

Annual Report 2020

Investment Company under Luxembourg Law (SICAV)

R.C.S. Luxembourg N° B 181 979

Annual report and audited financial statements as of 31 December 2020

SULA UCITS SICAV – FLEXIBLE ALPHA FUND

Annual report and audited financial statements as of 31 December 2020

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		R Shares	LU1900183424
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Sales restrictions

Shares of this Fund may not be offered, sold or distributed within the United States of America.

Management and Administration

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Registered office of the Fund

2C, rue Albert Borschette
L-1246 Luxembourg

Board of Directors

Raquel Gómez-Pintado (Chairman)
Managing Director
C & D Investments S.à r.l.
14, rue Beck
L-1222 Luxembourg
Grand Duchy of Luxembourg

Giorgio Savona
Managing Director
Cladan Family Office
C/ Prado del Rey, 4
E-28223 Pozuelo de Alarcón
Spain

José Femenia Arguedas
Managing Director
C & D Investments S.à r.l.
14, rue Beck
L-1222 Luxembourg
Grand Duchy of Luxembourg

Irène Zander
Independent Director
6, rue Henri VII
L-1725 Luxembourg
Grand Duchy of Luxembourg

Management Company

MDO Management Company S.A.
19, Rue de Bitbourg
L-1273 Luxembourg
Grand Duchy of Luxembourg

Depository and Paying Agent

UBS Europe SE, Luxembourg Branch
33A, avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Administrator and Domiciliary Agent

Northern Trust Global Services SE
10, rue du Château d'Eau
L-3364 Leudelange
Grand Duchy of Luxembourg

Investment Manager

C & D Investments S.à r.l.
14, rue Beck
L-1222 Luxembourg
Grand Duchy of Luxembourg

Auditor

Ernst & Young Société Anonyme
35E, avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Legal adviser as to matters of Luxembourg law

Arendt & Medernach SA
41A, avenue John F. Kennedy
L-2082 Luxembourg
Grand Duchy of Luxembourg

Features of the Fund

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SULA UCITS SICAV

SULA UCITS SICAV (hereafter called “the Fund”) is a public limited company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital (*société d’investissement à capital variable*). The Fund is subject to Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended or supplemented from time to time.

The Fund is a single legal entity incorporated as an umbrella fund comprised of separate subfunds. Shares in the Fund are shares in a specific subfund. The Fund may issue shares of different share classes in each subfund. Such share classes may each have specific characteristics. Certain share classes may be reserved to certain categories of investors. Investors should refer to the relevant Supplement of the Prospectus for further information on characteristics of share classes.

The Fund has been incorporated in Luxembourg initially on 18 November 2013 as a financial holding company (*société de participations financières*) under the form of a private limited company (*société à responsabilité limitée*) and has been converted into an investment company with variable share capital (*société d’investissement à capital variable*) on 14 December 2018. The Fund is registered with the Luxembourg Trade and Companies Register under number B 181 979. The latest version of the Articles of Association will be published in the *Recueil électronique des sociétés et associations (“RESA”)*, the central electronic platform of the Grand-Duchy of Luxembourg.

The Fund has appointed MDO Management Company S.A. as its management company in accordance with the provisions of the 2010 Law pursuant to the Management Company Agreement.

The Management Company is a public limited company (*société anonyme*) registered under number B 96 744 in the Luxembourg commercial and companies’ register, where copies of its articles of association are available for inspection and can be received upon request. Its registered office is in 19, rue de Bitbourg, L-1273 Luxembourg.

The articles of association were published in the *Mémorial* in Luxembourg on 26 November 2003 and the latest update has been published on 14 April 2014. The Management Company is authorised and regulated

by the CSSF in Luxembourg under Luxembourg law. Its main business activity is the management of Luxembourg and foreign undertakings for collective investment in transferable securities authorised according to Directive 2009/65/EC and the additional management of other Luxembourg and foreign undertakings for collective investment, in accordance with Article 101 (2) and Annex II of the 2010 Law and the performance, for Luxembourg and foreign alternative investment funds (AIFs) within the meaning of Directive 2011/61/EU of management functions, administration functions, marketing functions and other activities related to the assets of AIFs, in accordance with Article 5 (2) and Annex I of the Luxembourg Law of 12 July 2013 relating to alternative investment fund managers.

