

VTB Capital IM RUSSIA EQUITY UCITS FUND (formerly VTB CAPITAL IM RUSSIAN MARKET FUND)

Société d'Investissement à Capital Variable
Luxembourg

R.C.S. Luxembourg B54765

**Annual report including audited financial statements
as at 31st December 2021**

No subscription can be received on the basis of this financial report. Subscriptions are only valid if made on the basis of the current prospectus accompanied by the last key investor information document ("KIID"), the most recent annual report and the most recent semi-annual report, if published thereafter.

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Organisation

Registered office 106, Route d'Arlon
L-8210 MAMER

Board of Directors

Chairman Patrick LEHNERT
Independent Director
Porzellangasse 8
AT-1090 VIENNA
(since 1st October 2021)

VTB Bank (Europe) SE
7-9, Rusterstrasse
60325 FRANKFURT
(until 30th September 2021)

Directors John David BREIT
Independent Director
400 West End Avenue, Apartment 14B
10024 NEW YORK

André SCHMIT
Independent Director
28, rue Lehberg
L-9124 SCHIEREN

Management Company LEMANIK ASSET MANAGEMENT S.A.
106, Route d'Arlon
L-8210 MAMER

Board of Directors of the Management Company

Chairman Gianluigi SAGRAMOSO
Lemanik Invest S.A.
5, Via Bagutti
CH-6900 LUGANO

Directors Philippe MELONI
LEMANIK ASSET MANAGEMENT S.A.
106, Route d'Arlon
L-8210 MAMER

Carlo SAGRAMOSO
Lemanik Invest S.A.
5, Via Bagutti
CH-6900 LUGANO

Organisation (continued)

| | |
|--|---|
| Conducting officers of the Management Company | Jean-Philippe CLAESSENS Alexandre DUMONT Philippe MELONI Gilles ROLAND Armelle Moulin (since 8th September 2021) |
| Depository and principal paying agent | QUINTET PRIVATE BANK (EUROPE) S.A. 43, boulevard Royal L-2449 LUXEMBOURG |
| Domiciliary Agent | LEMANIK ASSET MANAGEMENT S.A. 106, Route d'Arlon L-8210 MAMER |
| Delegated registrar & transfer and administrative agent | KREDIETRUST LUXEMBOURG S.A. 88, Grand-Rue L-1660 LUXEMBOURG |
| Sub-Delegated registrar & transfer and administrative agent | EUROPEAN FUND ADMINISTRATION S.A. 2, rue d'Alsace L-1122 LUXEMBOURG |
| Investment manager | VTBC ASSET MANAGEMENT INTERNATIONAL LIMITED Four Floor, West Wing Trafalgar Court Admiral Park St Peter Port GUERNSEY, GY13RL |
| Distributor agent | VTBC ASSET MANAGEMENT INTERNATIONAL LIMITED Four Floor, West Wing Trafalgar Court Admiral Park St Peter Port GUERNSEY, GY13RL |
| Auditor | ERNST & YOUNG S.A. 35E, avenue John F. Kennedy L-1855 LUXEMBOURG |
| Representative in Switzerland | CARNEGIE FUND SERVICES S.A. 11, rue du Général-Dufour CH-1204 GENEVA |
| Paying agent in Switzerland | BANQUE CANTONALE DE GENEVE 17, quai de l'Île CH-1204 GENEVA |

Additional information for the investors in Switzerland

The Fund's publications in Switzerland are made in the "Swiss Official Gazette of Commerce" ("SOGC") as well as on www.swissfunddata.ch.

The prospectus, the Key Information Document, the articles of association as well as the annual and semi-annual reports of the Fund are available free of charge at the office of the Swiss representative.

The issue price, the redemption price and the net asset value together with a footnote stating "excluding commissions" are published daily on www.swissfunddata.ch.

Swiss representative and paying agent

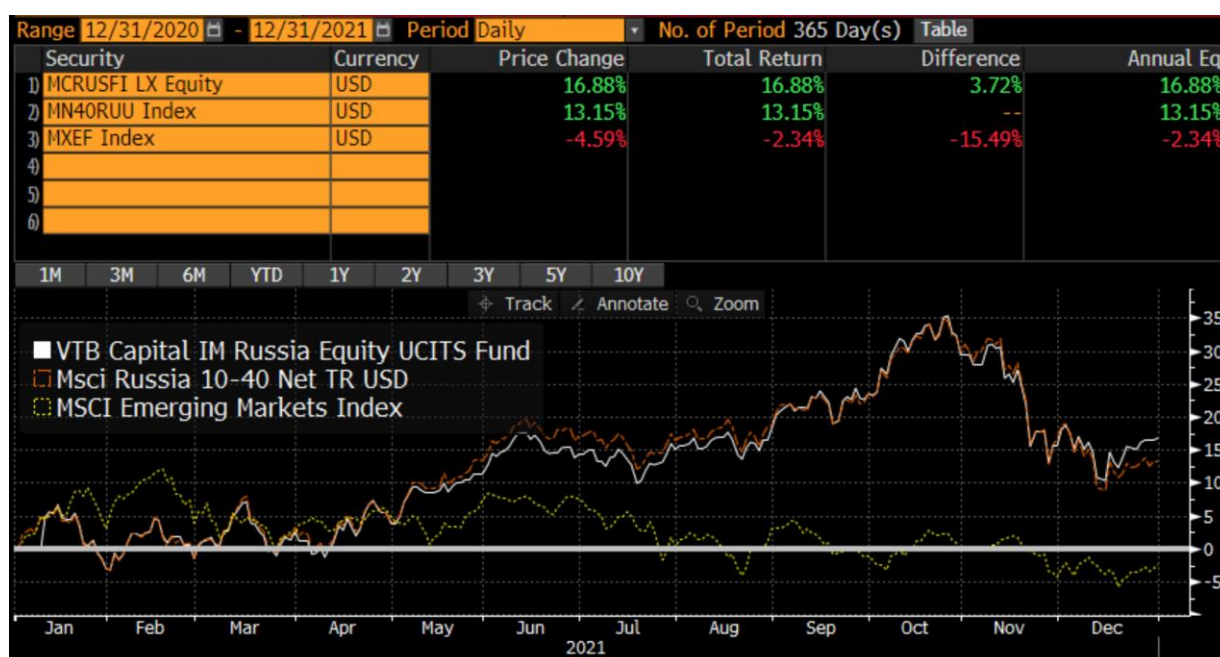
CARNEGIE FUND SERVICES S.A., 11, rue du Général-Dufour, CH-1204 GENEVA, is authorised by the Swiss Financial Market Supervisory Authority to act as the Fund's Swiss representative.

