

SWISS CAPITAL NON-TRADITIONAL FUNDS
INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023

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ADDRESS	Swiss Capital Non-Traditional Funds Georges Court 54-62 Townsend Street Dublin 2, D02 R156 Ireland
MANAGER	StepStone Group Europe Alternative Investments Limited Newmount House 22-24 Lower Mount Street Dublin 2, D02 DX26 Ireland
DIRECTORS OF THE MANAGER*	Hans-Jörg Baumann David Shubotham Mark Thorne Stephen Penney Jim Firm Christian Hinze
INVESTMENT ADVISER	Swiss Capital Alternative Investments AG Klausstrasse 4 8008 Zurich Switzerland
TRUSTEE**	Northern Trust Fiduciary Services (Ireland) Limited Georges Court 54-62 Townsend Street Dublin 2, D02 R156 Ireland
ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT	Northern Trust International Fund Administration Services (Ireland) Limited Georges Court 54-62 Townsend Street Dublin 2, D02 R156 Ireland
INDEPENDENT AUDITORS	PricewaterhouseCoopers Chartered Accountants and Registered Auditors One Spencer Dock North Wall Quay Dublin 1, D01 X9R7 Ireland
LEGAL ADVISERS	Dillon Eustace LLP 33 Sir John Rogerson's Quay Dublin 2, D02 XK09 Ireland
GLOBAL SUB-CUSTODIAN	The Northern Trust Company 50 Bank Street Canary Wharf London, United Kingdom E14 5NT

*All Directors of the Manager are non-executive directors with the exception of Stephen Penney who is an executive director.

**The Trustee has assumed the responsibilities of a depositary in accordance with the European Union (Alternative Investment Fund Managers) Regulations 2013.

SC Modus Classic Defender Fund (USD) (EUR) (CHF)Investment Objective

The objective of the sub fund is to achieve attractive risk adjusted returns over the medium-term with a low volatility in monthly returns by investing in a diversified portfolio of hedge funds. The aim of the sub funds is to generate consistent net returns that are moderately correlated to the traditional equity and fixed income markets.

Performance Review

Currently three classes have been launched. Their performances as well as the performance of certain indices are tabulated below.

Class	Currency	Launch Date	Six months ending 31 December 2023	Year ending 31 December 2023	Volatility Since Inception
SC Modus Classic Defender Fund Class A (USD)	USD	Dec-01	2.30%	4.32%	3.09%
MSCI World Equity Index	Index	n/a	6.82%	21.77%	15.79%
Barclays Capital Global Aggregate Bond Index	Index	n/a	4.06%	7.15%	3.33%
SC Modus Classic Defender Fund Class B (EUR)	EUR	Jul-02	1.45%	2.30%	3.21%
MSCI World Equity Index	Index (Hedged)	n/a	5.39%	18.30%	15.86%
Barclays Capital Global Aggregate Bond Index	Index (Hedged)	n/a	2.98%	4.69%	3.35%
SC Modus Classic Defender Fund Class C (CHF)	CHF	Aug-02	0.27%	0.19%	3.07%
MSCI World Equity Index	Index (Hedged)	n/a	3.88%	15.63%	15.76%
Barclays Capital Global Aggregate Bond Index	Index (Hedged)	n/a	1.67%	2.43%	3.35%
SC Modus Classic Defender Sidepocket (USD)	USD	Jan-10	2.59%	4.95%	16.71%

Net assets attributable to the unit classes as at 31 December 2023 were: Class A USD 1.12 million, Class B EUR 4.60 million, Class C CHF 9.25 million and Class S USD 9.61 million, respectively.

Investment movements

In the reporting period, no funds were added to the Sub-Fund.

In the reporting period, no funds were redeemed in full.

