,800	1,733,121.24	1.30
KRW SHINHAN FINANCIAL GROUP	93,700	2,472,002.37	1.86
KRW SK HYNIX	27,000	2,295,020.01	1.72
BRL SLC AGRICOLA	98,801	777,546.44	0.58
CNH SUNGROW POWER SUPPLY CO LTD -A-	134,100	1,647,499.85	1.24
USD TAIWAN SEMICONDUCTOR ADR	119,600	10,393,240.00	7.81
INR TATA ELXSI LTD	15,100	1,314,166.09	0.99
INR THERMAX LTD	46,100	1,726,781.43	1.30
BRL TOTVS	164,000	884,680.85	0.66
HKD TRAVELSKY TECHNOLOGY H	1,023,000	1,773,830.64	1.33
HKD TRIP.COM GROUP LTD	51,000	1,818,119.14	1.37
TRY TURKYE IS BANKASI -C-	0	0.02	0.00
INR VARUN BEVERAGES LTD	75,000	854,123.93	0.64
BRL WEG (PREF. SHARES)	175,400	1,271,031.05	0.96
HKD YADEA GROUP HOLDINGS LTD	1,296,000	2,406,058.36	1.81
SGD YANGZUIANG SHIPBUILDING	1,624,200	1,975,345.72	1.48
USD YUM CHINA HOLDINGS	30,600	1,705,032.00	1.28
HKD ZOOMLION HEAVY INDUSTRY SCIENCE & TECHNOLOGY -H-	3,363,600	1,829,577.00	1.38
USD ZTO EXPRESS CAYMAN ADR -A-	52,000	1,256,840.00	0.94
<b>Total Shares</b>		<b>130,666,370.59</b>	<b>98.20</b>
<b>Total securities listed on a stock exchange or other organised markets</b>			
		<b>130,666,370.59</b>	<b>98.20</b>
<b>Total of Portfolio</b>			
		<b>130,666,370.59</b>	<b>98.20</b>
Cash at banks and at brokers		3,581,559.16	2.69
Other net liabilities		-1,188,270.87	-0.89
<b>Total net assets</b>		<b>133,059,658.88</b>	<b>100.00</b>

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



## Unaudited information

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### Remuneration

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The total remuneration disclosed is related to the activities of MultiConcept Fund Management S.A. (The Management Company) regarding its monitoring of delegated functions and risk management activities and does not include any remuneration for delegated investment managers.

The remuneration information represents a proportion of the total remuneration to staff of the Management Company function as attributable to all the funds it manages taking into consideration non-UCITS and UCITS alike, in relation to the total net assets of the Company.

The Management Company has implemented a series of safeguards that refrain staff from taking undue risks compared to the activity profile.

The aggregate remuneration for these individuals in relation to River and Mercantile Investment Funds was 7,350.80 CHF out of which 5,902.06 CHF are fixed and 1,448.74 CHF are variable for the financial year.

Under the methodology the number of staff considered is 9, and 4 persons with function of Conducting Officer.

### Securities Financing Transaction Regulation

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Securities Financing Transaction Regulation ("SFTR") introduces reporting requirements for securities financing transactions ("SFTs") and total return swaps.

A Security Financing Transaction ("SFT") is defined as per Article 3 (11) of the SFTR as:

- a repurchase/reverse repurchase agreement,
- securities or commodities lending and securities or commodities borrowing,
- a buy-sell back transaction or sell-buy back transaction, or
- a margin lending transaction.

During the year ended 30.09.2023, the Company neither engaged in Securities Lending activities nor held any total return swaps or entered into other security financing transactions.

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

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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.

For Subfunds falling under Art. 8 or 9 of SFDR the respective information are disclosed on Subfund level below.

Subfunds not falling under Art. 8 or 9 of SFDR are not listed below. The investments underlying those Subfunds do not take into account the EU criteria for environmentally sustainable economic activities.

ANNEX IV (unaudited)

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

Product name: River and Mercantile Emerging Market ILC Equity Fund (the “Subfund”)

Legal entity identifier: 54930020B0IBDQITXG78

## Environmental and/or social characteristics

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

Yes

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

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

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

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

No

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

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

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

with a social objective

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

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

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



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

The Subfund sought to promote environmental and social characteristics primarily by fully integrating consideration of sustainability risks and opportunities within Glovista Investments Asset Management LLC’s (the “Investment Manager”) investment methodology, called Industrial Life Cycle (“ILC”).