BANQUE CANTONALE DE GENEVE, 17, quai de l'Île, CH-1204 GENEVA assumes the functions of the Fund's paying agent in Switzerland.

Report on activities of the Board of Directors

The VTB Capital IM Russian Equity UCITS Fund (the “Fund”) had a great year as it outperformed its benchmark by 3.72% in 2021. The Fund was up 16.88%, while the benchmark MSCI Russia 10/40 Index was up 13.88% for the year. Over the last two years, the Fund has beaten the benchmark by 8.57%. Over the last 3 years, the Fund has beaten its benchmark by 12.93%, and over the last five years, the Fund has beaten the benchmark by 19.85%.

The Russian equity market also outperformed its emerging market peers in 2021, with the MSCI Emerging Market Equity Index down -2.34% for the year. The primary drivers of this outperformance of Russian equities vs. EM peers were rising commodity prices, and the significant under-performance of the Chinese equity market, due to problems in its property sector as well as radically new government regulations that negatively impacted China’s technology and education sectors.



Source: Bloomberg

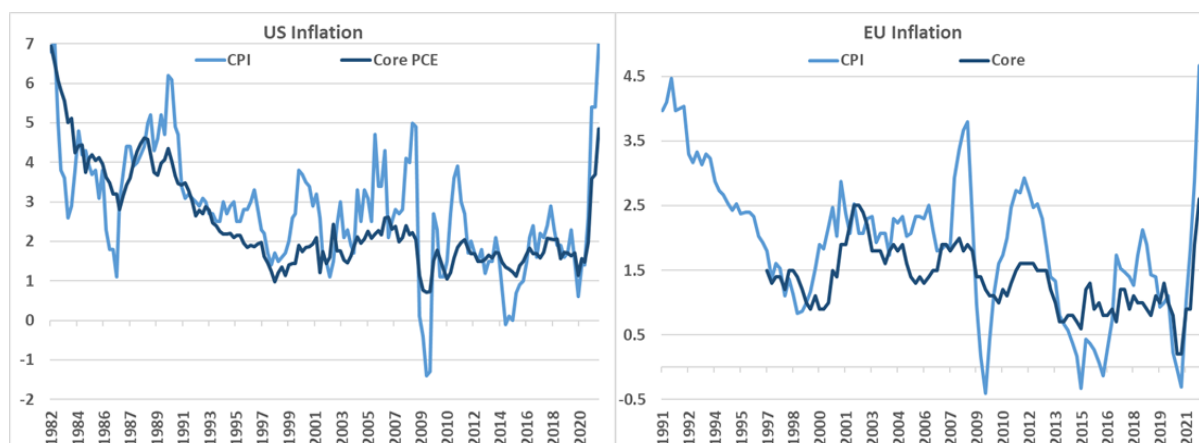
The Fund’s focus on value contributed greatly to its outperformance in 2021. This is illustrated by the Fund’s portfolio having a weighted average PE of 5.7x, vs. the benchmark’s 6.2x, and the Fund’s portfolio having a weighted average upside to consensus target prices of 34% vs. the benchmark’s 29%. While commodity prices were rising throughout 2021, it was not necessary to have direct exposure to commodity export sectors to benefit from rising commodity prices. A variety of other factors, including the recovery of the domestic economy after the re-opening from Covid related closures and constraints, led to better returns in the domestic sectors in 2021. The Fund’s portfolio positioning as of year-end was significantly over-weight domestic sectors and under-weight export sectors. The Fund’s energy sector weight was just 36%, compared to the benchmark’s 46%. The Fund’s exposure to the materials sector was just 16%, compared to the benchmark’s 23%. The Fund’s over-weights in consumer staples and utilities were 8% and 7%, respectively. The Fund was also over-weight in consumer discretionary and real estate sectors. Of course, these relative weights were actively managed throughout the year, depending on the current situation at the time, but this year-end positioning, being underweight-exporters and over-weight domestic sectors was part of the reason for the Fund’s out-performance of its benchmark in 2021. It is also important to note that sector allocations are the result of our bottom-up decision making process, in which each individual stock is evaluated independently, and the accumulated effect on sector weights is not an objective. In other words, our investment philosophy and process is bottom-up, rather than top-down.

The global economic environment of 2021 can be characterized by high, above potential and above trend, economic growth rates in most countries due to the lagged effects of ultra-accommodative

Report on activities of the Board of Directors (continued)

monetary stimulus, on top of the large amounts of fiscal stimulus, that was poured into the global economy by many central banks and governments in order to combat the negative impacts of the Covid pandemic. This above potential economic growth triggered the highest levels of inflation seen for 30 to 40 years, and is now causing central bank policies to become more hawkish. But, this is in a relative sense, because with inflation so high, it is unlikely that policy rates will be positive in real terms in the foreseeable future. High inflation is generally supportive for real asset prices, including commodities and real estate, which is quite abundant in emerging markets like Russia.

As of the date of writing this report, the Fed, BOE, and the ECB have all expressed more hawkish sentiment in the last few weeks than they have in the last few years, and the reasons are obvious. Inflation has rocketed upward to levels not seen for decades in most countries. While many of the inflationary factors are related to supply chain disruptions of the pandemic and previously deemed to be “transitory”, the duration of this transitory period has been longer than expected by most economists. The sustained high inflation in commodities prices, and particularly in food and energy prices, has had secondary impacts on core inflation, which is now becoming permanent.