Swiss Capital Alternative Investments AG
February 2024

PORTFOLIO STATEMENT AS AT 31 DECEMBER 2023

Financial assets at fair value through profit or loss			Nominal	Fair Value	% of	
Collective Investment Schemes		Currency	Holdings	US\$	NAV	
Morgan Stanley Liquidity Funds - US Dollar Treasury*		USD	24,246,000	24,246,000	97.37	
Bear Stearns High Grade Structured Credit Strategies**		USD	12,034	-	-	
Total Collective Investment Schemes				24,246,000	97.37	
Open Forward Currency Contracts						
Maturity	Currency	Buy	Currency	Sell	Unrealised	% of
Date	Bought	Amount	Sell	Amount	Gain	NAV
03/01/2024	CHF	9,149,168	USD	10,490,000	381,636	1.53
02/01/2024	EUR	4,546,618	USD	4,972,000	50,422	0.20
Unrealised gain on open forward foreign currency contracts					432,058	1.73
Total financial assets at fair value through profit or loss				24,678,058	99.10	
Financial liabilities at fair value through profit or loss						
Open Forward Currency Contracts						
Maturity	Currency	Buy	Currency	Sell	Unrealised	% of
Date	Bought	Amount	Sell	Amount	Loss	NAV
01/02/2024	CHF	9,099,593	USD	10,900,000	(53,409)	(0.21)
01/02/2024	EUR	4,552,438	USD	5,037,000	(1,873)	(0.01)
Unrealised loss on open forward foreign currency contracts					(55,282)	(0.22)
Total financial liabilities at fair value through profit or loss				(55,282)	(0.01)	
Total financial assets and liabilities at fair value through profit or loss				24,622,776	98.88	
Cash				707,569	2.84	
Other Net Liabilities				(428,011)	(1.72)	
Net Assets Attributable to Holders of Participating Units				24,902,334	100.00	

*9,612,000 shares in Morgan Stanley Liquidity Funds - US Dollar Treasury valued at US\$9,612,000 are held in a side pocket and the returns of which will be solely allocated to the holders of S class units.

**The Investment in Bear Stearns High-Grade Structured Credit Strategies is held in a side pocket and the returns of which will be solely allocated to the holders of S class units.

The Northern Trust Company acts as counterparty for all Open Forward Foreign Currency Contracts.

PORTFOLIO STATEMENT AS AT 30 JUNE 2023

Financial assets at fair value through profit or loss			Nominal	Fair Value	% of	
Collective Investment Schemes			Holdings	US\$	NAV	
	Currency					
Morgan Stanley Liquidity Funds - US Dollar Treasury*	USD		23,738,000	23,738,000	99.45	
Bear Stearns High Grade Structured Credit Strategies**	USD		12,034	-	-	
Total Collective Investment Schemes				23,738,000	99.45	
Open Forward Currency Contracts						
Maturity Date	Currency Bought	Buy Amount	Currency Sell	Sell Amount	Unrealised Gain	% of NAV
03/07/2023	EUR	4,480,328	USD	4,814,000	74,038	0.31
03/07/2023	CHF	9,132,084	USD	10,140,000	67,437	0.28
01/08/2023	CHF	9,122,587	USD	10,190,000	37,686	0.16
01/08/2023	EUR	4,495,562	USD	4,905,000	6,810	0.03
Unrealised gain on open forward foreign currency contracts					185,971	0.78
03/07/2023	USD	10,154,000	CHF	9,118,292	(38,021)	(0.16)
03/07/2023	USD	4,887,000	EUR	4,485,544	(6,729)	(0.03)
Unrealised loss on open forward foreign currency contracts					(44,750)	(0.19)
Total financial assets at fair value through profit or loss					23,879,221	100.04
Total financial assets and liabilities at fair value through profit or loss					23,879,221	100.04
Cash					500,147	2.10
Other Net Liabilities					(510,488)	(2.14)
Net Assets Attributable to Holders of Participating Units					23,868,880	100.00

*9,612,000 shares in Morgan Stanley Liquidity Funds - US Dollar Treasury valued at US\$9,612,000 are held in a side pocket and the returns of which will be solely allocated to the holders of S class units.

**The Investment in Bear Stearns High-Grade Structured Credit Strategies is held in a side pocket and the returns of which will be solely allocated to the holders of S class units.

The Northern Trust Company acts as counterparty for all Open Forward Foreign Currency Contracts.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Notes	SC Modus Classic Defender Fund US\$
ASSETS		
Cash	3	707,569
Financial assets at fair value through profit or loss	4	24,246,000
Unrealised gain on forward foreign currency contracts at fair value through profit or loss	4	432,058
Unrealised gain on spot contracts		55,747
Other assets		108,241
TOTAL ASSETS		25,549,615
LIABILITIES		
Unrealised loss on forward foreign currency contracts at fair value	4	(55,282)
Provisions for other liabilities and charges	11	(542,037)
Transaction fee		(100)
Other liabilities		(49,862)
TOTAL LIABILITIES		(647,281)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING UNITS		24,902,334
UNITS IN ISSUE (NOTE 7)		
	US\$ A	8,975
	EUR B	45,016
	CHF C	109,652
	US\$ S	25,454
NAV PER UNIT (NOTE 10)		
	US\$ A	124.98
	EUR B	102.16
	CHF C	84.39
	US\$ S	377.71