Through Best-in-Class screening and proxy voting policy the Subfund promoted companies with good governance and sustainable corporate practices. The Subfund also promoted certain minimum environmental and social characteristics

through its negative screening mechanisms towards certain products and business practices that the Investment Manager believed to be detrimental to society and opposed to sustainable development. In addition, the Investment Manager through its proprietary carbon scoring made sure that the Subfund's carbon footprint was lower than that of the general market index.

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

The percentage of the Net Asset Value of the Subfund allocated to an ESG rating of BB or better was 92%, while the overall ESG rating for the portfolio was A.

The carbon emissions intensity of the portfolio (Scope 1 and 2), measured as tonnes of CO2 equivalents divided by \$1 million in sales, was 109.3, 66% lower than the benchmark.

None of the holdings of the Subfund violated the UN Global Compact, nor were they involved in dealing with nuclear or controversial weapons.

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

N/A

● ***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 Subfund did not commit to make any sustainable investments.

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

The Subfund did not commit to make any sustainable investments.

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

The Subfund did not commit to make any sustainable investments.

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

**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.

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

The Subfund did not commit to make any sustainable investments.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific 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 the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

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



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

The Subfund did not consider the principal adverse impacts on sustainability factors.



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

Company Name	NACE Sector	% Assets	Country
Taiwan Semiconductor	Manufacturing	7.81	Taiwan
Samsung Electronics	Manufacturing	4.64	South Korea
Alibaba Group Holding Ltd	Wholesale And Retail Trade	3.95	Cayman Islands
Mahindra & Mahindra	Manufacturing	2.74	India
Netease Inc	Information And Communication	2.64	Cayman Islands
E Ink Holdings	Manufacturing	1.87	Taiwan
Shinhan Financial Group	Financial And Insurance Activities	1.86	South Korea
Housing Development Finance	Financial And Insurance Activities	1.82	India
Yadea Group Holdings Ltd	Manufacturing	1.81	Cayman Islands
Sk Hynix	Manufacturing	1.72	South Korea
Petro Rio Sa	Mining And Quarrying	1.63	Brazil
Ptt Exploration Production Public	Mining And Quarrying	1.63	Thailand
Exide Industries Ltd	Manufacturing	1.50	India
Yangzijiang Shipbuilding	Manufacturing	1.48	Singapore
Anta Sports Products	Manufacturing	1.44	Hong Kong

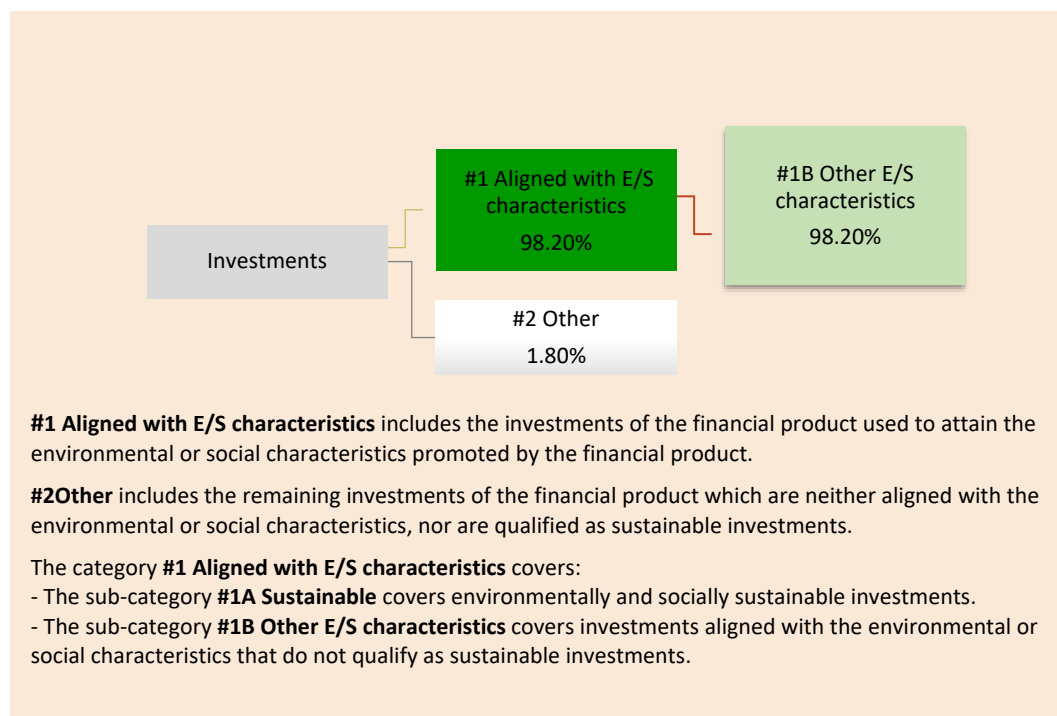
The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 30.09.2023