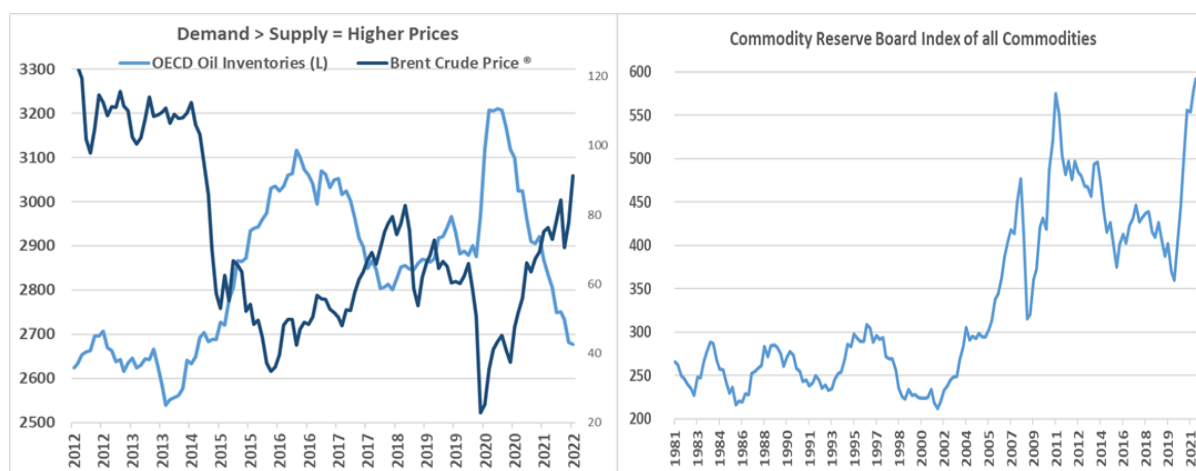
Source: Bloomberg

The US January jobs report was the largest ever surprise, adding +467k jobs vs. 125k expected. Some people doubt the reports accuracy and there may be revisions, but if it is correct, the US could be entering the dreaded “wage-price inflation spiral”. US wages were up 5.7% YoY and CPI was 7.5% YOY in January. US economic growth was strong in 4Q21 as Real GDP was 6.9%, beating the consensus estimate of 5.5%, but this growth was concentrated in inventory investment, as omicron hit consumer spending hard at year-end. In January, economic growth slowed as omicron spread, but then recovered due to the low lethality and lifting of restrictions. The Fed’s dual mandate of price stability and full employment should drive decisions to accelerate tapering, end QE bond buying, and hike rates by 50bps at its March 16th meeting. The idea of continuing to buy bonds while it is raising rates just doesn’t seem to make sense. To put things into perspective, and to show just how far “behind the curve” the Fed is, we should consider one of the tools economists use to gauge monetary policy. According to the Taylor Rule, with CPI at 7%, the Fed policy rate should now be 9.38%. This has provided support to those arguing that the Fed has been behind the curve by remaining with a Zero Interest Rate Policy (ZIRP).

In Europe, we also see above trend and above potential GDP growth rates, with consensus GDP growth at 4% for 2022. And inflation is also a problem in Europe with CPI at 5%, the highest level in decades. EU bonds have been selling-off after the inflation data and a hawkish pivot by the ECB last week. The ECB’s governor, Christine Lagarde’s words were not reassuring and were interpreted by markets as opening the door to rate hikes. As a result, 50bps of hikes are now priced-in by year-end, which would only take rates up to zero, so if the Fed is “behind the curve”, then the ECB isn’t even on the chart. But 5y / 5y breakeven swaps declined to 1.75%, implying that markets are not really alarmed about the longer-term, and they believe that much of the currently high level of inflation is somewhat transitory, and/or exogenous, due to global supply chain pandemic factors which will soon be resolved. Overall, the ECB still remains dovish compared to the BOE or Fed, and is expected to keep rates much lower and remain “behind the curve”.

Report on activities of the Board of Directors (continued)

Over time, supply will meet demand and prices will normalize, but the impacts of the pandemic may linger much longer than expected. Globalization was a long-term force for disinflation over the last five decades, but starting with Trump's trade wars and then compounded by the pandemic, off-shoring of labor to less expensive markets slowed and even reversed in some cases. Global supply chain disruption is now seen as a weakness of globalization, and while these problems are gradually being resolved, they will continue to contribute to inflation. Some of the supply chain disruption resolutions may involve on-shoring, reversing globalization, which will likely result in higher costs passed on to consumers through higher prices. Other long-term impacts of the pandemic, include under-investment in productive assets. This is obvious in the commodity sector, particularly in the oil and gas sector, where oil prices continue to rise and are now over \$92/bbl, even with OPEC+ decisions to continue its 400k bbl/month production quota increase to keep up with demand growth. Unfortunately, producers haven't invested as much as necessary over the last few years due to the pandemic, higher geopolitical risk, and the climate change agenda, which has increased the cost of capital for fossil fuel industry. OPEC+ producers are actually producing much less than their quotas and their supply is not meeting current demand, so inventories are falling and oil prices are rising. With a similar situation in other commodities, the Commodity Reserve Board Index of all commodities is at an all-time-high with supply constraints causing backwardation in almost all commodity futures.



Source: Bloomberg

Global economic forecasts and corporate guidance point to continued above trend growth and earnings for 2022, and a gradual decline in economic growth rates back down to potential GDP levels, of about 2% to 2.5% by the end of 2023 to 2024 for both EU and US. Given the unprecedented amounts of pandemic related monetary and fiscal stimulus to unwind, it is likely to be a bumpy ride with volatile markets as economies, consumers, and producers adjust. In the US, estimates of 2022 corporate share buy-backs and dividends exceeds 5% of GDP, which is consistent with an economy that is still in its expansion stage, and this is likely similar for other economies. EM bond and equities remain depressed by geopolitical and pandemic factors, and we can see this in the pricing of credit default swaps (CDS) and the relative EM /DM PE ratios. The pandemic will likely soon end, and geopolitical risks cannot stay elevated forever. Meanwhile, many EM central banks have raised rates over the last year due to global exogenous inflation factors. Mexico's policy rate is up from 4% last year to 5.5%, and likely to be hiked to 6% at its next meeting. Brazil is up to 10.75%, up from 2% last year. In Russia, the CBR is now at 8.50%, up from 4.25% last year, and may peak at 10%, before reversing course at year-end. In short, some major central banks in EM are ahead of the curve and likely to be in a rate cutting cycle by the end of the year. In China, 5% to 6% GDP growth is likely to be the new normal, after an average GDP growth of 8.7% over the previous 20 years. The government and the PBOC are carefully managing this gradual slow-down as the economy shifts from being driven by investment to consumption. But China's markets remain at low valuations after the planned de-leveraging of the property sector led to a few bankruptcies, and after heavy-handed regulatory actions in the technology sector sent stock prices plunging. The PBOC has cut the Reserve Requirement Ratio by 50bps in December and is injecting liquidity through other mechanisms, as well as taking administrative support measures to ensure the

Report on activities of the Board of Directors (continued)

property sector crisis doesn't spread throughout the economy. In short, as markets are forward looking and will see-through the current problems, we find current valuations and the likely outlook for various EM economies as a compelling environment to stay long EM equities and bonds.