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	SC Modus Classic Defender Fund US\$
ASSETS		
Cash	3	500,147
Financial assets at fair value through profit or loss	4	23,738,000
Unrealised gain on forward foreign currency contracts at fair value through profit or loss	4	185,971
Other assets		97,480
TOTAL ASSETS		<u>24,521,598</u>
LIABILITIES		
Unrealised loss on spot contracts		(44,750)
Provisions for other liabilities and charges	11	(550,575)
Transaction fee		(500)
Other liabilities		(56,893)
TOTAL LIABILITIES		<u>(652,718)</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF PARTICIPATING UNITS		<u>23,868,880</u>
UNITS IN ISSUE (NOTE 7)		
	US\$ A	8,975
	EUR B	45,016
	CHF C	109,652
	US\$ S	25,454
NAV PER UNIT (NOTE 10)		
	US\$ A	122.17
	EUR B	100.70
	CHF C	84.16
	US\$ S	368.19

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2023

	SC Modus Classic Defender Fund US\$
INCOME	
Deposit interest	12,808
Dividend income	616,493
Net realised and unrealised gain on investments and currencies	465,648
Total income	<u>1,094,949</u>
EXPENSES	
Administration fee	(19,175)
Trustee's fee	(8,087)
Audit fee	(6,720)
Transaction fee	(221)
Other expenses	(27,242)
Total expenses	<u>(61,445)</u>
Net operating income before finance costs	1,033,504
FINANCE COSTS	
Interest expense	(50)
Total finance costs	<u>(50)</u>
Increase in net assets attributable to holders of redeemable participating units from operations	<u><u>1,033,454</u></u>

Gains and losses arise solely from discontinuing operations. There were no gains and losses other than those dealt with in the Statement of Comprehensive Income.

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2022

	SC Modus Classic Defender Fund US\$
INCOME	
Deposit interest	3,024
Dividend income	289,360
Net realised and unrealised gain on investments and currencies	208,914
Total income	<u>501,298</u>
EXPENSES	
Administration fee	(17,895)
Trustee's fee	(7,534)
Audit fee	(6,173)
Transaction fee	(164)
Other expenses	(21,967)
Total expenses	<u>(53,733)</u>
Net operating income before finance costs	447,565
FINANCE COSTS	
Interest expense	(317)
Total finance costs	<u>(317)</u>
Increase in net assets attributable to holders of redeemable participating units from operations	<u><u>447,248</u></u>

Gains and losses arise solely from discontinuing operations. There were no gains and losses other than those dealt with in the Statement of Comprehensive Income.

STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 31 DECEMBER 2023

	SC Modus Classic Defender Fund US\$
OPENING NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING UNITHOLDERS*	23,868,880
Increase in net assets attributable to holders of redeemable participating units from operations	1,033,454
CLOSING NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING UNITHOLDERS	<u>24,902,334</u>

*The opening net assets attributable to equity holders for 2023 differs to the closing position in 2022 due to change in net assets attributable to equity holders for the second half of the comparative financial year.

STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 31 DECEMBER 2022

	Swiss Capital Long/Short Equity Fund US\$	SC Modus Classic Defender Fund US\$
OPENING NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING UNITHOLDERS	-	22,751,067
Increase in net assets attributable to holders of redeemable participating units from operations	-	447,248
CLOSING NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING UNITHOLDERS	-	23,198,315

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

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2023

	SC Modus Classic Defender Fund US\$
Cash flows from operating activities	
Proceeds from sale of financial assets	681,000
Purchase of financial assets	(1,189,000)
Gain from forward foreign currency contracts	174,346
Dividend received	609,105
Interest received	10,284
Interest paid	(50)
Operating expenses paid	(78,263)
Net cash (outflow)/inflow from operating activities	<u>207,422</u>
Net (decrease)/increase in cash	207,422
Net cash at the beginning of the period	<u>500,147</u>
Net cash at the end of the period	<u><u>707,569</u></u>
Supplementary cash flow information	
Cash flows from operating activities include:	
Cash received during the period for dividend income	609,105
Cash received during the period for interest income	10,284
Cash paid during the period for interest expense	(50)
	<u><u>619,339</u></u>