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

The percentage of sustainability-related investments represented 0% of the net assets of the Subfund.

### ● What was the asset allocation?



The proportion of investments used to meet the environmental or social characteristics promoted by the Subfund were, on average, 98.20% for the reporting period.

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

NACE Sector	% Assets
Manufacturing	47.16%
Financial And Insurance Activities	18.49%
Wholesale And Retail Trade	11.63%
Information And Communication	5.63%
Transporting And Storage	3.91%
Mining And Quarrying	3.83%
Administrative And Support Service Activities	3.30%
Real Estate Activities	1.32%
Accommodation And Food Service Activities	1.28%
Electricity, Gas, Steam And Air Conditioning Supply	1.06%
Agriculture, Forestry And Fishing	0.58%

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

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

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

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.

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

The percentage of investments of the Subfund aligned with the EU Taxonomy is 0%.

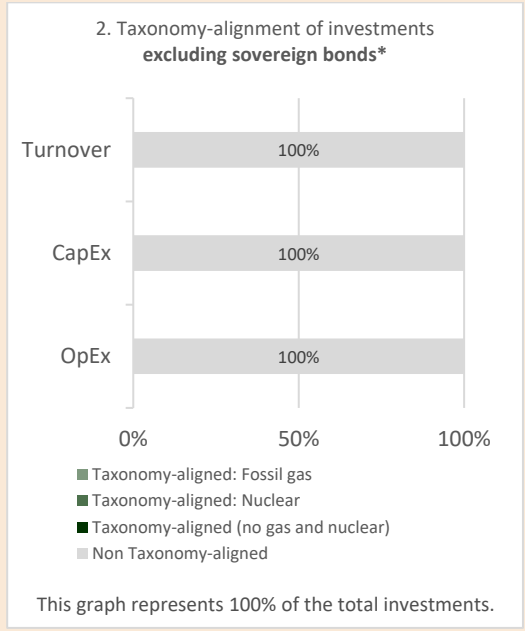
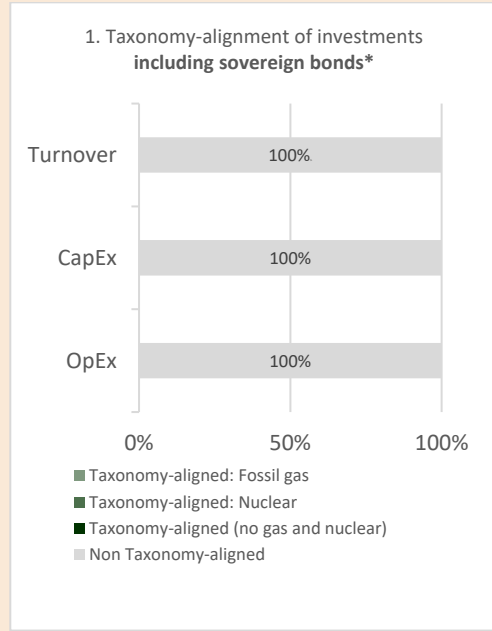
- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

Yes:

In fossil gas  In nuclear energy

No

*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?**

The Subfund did not make investments in transitional and enabling economic activities (0%).

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



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

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

N/A



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

The Subfund did not make sustainable investments with an environmental objective not aligned with the EU Taxonomy (0%).



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

The Sub-Fund did not make any socially sustainable investment (0%).