The fully paid-up capital of the Management Company amounts to EUR 2 450 000 as of 22 June 2017.

The financial year of the Fund will begin on 1 January of each year and end on 31 December of the same year.

Currently, the Fund offers Class U Shares, Class H Shares and Class R Shares which are open to retail and institutional investors.

The annual general meeting of shareholders will be held within six (6) months of the end of each financial year in Luxembourg in order to approve the financial statements of the Fund for the previous financial year. The annual general meeting of shareholders will be held at the registered office of the Fund, or at such alternative location in Luxembourg as may be specified in the convening notice of such meeting.

Only the information contained in the sales prospectus and in one of the documents referred to therein shall be deemed to be valid.

The detailed schedule of portfolio movements, the annual and semi-annual reports are available free of charge to shareholders at the registered office of the Fund and the Depositary.

No subscription may be accepted on the basis of the financial reports. Subscriptions are accepted only on the basis of the current prospectus accompanied by the latest annual report and the latest semi-annual report if available.

The figures stated in this report are historical and not necessarily indicative of future performance.

Investment Manager's Report

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2020 was a very complicated year for the financial markets, first and foremost for the equity markets. The slowdown of the global economy that started in February, driven primarily by the COVID-19 pandemic, affected the volatility, the liquidity, and the valuation of many financial assets in an unprecedented way.

The overall structural slowdown throughout the year was especially severe in Europe and America, but less damaging in Asia, where countries like China, Japan or South Korea were able to avoid the worst of the crisis.

The speed of the movements in the stock market (the NAV of our fund fell from 114.86 on February 17th to 103.73 on March 18th)⁽¹⁾ and uncertainty about the Covid-19 situation development in the course of February did not permit us to adjust the equity investment portfolio in an efficient way.

On the positive side, the liquidity of the fixed income portfolio was at all times high and the credit valuation remained stable due to the high credit quality of the bonds we held in our portfolio. With central banks globally lowering interest to as low as 0% (and ECB even going into the negative territory), additional liquidity was injected in the credit markets, helping to solve dramatic situations in illiquid assets.

Once the preventive sanitary measures eased off in summer, the fund experienced a period of stable volatility. This period was, however, short, as the second wave of the pandemic and the consequent lockdowns reversed most of the recovery from the March minimum levels - above all, in Europe. The fund's NAV was thus brought from 109.42 EUR on September 2nd down to 104.22 on October 30th ⁽²⁾.

The equity portfolio, which was invested mostly in solid undervalued European companies with high dividend levels, was affected again in a very negative way, with the financial sector, the telecom sector, and the real estate sector being most severely hit.

In November the situation in the markets suddenly improved following the Pfizer's announcement about the vaccine effectiveness. Once this information was available, we made a decision to diversify the equity portfolio with US holdings in addition to our European exposure, expecting that vaccination programme in the US would be faster than in Europe.

We closed this turbulent year holding a very solid credit portfolio with very short duration in fixed income, whereas the equity part of the portfolio was diversified between European and US companies in order to take full advantage of the global recovery in the context of the vaccination programme. The final NAV of the year was at the level of 108.86 EUR⁽³⁾.

⁽¹⁾⁽²⁾⁽³⁾ NAV class U

Independent Auditor's Report

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To the Shareholders of

SULA UCITS SICAV
2C, rue Albert Borschette
L-1246 Luxembourg

Opinion

We have audited the financial statements of SULA UCITS SICAV (the "Fund"), which comprise the statement of net assets and the statement of investments in securities and other net assets as at 31 December 2020, and the statement of operations and the statement of 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 2020, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (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.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of the Board of Directors of the Fund’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s ability to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our report of the “réviseur d’entreprises agréé” to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d’entreprises agréé”. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Luxembourg, 26 April 2021