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

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2022

	SC Modus Classic Defender Fund US\$
Cash flows from operating activities	
Proceeds from sale of financial assets	1,500,000
Purchase of financial assets	(1,180,000)
Loss from forward foreign currency contracts	(228,151)
Interest received	234,904
Operating expenses paid	(57,394)
Net cash (outflow)/inflow from operating activities	<u>269,359</u>
Net (decrease)/increase in cash	269,359
Net cash at the beginning of the period	<u>811,820</u>
Net cash at the end of the period	<u><u>1,081,179</u></u>
Supplementary cash flow information	
Cash flows from operating activities include:	
Cash received during the period for dividend income	233,988
Cash received during the period for interest income	1,293
Cash paid during the period for interest expense	(377)
	<u>234,904</u>

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

1. GENERAL INFORMATION

Swiss Capital Non-Traditional Funds (the “Trust”) is an umbrella unit trust which consists of a number of open-ended, limited liquidity and closed-ended sub-trusts (each a “Sub-Fund”). The Trust was established by way of Trust Deed on 26 July, 2005 and authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the provisions of the Unit Trusts Act, 1990 and any regulations made there under. Each Sub-Fund constitutes a separate pool of assets and liabilities. Each of the Sub-Funds is authorised pursuant to the Central Bank’s Notice 25 on collective investment schemes other than UCITS (“NU25”).

Subscribers were able to gain access to the Sub-Funds through a range of Classes of Units offered in various currencies.

The investment philosophy of the Trust was to achieve capital growth over the medium to long term through a multi-manager or fund of hedge fund approach, and providing investment opportunities through a range of funds with different investment objectives.

The Trust currently has no active Sub-Funds. The inactive Sub-Fund is SC Modus Classic Defender Fund (the “Sub-Fund”).

Effective 2 July 2012 and for reasons further outlined in note 11 and 12, the Manager, with the consent of Northern Trust Fiduciary Services (Ireland) Limited (the “Trustee”), has declared a suspension of the calculation of the Net Asset Value of SC Modus Classic Defender Fund and, consequently, the issue and redemption of units of SC Modus Classic Defender Fund.

Further to a notice to Unitholders dated 31 July 2012, the Manager commenced a managed wind down of the portfolio of SC Modus Classic Defender Fund with a view to realising its investments in an orderly fashion. However, as further discussed in note 12 to these financial statements, there is uncertainty regarding the time period for the resolution of a legal claim against the Trustee of the SC Modus Classic Defender Fund and which may take longer than 12 months from the date of this report to resolve. On this basis the Manager has concluded that SC Modus Classic Defender Fund is no longer a going concern and its financial statements are prepared on a non-going concern basis.

Assets are stated in the accounts at their expected net realisable values and liabilities that will arise as a result of the decision to terminate and wind down the Sub-Funds have been provided for.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Sub-Funds are as follows:

Basis of preparation

The financial statements for the period ended 31 December 2023 have been prepared in accordance with IAS 34, ‘Interim Financial Reporting’. The principal accounting policies applied in the preparation of these financial statements are consistent with the accounting policies applied in the preparation of the Audited Financial Statements for the year ended 30 June 2023. The financial statements of the Trust for the year ended 30 June 2023 were prepared in accordance with International Financial Reporting Standards (“IFRS”) and in accordance with the Unit Trusts Act, 1990. The interim financial statements should be read in conjunction with the annual financial statements.

The condensed interim financial statements of the Sub-Funds are prepared on a non-going concern basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Critical accounting estimates and assumptions

The Manager makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

There was no liquidity discount applied to the Sub-Fund's investment in the current period or in the prior year.

The Sub-Funds have classified their investment securities at fair value through profit or loss. All investments are initially recognised at fair value. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Funds have transferred substantially all risks and rewards of ownership. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Regular-way purchases and sales of investments are recognised on the trade date, which is the date on which the Sub-Fund commits to purchase or sell the asset. Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are included in the Statement of Comprehensive Income. Derivatives are classified as financial assets at fair value through profit or loss when fair value is positive and as financial liabilities at fair value through profit or loss when fair value is negative.

Accounting standards

The Sub-Fund has adopted all applicable IFRS as endorsed by the European Union.

Standards and amendments to existing standards effective 1 July 2023:

There are no standards, amendments to standards or interpretations that are effective for periods beginning on 1 July 2023 that have a material effect on the financial statements of the Fund.