Russian Equity Market Outlook - The outlook for the Russian equity market is negative since the Russian Invasion into the Ukraine took place. Given imposed sanctions as well as the forced conversion of depositary receipts (DR) listed on stock exchanges outside Russia the market is no longer investable for EU investors; as the local equity markets are fairly constrained for EU investors and local shares especially converted from DRs do not meet fair and transparent markets conditions. Therefore, we are unable to provide any market outlook on the local Russian equity markets

Luxembourg, 1st August 2023

The Board of Directors

Note: Past performance is no indication of current or future performance and the performance data do not take account of the commissions and costs incurred on the issue and redemption of shares.

Independent auditor's report

To the Shareholders of
VTB CAPITAL IM RUSSIA EQUITY UCITS FUND (formerly VTB CAPITAL IM RUSSIAN MARKET FUND)
Luxembourg

Opinion

We have audited the financial statements of **VTB CAPITAL IM RUSSIA EQUITY UCITS FUND (formerly VTB CAPITAL IM RUSSIAN MARKET FUND)** (the "Fund"), which comprise the statement of net assets and the statement of investments and other net assets as at 31 December 2021, and the statement of operations and other changes in net assets for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2021, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "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 are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to Going Concern of the Fund

We draw attention to Note 12 in the financial statements, which describes the reasons for the decision of the Board of Directors of the Fund to suspend the net asset value computation, as well as the issue, redemption and conversion of the shares of the Fund from 24 February 2022 until further notice. These conditions indicate that a material uncertainty exists that may cast significant doubt on the ability of the Fund to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

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

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

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

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

Responsibilities of the “réviseur d'entreprises agréé” for the audit of the financial statements

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

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

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

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

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

Ernst & Young
Société anonyme
Cabinet de révision agréé



Nicolas Banner

Luxembourg, 10 August 2023

Statement of net assets

as at 31st December 2021
(in USD)

Assets

| | |
|--------------------------------------|----------------------|
| Securities portfolio at market value | 27,226,356.41 |
| Cash at banks | 204,123.01 |
| Income receivable on portfolio | 305,907.64 |
| Other receivables | 48,072.58 |
| Total assets | <u>27,784,459.64</u> |

Liabilities

| | |
|-----------------------------------|-----------------------------|
| Bank overdrafts | 89.75 |
| Expenses payable | 144,777.75 |
| Total liabilities | <u>144,867.50</u> |
| Net assets at the end of the year | <u><u>27,639,592.14</u></u> |

Breakdown of net assets per share class

| Share class * | Number of shares | Currency of share class | NAV per share in currency of share class | Net assets per share class (in USD) |
|---------------|------------------|-------------------------|--|-------------------------------------|
| RUI | 101,858 | USD | 156.37 | 15,927,043.44 |
| RUA | 291,742 | USD | 27.05 | 7,892,436.52 |
| RUIDM | 1,817 | USD | 101.54 | 184,505.83 |
| RUADM | 100 | USD | 93.78 | 9,378.48 |
| REI | 24,529 | EUR | 116.58 | 3,250,858.05 |
| REIDY | 3,156 | EUR | 104.63 | 375,369.82 |
| | | | | <u><u>27,639,592.14</u></u> |

* see note 3 and note 11

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

Statement of operations and other changes in net assets

from 1st January 2021 to 31st December 2021

(in USD)

Income

| | |
|----------------|--------------|
| Dividends, net | 1,477,740.97 |
| Total income | 1,477,740.97 |

Expenses

| | |
|---|------------|
| Management fees | 266,215.48 |
| Depository fees | 14,527.91 |
| Banking charges and other fees | 46,540.61 |
| Transaction fees | 51,916.19 |
| Central administration costs | 65,233.87 |
| Professional fees | 50,391.55 |
| Other administration costs | 52,301.95 |
| Subscription duty ("taxe d'abonnement") | 9,730.11 |
| Bank interest paid | 5,347.83 |
| Other expenses | 77,014.38 |
| Total expenses | 639,219.88 |

| | |
|-----------------------|------------|
| Net investment income | 838,521.09 |
|-----------------------|------------|

Net realised gain/(loss)

| | |
|---------------------------|--------------|
| - on securities portfolio | 1,639,899.68 |
| - on foreign exchange | -22,163.75 |

| | |
|-----------------|--------------|
| Realised result | 2,456,257.02 |
|-----------------|--------------|

Net variation of the unrealised gain/(loss)

| | |
|---------------------------|------------|
| - on securities portfolio | 796,426.03 |
|---------------------------|------------|

| | |
|----------------------|--------------|
| Result of operations | 3,252,683.05 |
|----------------------|--------------|

| | |
|---------------|---------------|
| Subscriptions | 13,092,560.84 |
|---------------|---------------|

| | |
|-------------|---------------|
| Redemptions | -7,534,165.66 |
|-------------|---------------|

| | |
|-----------------------------|--------------|
| Total changes in net assets | 8,811,078.23 |
|-----------------------------|--------------|

| | |
|---|---------------|
| Total net assets at the beginning of the year | 18,828,513.91 |
|---|---------------|

| | |
|---|---------------|
| Total net assets at the end of the year | 27,639,592.14 |
|---|---------------|

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

Statistical information

as at 31st December 2021
(in USD)

| Total net assets | Currency | 31.12.2019 | 31.12.2020 | 31.12.2021 |
|------------------|----------|---------------|---------------|---------------|
| | USD | 12,250,504.14 | 18,828,513.91 | 27,639,592.14 |

| Net asset value per share class | Currency | 31.12.2019 | 31.12.2020 | 31.12.2021 |
|---------------------------------|----------|------------|------------|------------|
| RUI | USD | 128.32 | 133.79 | 156.37 |
| RUA | USD | 22.77 | 23.44 | 27.05 |
| RUIDM | USD | - | - | 101.54 |
| RUADM | USD | - | - | 93.78 |
| REI | EUR | - | 92.68 | 116.58 |
| REIDY | EUR | - | - | 104.63 |

| Annual performance per share class (in %) | Currency | 31.12.2019 | 31.12.2020 | 31.12.2021 |
|---|----------|------------|------------|------------|
| RUI | USD | 43.92 | 4.26 | 16.88 |
| RUA | USD | 42.13 | 2.94 | 15.40 |
| REI | EUR | - | - | 25.79 |

| Number of shares | outstanding at the beginning of the year | issued | redeemed | outstanding at the end of the year |
|------------------|--|---------|----------|------------------------------------|
| RUI | 87,187 | 41,203 | -26,532 | 101,858 |
| RUA | 118,508 | 212,886 | -39,652 | 291,742 |
| RUIDM | - | 1,817 | - | 1,817 |
| RUADM | - | 100 | - | 100 |
| REI | 38,672 | 5,446 | -19,589 | 24,529 |
| REIDY | - | 3,156 | - | 3,156 |

| TER per share class as at 31.12.2021 | (in %) |
|--------------------------------------|--------|
| RUI | 2.19 |
| RUA | 3.20 |
| RUIDM* | 1.83 |
| RUADM* | 3.05 |
| REI | 2.32 |
| REIDY* | 1.91 |

* annualized TER

Annual returns were calculated for the last 3 full consecutive financial years. For share classes launched or liquidated during the financial year, the corresponding annual return has not been calculated.