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

As of 30 September 2023, 1.80% of the Subfund’s investments were made into “other”. Cash, bank deposits and short-term are included in this category.



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

To attain environmental, social (and governance) characteristics, the Investment Manager applied ESG Exclusions, ESG Integration and exercises its voting rights accordingly. The Investment Manager applied a mix of the following binding elements:

1. **Best-in-Class:** To promote environmental, social and governance characteristics, and to reduce sustainability risks, the Investment Manager used minimum ESG rating thresholds. Companies with an ESG rating above or equal to B were deemed investable. Companies below this ESG rating threshold were deemed not sustainable. Such companies tend to exhibit large sustainability risks, and fail to show enough commitment towards improving their ESG characteristics. ESG characteristics were considered as part of portfolio construction.

The Investment Manager committed to keep at least 70% of NAV allocated to companies with an ESG Rating of BB or better. Adherence to this target contributed to the Subfund’s promotion of good governance and sustainable corporate practices.

2. **Negative Screening:** The Investment Manager applied certain exclusion criteria to ensure minimum environmental, social and governance characteristics were promoted at both the security and portfolio level. This helped to ensure that

no human rights, labour, social, or environmental minimum standards such as anti-corruption and anti-bribery matters were breached. The following exclusions with a zero tolerance were applied by the Investment Manager during the screening process:

- United Nations (UN) Global Compact Violations.
- Companies with “very severe” rated controversies as defined by third party providers.
- Norms-based including controversial weapons, chemical weapons, biological weapons, cluster munition, land mines, weapons utilizing non-detectable fragments, white phosphorus, blinding laser weapons, nuclear weapons, and depleted uranium.

The Investment Manager also explicitly excluded investments based on a materiality of revenue threshold of electric power producers and coal extraction miners with excessive climate impact, defined for this policy from the following:

- Conventional Weapons and Firearms maximum revenue (5%)
- Conventional Weapons and Firearms Support Systems and Services (20%)
- Mining companies that extract coal, including thermal (20%)
- Mining companies developing new coal mining and coal industry partners (e.g. equipment suppliers) (20%).
- Mining companies developing significant new coal assets (20%).
- Mining companies that extract other non-renewable energy sources with high GHG impacts: oil sands and shale energy (20%).
- Power generation companies with electricity generated by coal (20%).
- Power generation companies that plan to expand coal power generation capacity (20%).

Adherence to the norms-based exclusion list entailed pre-trade and post-trade compliance checks based on exclusionary screening information, as well as ongoing monitoring of the portfolios for any breaches. A data feed from a third party provider of specific company names / identifiers to be excluded was added to a central restriction list. This was updated frequently, coded into trading systems, and made available to the Investment Manager for monitoring, screening, and application. Sanctions and legal restrictions in applicable jurisdictions were also followed.

3. Proprietary Scoring and Carbon Emissions: The Subfund aimed to align with carbon reduction targets. The Subfund already considered Scope 1 and 2 emissions using data directly provided by companies or third-party providers (e.g. Bloomberg, MSCI and Sustainalytics), or estimated when actual emissions data were not available. Scope 3 are considered to be phased in over time



(when and if available with targets set and measured separately). Emissions were measured in both an absolute and intensity basis. The Investment Manager blended both measures of an issuer with its proprietary ILC Score to identify valuation premiums on a risk adjusted basis of both its material climate alignment and financial factors. The Team maintained a Scope 1 and 2 emission profile that is less than the relevant benchmark.

4. The team voted on 949 proxy items in the year. Our active approach to voting led us to vote against management on 21% of the resolutions. 73% of these votes against management related to board structure attributes such as independence and gender composition.
5. Engagement efforts were initiated with two Indian holdings in the year. One company's perceived risks related to board composition, while the other related to lack of reporting on carbon emissions. After several outreach attempts to both companies to no avail, we exited the positions.



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

The Subfund does not use a reference benchmark for the purpose of attaining the environmental and/or social characteristics.

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

- ***How does the reference benchmark differ from a broad market index?***  
N/A
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***  
N/A
- ***How did this financial product perform compared with the reference benchmark?***  
N/A
- ***How did this financial product perform compared with the broad market index?***  
N/A