3. CASH

As at 31 December 2023, all cash balances were held with The Northern Trust Company ("TNTC"). The Sub-Funds have an overdraft facility with TNTC and any outstanding overdraft is secured over the portfolio of the relevant Sub-Fund.

4. FAIR VALUE MEASUREMENT

Investments in other investment companies (fund investments) which are not publicly traded are normally valued at the underlying unaudited Net Asset Value as advised by the managers or administrators of these investment companies, unless the Manager is aware of good reasons why such a valuation would not be the most appropriate indicator of fair value.

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the period-end date.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Sub-Fund for similar financial instruments.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Trust does not adjust the quoted price for these instruments. The main input into the Sub-Fund's valuation model for Level 3 amounts is the underlying fair value reported by the administrator and a provision as determined by the Investment Adviser. The Sub-Fund considers liquidity, credit and market risk factors and estimated future cash flows in deciding if a provision is required. It adjusts the model as necessary.

4. FAIR VALUE MEASUREMENT (CONTINUED)

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

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

The following tables analyse within the fair value hierarchy the Sub-Fund’s financial assets and liabilities (by level) measured at fair value at 31 December 2023.

SC Modus Classic Defender Fund	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Financial assets at fair value through profit or loss				
- Collective Investment Schemes	-	24,246,000	-	24,246,000
Financial derivative assets				
- Open forward foreign currency contracts	-	432,058	-	432,058
Total assets	-	24,678,058	-	24,678,058
Financial liabilities at fair value through profit or loss				
Financial derivative liabilities				
- Open forward foreign currency contracts	-	(55,282)	-	(55,282)
Total liabilities	-	(55,282)	-	(55,282)

The following tables analyse within the fair value hierarchy the Sub-Fund’s financial assets and liabilities (by level) measured at fair value at 30 June 2023.

SC Modus Classic Defender Fund	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Financial assets at fair value through profit or loss				
- Collective Investment Schemes	-	23,738,000	-	23,738,000
Financial derivative assets				
- Open forward foreign currency contracts	-	185,971	-	185,971
Total assets	-	23,923,971	-	23,923,971

Assets and liabilities not carried at fair value but for which fair value is disclosed

Cash and bank overdraft are classified as Level 1. All other assets and liabilities not measured at fair value but for which fair value is disclosed are classified as Level 2. Refer to the Statement of Financial Position for a breakdown of assets and liabilities.

There were no transfers between levels during the period or in the prior year.

Not included above are spot contracts, disclosed as an unrealised gain/(loss) on spot foreign currency contracts in the Statement of Financial Position of SC Modus Classic Defender Fund. The spot contracts are considered equivalent to Level 2 investments.

5. RELATED PARTY DISCLOSURES

Hans-Jörg Baumann and Christian Hinze are Directors of the Manager and are also partners and principals of the Investment Adviser. The Manager and the Investment Adviser are affiliated entities. Stephen Penney is a Director and an employee of the Manager. Mark Thorne is a Director of the Manager and a partner of Dillon Eustace LLP who are the legal advisers to the Trust.

5. RELATED PARTY DISCLOSURES (CONTINUED)

The following table discloses the legal fees paid to Dillon Eustace LLP as at the Statement of Financial Position date.

Sub-Fund	Legal Fees Paid	
	31-Dec-23	31-Dec-22
SC Modus Classic Defender Fund	2,205	1,210

The Trust is constituted under a Trust Deed which is entered into by the Manager and Trustee. The Trust also operates under an administration agreement with the Administrator. All fees in relation to the Manager, Administrator and Trustee are disclosed separately in the Statement of Comprehensive Income.

There were no significant Unitholders for period-end 31 December 2023 who held 20% or more of the Net Asset Value of each Sub-Fund.

There were no switches into/(out of) the Sub-Fund from/to other Swiss Capital Funds during the period ended 31 December 2023 or in the prior year.

There were no in specie transfers into/(out of) the Sub-Fund from/to other Swiss Capital Funds during the period or in the prior year.

6. TRANSACTIONS WITH CONNECTED PARTIES

In accordance with the Central Bank's AIF Rulebook any transaction carried out with the Trust by its management company, general partner, trustee, investment adviser or by delegates or group companies of these entities ("connected parties") must be carried out as if negotiated at arm's length. Such transactions must be in the best interests of the Unitholders. In addition to those transactions, there are also transactions carried out by connected parties on behalf of the Sub-Funds to which the Directors of the Manager have no direct access and in respect of which the Directors of the Manager must rely upon assurances from its delegates that the connected parties carrying out these transactions do carry them out on a similar basis.