Past performance is no indication of current or future performance and the performance data do not take account of the commissions and costs incurred on the issue and redemption of shares of the SICAV.

VTB Capital IM RUSSIA EQUITY UCITS FUND (formerly VTB Capital IM Russian Market Fund) -
Annual report

Statement of investments and other net assets

as at 31st December 2021

(in USD)

| Currency | Number / nominal value | Description | Cost | Market value | % of total net assets * |
|---|------------------------|---|----------------------|----------------------|-------------------------|
| Investments in securities | | | | | |
| Transferable securities admitted to an official stock exchange listing | | | | | |
| Shares | | | | | |
| GBP | 19,200 | Evraz PLC | 160,193.03 | 156,402.52 | 0.56 |
| USD | 47,563 | Avangardco Inv Public Limited GDR repr 1/40th Shs Reg-S | 659,448.64 | 713.45 | 0.00 |
| USD | 21,139 | Cian Plc ADR repr | 353,019.65 | 260,643.87 | 0.94 |
| USD | 67,800 | Evraz PLC | 562,219.71 | 559,350.00 | 2.02 |
| USD | 286,100 | Gazprom PJSC spons ADR repr 2 Shares | 1,784,560.19 | 2,643,564.00 | 9.56 |
| USD | 40,000 | Globaltrans Investment Plc GDR repr 1 Sh Reg S | 301,579.61 | 340,800.00 | 1.23 |
| USD | 6,530 | HeadHunter Group PLC ADS repr spons ADR DR | 267,569.55 | 333,617.70 | 1.21 |
| USD | 23,980 | Novolipetsk Steel (NLMK) GDR repr 10 Shares | 482,626.94 | 707,889.60 | 2.56 |
| USD | 30,000 | Oil Co Lukoil PJSC spons ADR repr 1 Share | 2,230,089.24 | 2,685,000.00 | 9.71 |
| USD | 32,500 | Phosagro PJSC spons GDR repr 1/3 Reg Shares | 703,439.67 | 701,350.00 | 2.54 |
| USD | 36,200 | Polymetal International Plc Reg | 718,119.76 | 642,852.84 | 2.32 |
| USD | 31,500 | Ros Agro Plc DR GDR | 448,011.08 | 480,060.00 | 1.74 |
| USD | 27,800 | Severstal PAO spons GDR repr 1 Share Ser Oct 06 | 378,794.77 | 598,812.00 | 2.17 |
| USD | 47,900 | Softline Hg Plc DR | 359,250.00 | 330,031.00 | 1.19 |
| USD | 8,500 | TCS Group Holding Plc GDR repr 1 Share A Reg S | 705,767.71 | 716,720.00 | 2.59 |
| USD | 1,190,200 | United Co Rusal Intl Pjsc | 978,357.30 | 1,179,125.78 | 4.27 |
| USD | 20,230 | Yandex NV A Reg | 1,386,122.47 | 1,223,915.00 | 4.43 |
| | | | <u>12,318,976.29</u> | <u>13,404,445.24</u> | <u>48.48</u> |
| Total shares | | | 12,479,169.32 | 13,560,847.76 | 49.04 |
| Transferable securities dealt in on another regulated market | | | | | |
| Shares | | | | | |
| RUB | 1 | Interreg Dist Grid Co Cent PJSC | 0.05 | 0.01 | 0.00 |
| USD | 499,600 | Alrosa PJSC | 557,624.74 | 821,351.89 | 2.97 |
| USD | 185,200 | Gazprom Neft PJSC | 1,178,033.29 | 1,350,786.00 | 4.89 |
| USD | 1,000,000 | Inter Rao Ues PJSC Reg | 55,295.00 | 57,199.30 | 0.21 |
| USD | 6,700 | M Video PJSC Bearer | 63,072.78 | 39,260.86 | 0.14 |
| USD | 17,980 | Magnit PJSC | 1,227,243.18 | 1,309,835.60 | 4.74 |
| USD | 838,700 | Magnitogorsk Iron Stl Wks PJSC | 655,556.96 | 779,695.11 | 2.82 |
| USD | 2,530 | MMC Norilsk Nickel PJSC | 705,651.97 | 773,208.92 | 2.80 |
| USD | 49,900 | NovaTek Joint St Co | 1,013,484.39 | 1,149,046.12 | 4.16 |
| USD | 2,950 | Polyus PJSC | 495,457.27 | 516,383.29 | 1.87 |
| USD | 169,900 | Rosneft Oil Co | 1,090,649.86 | 1,364,522.53 | 4.94 |
| USD | 596,700 | Sberbank of Russia PJSC | 2,123,612.71 | 2,345,579.43 | 8.49 |
| USD | 4,600,000 | Segezha Group PJSC | 577,356.55 | 682,963.84 | 2.47 |
| USD | 299,700 | Seligdar PAO | 248,812.64 | 231,992.17 | 0.84 |
| USD | 12,700 | Severstal PAO Reg | 269,650.39 | 272,923.76 | 0.99 |
| USD | 6,700 | SPB Birzha PAO | 80,710.82 | 88,496.15 | 0.32 |
| USD | 124,800 | Tatneft PJSC Pref | 753,731.13 | 767,395.95 | 2.78 |
| USD | 0.8571 | Territorial Generat Co 1 PJSC | 0.00 | 0.00 | 0.00 |
| USD | 1,724,200,000 | VTB Bank PJSC | 1,045,072.03 | 1,114,867.72 | 4.03 |
| | | | <u>12,141,015.71</u> | <u>13,665,508.64</u> | <u>49.46</u> |
| Total shares | | | 12,141,015.76 | 13,665,508.65 | 49.46 |

* Minor differences may arise due to rounding in the calculation of percentages.