Further, Unitholders should refer to the Prospectus which identifies many of the connected party transactions and the general nature of the contractual arrangements with the principal connected parties but it is not exhaustive of all connected party transactions.

Unitholders should also refer to the provisions of the Prospectus dealing with conflicts of interest.

The Trust entered into foreign exchange transactions with the Trustee's associated company, The Northern Trust Company ("TNTC"). In such an event, the FX rates applied to such transactions are fully disclosed within the agreement between the Trust and TNTC and accordingly same are available for review by the Trust. The Trustee does not perform any review of the individual FX transactions or the rates provided by its affiliates.

Therefore, having regard to confirmations from the Sub-Funds' management and its relevant delegates, the Directors of the Manager are satisfied that (i) there are arrangements (as evidenced by written procedures documented by the Swiss Capital Alternative Investments AG (the "Investment Adviser")) in place to ensure that the obligations described above are applied to all transactions with connected parties; and (ii) transactions with connected parties entered into during the period complied with these obligations, as attested by the Investment Adviser through regular updates to the Directors.

Note 5 details related party transactions in the period as required by IFRS. However, Unitholders should understand that not all "connected parties" are related parties as such, the latter expression is defined by IFRS. Details of fees paid to related parties and certain connected parties are disclosed separately in the Statement of Comprehensive Income.

7. UNITS ISSUED AND REDEEMED

	Class A USD	Class B EUR	Class C CHF	Class S USD
SC Modus Classic Defender Fund At the start of the period	8,975	45,016	109,652	25,454
At the end of the period 31 December 2023	8,975	45,016	109,652	25,454

COMPARATIVE UNITS ISSUED AND REDEEMED

	Class A USD	Class B EUR	Class C CHF	Class S USD
SC Modus Classic Defender Fund At the start of the year	8,975	45,016	109,652	25,454
At the end of the year 30 June 2023	8,975	45,016	109,652	25,454

8. SOFT COMMISSION ARRANGEMENTS

There were no soft commission arrangements during the period (30 June 2023: US\$Nil).

9. EXCHANGE RATES

At the period/year-end the exchange rates were as follows:	Exchange rate to US\$	Exchange rate to US\$
	31-Dec-23	30-Jun-23
Euro	0.90526	0.91659
Swiss franc	0.84165	0.89465

10. COMPARATIVE STATISTICS

SC Modus Classic Defender Fund	Dec-23	Jun-23	Jun-22
Total Net Asset Value of the Fund (US\$)	24,902,334	23,868,880	22,751,067
Net Asset Value per Unit (Class A USD)	124.98	122.17	118.65
Net Asset Value per Unit (Class B EUR)	102.16	100.70	100.20
Net Asset Value per Unit (Class C CHF)	84.39	84.16	84.85
Net Asset Value per Unit (Class S USD)	377.71	368.19	355.50

11. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Open Litigations	Swiss Capital Long/Short Equity Fund US\$	SC Modus Classic Defender Fund US\$
Opening balance 30 June 2023	130,319	550,575
Expenses paid during the period	(2,233)	(8,538)
Closing balance 31 December 2023	128,086	542,037
Opening balance 30 June 2022	137,409	57,229
Expenses paid during the year	(7,090)	(21,654)
Closing balance 30 June 2023	130,319	550,575

The amounts above represent a provision for certain legal claims brought against the Trustee for the account of the Sub-Fund as a result of a previously held investment in a specific Collective Investment Scheme which was fully redeemed out in good faith by the Manager a number of years ago.

The Manager, having taken appropriate legal advice, has concluded that, although it is not probable that the legal claims against the Trustee for the account of the Sub-Fund will be successful, it is possible and accordingly the above provisions should be made. The Manager has concluded, based on the information and advice it has received to date, that the outcome of these legal claims (including any legal costs associated with the claims) will not give rise to any significant loss beyond the amounts provided above. However, the Manager cannot conclude with any certainty the time period for resolution of the above mentioned claims.

11. PROVISIONS FOR OTHER LIABILITIES AND CHARGES (CONTINUED)

One of the criteria for the recognition of a provision under IFRS is that it is probable that a transfer of economic benefits will be required to settle the obligation. Rather than complying with IFRS and not making a provision in the accounts, the Manager has concluded that the prudent approach of making the provision is in the best interests of Unitholders. As a result of including the provision, the auditors have informed the Manager of their intention to express that, except for the effects of the provisions described above, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2023.

12. CONTINGENT LIABILITY

The Manager, having consulted with its advisers, has concluded that a contingent liability exists with respect to the SC Modus Classic Defender Fund arising from a specific legal claim brought against the Trustee of this Sub-Fund in respect of previously held investments in two specific collective investment schemes which were fully redeemed out of in good faith by the Manager a number of years ago.

Having consulted with its legal advisers, the Manager has come to the conclusion, based on the information available to date, that owing to the significant uncertainty surrounding the claim that it is not probable that a present obligation exists at this time. However, the Manager cannot conclude with any certainty that the possibility of an economic outflow being required in respect of the above mentioned claim is remote nor can it determine with any certainty the time period for resolution of the above mentioned claim.

There is no guarantee that the Manager's assessment will be correct and accordingly it may be the case that the value of these claims could exceed the realised gains on the investments made in the relevant Collective Investment Schemes and therefore, the potential liability of the SC Modus Classic Defender Fund could rise up to 100% of its period-end Net Asset Value. The Trustee of the SC Modus Classic Defender Fund has not disagreed with the Manager's conclusion that a contingent liability exists with respect to SC Modus Classic Defender Fund.

Owing to the significant uncertainty regarding the potential liability, the Manager, with the consent of the Trustee has suspended the calculation of the Net Asset Value of the SC Modus Classic Defender Fund.

There is no provision included on the Statement of Financial Position with regard the contingent liability.

From a procedural perspective, while there have been some potentially positive rulings in the courts in the United States, these rulings are still subject to appeals and in the absence of a final determination in relation to such appeals, the litigation issues which applied to the Sub-Fund during 2021 would appear to remain in 2022 and 2023. The Manager continues to monitor developments in the US with regard to the litigation concerning the Sub-Fund. The Manager continues to provide semi-annual updates to Unitholders. The most recent notice was provided in November 2023. The next update is expected later in 2024.

13. SIGNIFICANT EVENTS DURING THE PERIOD

There have been no significant events during the period.

14. SUBSEQUENT EVENTS

There have been no events subsequent to the period-end, which, in the opinion of the Board of Directors of the Manager may have had a significant impact on these financial statements.

15. STATEMENT OF PORTFOLIO MOVEMENTS

The statement of changes in the composition of the portfolios in the period is available to Unitholders on request free of charge from the Administrator.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on the 22 of February 2024.

The following table lists details of the underlying funds that the Sub-Fund invests in:

Security Description	Manager Name	Domicile	Regulatory Authority	Management Fee	Performance Fee
Bear Stearns High Grade Structured Credit Strategies	N/A	United States	SEC	0.00%	0.00%
Morgan Stanley Liquidity Funds - US Dollar Treasury	Morgan Stanley Investment Management, Inc	Luxembourg	Federal Reserve	0.20%	0.00%

CONFLICTS OF INTEREST STATEMENT

The Directors, StepStone Group Europe Alternative Investments Limited (the “Manager”), Swiss Capital Alternative Investments AG (the “Investment Adviser”), Northern Trust International Fund Administration Services (Ireland) Limited (the “Administrator”) and Northern Trust Fiduciary Services (Ireland) Limited (the “Trustee”) and their respective affiliates, officers, directors and Unitholders, employees and agents (collectively the “Parties”) are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Trust and/or their respective roles with respect to the Trust. These activities may include managing or advising other funds (including other Collective Investment Schemes), purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Trust may invest. In particular, the Manager and other companies within the Investment Adviser Group may be involved in advising or managing other investment funds (including other Collective Investment Schemes) or other real estate portfolios which have similar or overlapping investment objectives to or with the Trust. Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly and in the best interests of Unitholders.

SECURITIES FINANCING TRANSACTIONS REGULATION

The securities financing transactions regulation requires StepStone Group Europe Alternative Investments Limited (the “Manager”), to comply with a series of obligations. In particular, the Manager is required to provide investors with information on the use of securities financial transactions (“SFTs”) and total return swaps (“TRSs”) by Swiss Capital Non-Traditional Funds (the “Trust”) in all interim and annual reports published from 13 January 2017.

During the period 1 July 2023 to 31 December 2023, the Trust did not enter into SFTs and TRSs.