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

VTB Capital IM RUSSIA EQUITY UCITS FUND (formerly VTB Capital IM Russian Market Fund) -
Annual report

Statement of investments and other net assets (continued)
as at 31st December 2021
(in USD)

| Currency | Number / nominal value | Description | Cost | Market value | % of total net assets * |
|---|------------------------|------------------|---------------|---------------|-------------------------|
| <u>Other transferable securities</u> | | | | | |
| Shares | | | | | |
| GBP | 114,039 | Ruspetro Ltd Reg | 788,811.51 | 0.00 | 0.00 |
| Total shares | | | 788,811.51 | 0.00 | 0.00 |
| Total investments in securities | | | 25,408,996.59 | 27,226,356.41 | 98.50 |
| Cash at banks | | | | 204,123.01 | 0.74 |
| Bank overdrafts | | | | -89.75 | 0.00 |
| Other net assets/(liabilities) | | | | 209,202.47 | 0.76 |
| Total | | | | 27,639,592.14 | 100.00 |

* Minor differences may arise due to rounding in the calculation of percentages.

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

Industrial and geographical classification of investments

as at 31st December 2021

Industrial classification

(in percentage of net assets)

| | |
|-----------------------------|----------------|
| Energy | 36.04 % |
| Raw materials | 31.20 % |
| Financials | 15.43 % |
| Non-cyclical consumer goods | 6.48 % |
| Technologies | 5.37 % |
| Industrials | 3.63 % |
| Utilities | 0.21 % |
| Cyclical consumer goods | 0.14 % |
| Total | <u>98.50 %</u> |

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

| | |
|-----------------|----------------|
| Russia | 80.27 % |
| Cyprus | 8.90 % |
| The Netherlands | 4.43 % |
| United Kingdom | 2.58 % |
| Jersey | 2.32 % |
| Total | <u>98.50 %</u> |

Notes to the financial statements

as at 31st December 2021

Note 1 - General Information

VTB Capital IM RUSSIA EQUITY UCITS FUND (formerly VTB CAPITAL IM RUSSIAN MARKET FUND) (the "Fund") is a "*société anonyme*" which was incorporated in Luxembourg by notarial deed on 13th May 1996 for an indefinite duration, under the Luxembourg laws as a "*société d'investissement à capital variable*" and originally under the name THE MC RUSSIAN MARKET FUND.

The Fund qualifies as an undertaking for collective investment in transferable securities under Part I of the amended law of 17th December 2010 relating to Undertakings for Collective Investment (the "2010 Law").

The Fund is registered with the Luxembourg Register of Commerce and Companies under the number B 54765.

The Fund has designated LEMANIK ASSET MANAGEMENT S.A. as Management Company pursuant to the stipulations of Chapter 15 of the 2010 Law.

The reference currency of the Fund is USD.

Note 2 - Significant accounting policies

a) Presentation of the financial statements

The financial statements of the Fund are established in accordance with the Luxembourg legal and regulatory requirements concerning undertakings for collective investment and with generally accepted accounting principles in Luxembourg.

Going concern:

The financial statements of the SICAV have been prepared on a going concern basis. However, due to the current Russian – Ukrainian conflict, the Moscow Stock Exchange was suspended on 24th February 2022. As a result, the pricing of the shares listed on the Moscow Stock Exchange have been suspended at this date and as a consequence no available and reliable pricing source can be used to determine the value of the Russian shares of the Fund and the Board of Directors resolved to suspend the Fund's net asset value computation, issue, redemption, and conversion of shares from 24th February 2022 until further notice. This situation indicates the existence of a material uncertainty that may cast significant doubt on the ability of the Fund and to continue as a going concern. The Board of Directors continue to closely monitor the evolving situation and going concern status of the Fund.

b) Valuation of assets

The value of any cash in hand or on deposit, discount notes, bills, demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received, is equal to the entire amount thereof, unless the same amount is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof.

The value of all portfolio securities and money market instruments or derivatives that are listed on an official stock exchange or traded on any other regulated market is based on the last available price on the principal market on which such securities, money market instruments or derivatives are traded, as supplied by a recognized pricing service approved by the Board of Directors. If such prices are not representative of the fair value, such securities, money market instruments or derivatives as well as other permitted assets may be valued at the latest available bid price. If such price is not representative of the fair value, such securities, money market instruments or derivatives may be valued at a fair value

Notes to the financial statements (continued)

as at 31st December 2021

at which it is expected that they may be resold, as determined in good faith by and under the direction of the Board of Directors.

The securities and money market instruments which are not quoted or traded on a regulated market are valued at a fair value at which it is expected that they may be resold, as determined in good faith by and under the direction of the Board of Directors.

The value of the participations in investment funds is based on the last available valuation. Generally, participations in investment funds are valued in accordance with the methods provided by the instruments governing such investment funds. These valuations shall normally be provided by the fund administrator or valuation agent of an investment fund. To ensure consistency within the valuation of the Fund if the time at which the valuation of an investment fund was calculated does not coincide with the valuation time of the Fund, and such valuation is determined to have changed materially since it was calculated, then the net asset value may be adjusted to reflect the change as determined in good faith by and under the direction of the Board of Directors.

c) Acquisition cost of securities in the portfolio

The acquisition cost of the securities held by the Fund that are denominated in currencies other than the reference currency of the Fund is converted into this currency at the exchange rate prevailing on the date of purchase.

d) Net realised gain/(loss) on securities portfolio

The realised gains and losses on securities portfolio are calculated on the basis of the average acquisition cost and are disclosed net in the statement of operations and other changes in net assets.

e) Investment portfolio income

Dividend income is recorded at the ex-date, net of any withholding tax.

f) Conversion of foreign currencies

Cash at banks, other net assets, liabilities and the market value of the securities in portfolio expressed in currencies other than the reference currency of the Fund are converted into this currency at the exchange rate prevailing on the date of the financial statements. Income and expenses expressed in currencies other than the reference currency of the Fund are converted into this currency at the exchange rate prevailing on the date of the transaction. Net realised gains or losses on foreign exchange are disclosed in the statement of operations and other changes in net assets.

The Net Asset Value of the Fund is calculated in USD for Class RUI (formerly Class A), RUA (formerly Class B), RUADM and RUIDM shares and the financial statements are expressed in this currency. The Net Asset Value of the Fund is calculated in EUR for Class REI (formerly Class C) and REIDY shares.

g) Transaction fees

Transaction costs disclosed under the item "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the Fund and of fees relating to transactions paid to the depositary.

Notes to the financial statements (continued)

as at 31st December 2021

Note 3 - Management fee

LEMANIK ASSET MANAGEMENT S.A has been appointed as the new Management Company of the Fund. The Management Company is entitled to a fee amounting to a maximum of 0.30% of the Fund's Net Asset Value per annum payable on a monthly basis with a minimum of EUR 25,000 per annum.

The functions of portfolio management and distribution have been delegated to VTBC ASSET MANAGEMENT INTERNATIONAL LIMITED, which acts as Investment Manager.

The Fund pays an aggregate management fee as follows:

| Share Class | Management Fee (%) | TER Cap |
|------------------------------|--------------------|---------|
| RUI (formerly Class A share) | max 1.00% p.a. | 1.80% |
| RUA (formerly Class B share) | max 2.25% p.a. | 3.05% |
| REI (formerly Class C share) | max 1.00% p.a. | 1.80% |
| RUADM* | max 2.25% p.a. | 3.05% |
| RUIDM** | max 1.00% p.a. | 1.80% |
| REIDY*** | max 1.00% p.a. | 1.80% |

(*) launched on 18th November 2021

(**) launched on 6th December 2021

(***) launched on 13th December 2021

which is payable quarterly in arrears based and calculated on the average weekly Net Asset Value of each Class.

In the above table, the Classes of Shares naming has to be read as follows:

The first letter of any Class of Shares is a "R".

The second letter corresponds to the currency ("E" for Euro, "U" for USD and "D" for Dollar).

The third letter identifies the type of eligible investors ("I" for Institutional and "A" for Retail).

For distributing Classes of Shares, the fourth letter will be a "D", the fifth letter corresponding to the dividend frequency ("M" for monthly and "Y" for yearly).

Note 4 - Total Expenses Ratio Cap ("TER Cap")

The Total Expenses Ratio (the "TER") is the ratio of the gross amount of the expenses of the UCITS to its average net assets. Such TER is expressed as a percentage of the Net Asset Value. It is calculated at the level of each Class of Shares.

The TER will include all the charges paid by the Fund in accordance with the signed agreements, namely the audit fees, Management Company fees, the Administrative, Registrar and Transfer Agent fees, Depositary Bank fees, Domiciliary Agency fees, as well as all other fees, taxes and operating expenses attributable to that Share Class and to the Fund.

The TER will exclude the subscription or redemption fees paid directly by the investor, the Investment Management fee, the portfolio transaction costs which means the fees on the number of transactions charged by the Transfer Agent of the Fund and the charges on the trades and on investment returns.

However, by circular resolution dated 25th August 2021, the Board of Directors of the Fund has decided to set a limit to the TER (the "TER Cap") that will be charged to the Shareholders.

Such TER Cap is fixed for each Class of Shares. This means that:

- if the TER is lower than the TER Cap, the Shareholders pay the TER; and
- if the TER is higher than the TER Cap, the Shareholders pay the TER Cap.

Notes to the financial statements (continued)

as at 31st December 2021

If the TER is higher than the TER Cap, the Investment Manager, in order to favour the attractiveness of the Fund, is willing to bear the amounts in excess, netted with its own Investment management fee (the "TER Netting") and until the other service providers have been paid based on the aggregated detailed three months TER breakdown calculation per share class. In other words, the TER Cap is accrued daily and is booked as a receivable for a three month period maximum until the Investment Manager has paid the TER Netting.

In the case where the TER Netting amount is greater than the Investment Management Fees, the Investment Manager will compensate the Share Class with the incurred difference based on the attestation prepared on a quarterly basis and provided by the Fund.

As the Sub-Fund is composed of different classes of shares with different levels of Investment management fee, a different TER Cap will be calculated and disclosed for each share class as follows: For the classes of shares where the Investment Management Fees are up to 1.00%, the TER Cap will be 1.80%, whereas for the classes of shares where the Investment management fee is up to 2.25%, the TER Cap will be up to 3.05%.

Note 5 - Central administration costs

The item "Central administration costs" disclosed in the statement of operations and other changes in net assets is mainly composed of administrative agent, transfer agent, and domiciliation fees.

Note 6 - Subscription duty ("taxe d'abonnement")

The Fund is governed by Luxembourg law.

Pursuant to the legislation and regulations in force, the Fund is subject to an annual subscription duty "taxe d'abonnement" of 0.05% which is payable quarterly and calculated on the basis of the net assets on the last day of each quarter.

Pursuant to Article 175 (a) of the amended law of 17th December 2010, the net assets invested in undertakings for collective investment already subject to the "taxe d'abonnement" are exempt from this tax.

Note 7 - Total Expenses Ratio ("TER")

The TER disclosed under "Statistical information" of this Annual Report are calculated in accordance with the "Guidelines on the calculation and disclosure of the TER of collective investment schemes" issued on 16 May 2008 and as modified on 5 August 2021 by the Asset Management Association Switzerland.

The TER is calculated for the last 12 months preceding the date of the financial statements.

Transaction fees are not taken into account in the calculation of the TER.

Note 8 - Directors' fees

Some Directors are entitled to a fee for services at a rate determined by the Board of Directors or the Shareholders in general meeting.

Notes to the financial statements (continued)

as at 31st December 2021

Note 9 - Changes in investments

The statement of changes in investments for the reporting period is available free of charge at the registered office of the Fund and at the office of the representative in Switzerland.

Note 10 - Valuation

The Board of Directors of the Fund confirmed the presence of the security Ruspetro Ltd Reg (GB00BZ042F58) in the portfolio of the sub-fund VTB Capital IM RUSSIA EQUITY UCITS FUND.

On the basis of the recent events on the security, the Board of Directors of the Fund resolved to change its valuation price so as to protect the interest of investors.

The Board of Directors of the Fund resolved to price the security as 0 as from 2nd January 2021.

Note 11 - Events during the year

A new prospectus dated February 2021 which covers the new SFDR disclosures was issued and received the CSSF visa.

By circular resolution dated 25th August 2021, the Board of Directors of the Fund has decided to proceed with the following changes:

I. Amendment of the name of the Fund

For that purpose an extraordinary general meeting of shareholders of the Fund has been convened on 6th October 2021 with the following agenda:

1. Change of name of the Fund to VTB Capital IM RUSSIA EQUITY UCITS FUND;
2. Amendment of article 1 of the Articles of association in order to reflect the change of name.

II. Insertion of a cap TER

It has been decided, further to the agreement found with the Investment Manager, to amend the Prospectus so as to reflect that any Share Class would pay only a maximum TER (the "Cap TER"). Any amount due by a Share Class above the Cap TER would be supported by the Investment Manager to the Share Class;

III. Launch of new Share Classes

It has been decided, to launch new Share Classes with the features as disclosed in the Prospectus.

Notes to the financial statements (continued)

as at 31st December 2021

IV. Amendment of existing Share Classes

It has been decided to amend the name of the existing Share Classes as follows:

Share Class A renamed Share Class RUI
Share Class B renamed Share Class RUA
Share Class C renamed Share Class REI
Share Class D renamed Share Class RUIDY

In addition, the minimum initial subscription amount for share class RUA was reduced from USD 10,000 to USD 1, while such minimum was increased from USD 250,000 to USD 1,000,000 for share class RUI and from EUR 250,000 to EUR 1,000,000 for the share class REI.

V. Amendment of the definition given to Business Day

It has been resolved to change the definition of Business Day so as to read:

“A day other than Saturdays and Sunday on which banks are open for business in Luxembourg, and in either London or Moscow”.

VI. Clarification of the Investment Management Fee

It has been decided to clarify that the Investment Manager Fee is based on the average daily net asset value.

VII. Prospectus

It has been resolved to amend the prospectus to reflect the above-mentioned decisions, considering that all these changes will be effective as of the date of the CSSF visa on the Revised Prospectus, unless otherwise provided in the Prospectus.

An extraordinary general meeting of shareholders of the Fund has been convened on 6th October 2021 with the following agenda:

1. Change of name of the Fund to VTB Capital IM RUSSIA EQUITY UCITS FUND;
2. Amendment of article 1 of the Articles of association in order to reflect the change of name.

As the quorum was not reached at the first extraordinary general meeting held on 6th October 2021, a second extraordinary general meeting of shareholders of the Fund has been reconvened on 28th October 2021, with de the same agenda.

On 28th October 2021, the meeting passed unanimously both resolutions.

A new prospectus dated 28th October 2021 was issued and received the CSSF visa.

There are no COVID-19 events having an impact on the Fund's Portfolio to be reported.

The Board and the Manager continue to watch the efforts of governments to contain the spread of the virus and monitor the economic impact, if any, on the companies in the portfolio.

Notes to the financial statements (continued)

as at 31st December 2021

Note 12 - Subsequent events

Suspension of the Calculation Net Asset Value

Due to the political tensions between Ukraine and Russia, the Moscow Exchange suspended, on Thursday 24th February 2022, trading on all of its markets until further notice.

By circular resolution dated 24th February 2022, the Board of Directors of the Fund has resolved:

1. to suspend the calculation of the Net Asset Value of the Fund as from 24th February 2022 until the Moscow Exchange restart trading;
2. to suspend the issue, the redemption and the conversion of shares of all share classes of the Fund as from 24th February 2022 until the Moscow Exchange restart trading;
3. to inform European Fund Administration, acting as sub-delegated Administrative agent of the Fund, of these decisions;
4. to inform the shareholders of the Fund of the suspension of the Net Asset Value of the Fund and of the issue, redemption and conversion of shares of the Fund.

Due to the recent developments in Ukraine and the subsequent international sanctions imposed on Russia, trading with Russia related entities and on Russian securities has been suspended.

By circular resolution dated 3rd March 2022, the Board of Directors of the Fund has resolved:

1. to extend the suspension of the calculation of the Net Asset Value of the Fund until further notice;
2. to extend the suspension of the issue, the redemption and the conversion of shares of all share classes of the Fund until further notice;
3. to inform the shareholders of the Fund of these decisions;
4. to inform European Fund Administration, acting as sub-delegated Administrative agent of the Fund, of these decisions.

Suspension of the investment management contract

With the entry into force of the sanctions against the Russian Federation in connection with the conflict between Ukraine and the Russian Federation, VTB Capital Investment Management could no longer continue the management of the VTB Capital IM RUSSIA EQUITY UCITS FUND (formerly VTB Capital IM Russian Market Fund); therefore, Lemanik Asset Management S.A., the Fund Management Company, has suspended the investment management contract on 24th February 2022.

Currently, Lemanik Asset Management has taken over the investment management to the Fund on an interim basis and in coordination with the Board of Directors of the Fund.

Additional information (unaudited)

as at 31st December 2021

1 - Risk management

As required by Circular CSSF 11/512 as amended, the Board of Directors needs to determine the global risk exposure of the Fund either by applying the commitment approach or the Value at Risk approach. In terms of risk management, the Board of Directors of the Fund decided to adopt the commitment approach as a method of determining the global risk exposure.

2 - Remuneration

Remuneration policies and practices

The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that neither encourage risk taking which is inconsistent with the risk profiles, rules, the Prospectus or the Articles of Incorporation, nor impair compliance with the Management Company's obligation to act in the best interest of the Fund (the Remuneration Policy).

The Remuneration Policy includes fixed and variable components of salaries and applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company, the Fund or the Sub-Funds. Within the Management Company, these categories of staff represent 21 persons.

The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Management Company, the Fund and the Shareholders and includes measures to avoid conflicts of interest.

In particular, the Remuneration Policy will ensure that:

- a) the staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control;
- b) the fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
- c) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks.

The following table shows the fixed and variable remuneration in 2021 for the identified staff (21 persons), who is fully or partly involved in the activities of all the funds managed by the Management Company. For the purposes of the below disclosures, where portfolio management activities have not been delegated and are performed internally, the remuneration of the relevant identified staff has been included.

Additional information (unaudited) (continued)

as at 31st December 2021

Staff expenses split into fixed and variable remuneration

Wages and salaries

- a. Fixed
- b. Variable

Staff expenses broken down by categories of staff subject to UCITS V pay rules (in EUR)

| Staff code | Fixed remuneration | Variable Remuneration | Total |
|------------|--------------------|-----------------------|--------------|
| S | 1,632,216.32 | 264,232.68 | 1,896,449.00 |
| R | 1,017,403.39 | 78,500.00 | 1,095,903.39 |
| C | 379,106.58 | 30,000.00 | 409,106.58 |
| O | 0 | 0 | 0 |

S = Senior Management

R = Risk takers, which includes staff members whose professional activities can exert material influence on UCITS or AIFs managed by Lemanik Asset Management S.A. ("LAM").

C = Staff engaged in control functions (other than senior management) responsible for risk management, compliance, internal audit and similar functions

O = Any other staff member receiving total remuneration that takes them into the same remuneration bracket as senior management and risk-takers, whose professional activities have a material impact on LAM's risk profile.

A paper copy of the summarised Remuneration Policy is available free of charge to the Shareholders upon request.

No material changes have been made to the remuneration policy.

3 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR")

During the reporting period, the Fund did not engage in transactions which are subject to the publication requirements of SFTR. Accordingly, no information concerning the transparency of securities financing transactions and of reuse of cash collateral should be reported.

4 - SUSTAINABLE FINANCE DISCLOSURE REGULATION (SFDR)

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities. The Fund is subject to article 6 of SFDR.