Ernst & Young
Société Anonyme
Cabinet de révision agréé

Kerry Nichol

SULA UCITS SICAV – FLEXIBLE ALPHA FUND

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Three-year comparison

Date	ISIN	31.12.2020	31.12.2019	31.12.2018
Net assets in EUR		71 354 949.27	74 369 955.27	58 087 728.80
Class H Shares¹	LU1900183697			
Shares outstanding		117 059.4530	119 059.4530	-
Net asset value per share in EUR ²		96.56	102.49	-
Class R Shares³	LU1900183424			
Shares outstanding		5 631.2600	3 448.0000	-
Net asset value per share in EUR ²		95.89	102.11	-
Class U Shares	LU1900183770			
Shares outstanding		546 664.4650	536 836.0000	519 576.0000
Net asset value per share in EUR ²		108.86	115.15	111.80

¹ First NAV: 14.1.2019

² See note 1

³ First NAV: 9.1.2019

Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets	
United States	54.96
France	6.64
United Kingdom	5.45
Germany	5.05
Luxembourg	4.81
China	2.93
The Netherlands	2.48
Singapore	0.98
South Korea	0.63
Cyprus	0.47
Total	84.40

Economic Breakdown as a % of net assets	
Internet, software & IT services	9.15
Retail trade, department stores	8.97
Computer hardware & network equipment providers	8.69
Pharmaceuticals, cosmetics & medical products	6.71
Aerospace industry	6.21
Finance & holding companies	5.03
Telecommunications	4.99
Supranational organisations	4.81
Petroleum	4.69
Miscellaneous consumer goods	3.70
Insurance	3.60
Countries & central governments	2.65
Banks & credit institutions	2.65
Miscellaneous services	2.56
Electronics & semiconductors	2.40
Chemicals	2.04
Traffic & transportation	1.17
Tobacco & alcohol	1.05
Healthcare & social services	1.02
Real Estate	1.02
Vehicles	0.84
Lodging, catering & leisure	0.45
Total	84.40

Statement of Net Assets

	EUR
Assets	31.12.2020
Investments in securities, cost	61 512 987.17
Investments in securities, unrealized appreciation (depreciation)	-1 292 405.49
Total investments in securities (Note 1)	60 220 581.68
Cash at banks, deposits on demand and deposit accounts	7 803 342.81
Other liquid assets (Margins)	47 371.38
Interest receivable on securities	229 351.29
Receivable on dividends	29 210.32
Other receivables	6 347.25
Formation expenses, net (Note 1)	33 525.57
Unrealized gain on financial futures (Note 1)	79 831.23
Unrealized gain on forward foreign exchange contracts (Note 1)	3 101 492.60
Total Assets	71 551 054.13
Liabilities	
Payable on securities purchases (Note 1)	-13 155.80
Provisions for administration fees (Note 2)	-9 872.00
Provisions for investment manager fees (Note 2)	-46 116.69
Provisions for management company fees (Note 2)	-27 825.95
Provisions for depositary fees (Note 2)	-4 970.01
Provisions for taxe d'abonnement (Note 3)	-14 807.11
Provisions for regulatory fees (Note 2)	-13 403.93
Provisions for audit fees, legal and economic advice (Note 2)	-11 663.34
Provisions for other commissions and fees (Note 2)	-54 290.03
Total provisions	-182 949.06
Total Liabilities	-196 104.86
Net assets at the end of the financial year	71 354 949.27

Statement of Operations

	EUR
	1.1.2020-31.12.2020
Income	
Interest on liquid assets	8 394.66
Interest on securities	1 074 564.13
Dividends	338 899.87
Total income	1 421 858.66
Expenses	
Administration fees (Note 2)	-59 732.66
Investment manager fees (Note 2)	-527 914.35
Management company fees (Note 2)	-52 571.04
Depositary fees (Note 2)	-58 285.15
Taxe d'abonnement (Note 3)	-35 151.70
Regulatory fees (Note 2)	-15 445.54
Audit fees, legal and economic advice (Note 2)	-21 651.59
Amortization of formation expenses (Note 1)	-7 530.65
Other commissions and fees (Note 2)	-121 300.63
Interest on cash and bank overdraft	-27 000.25
Other expenses	-4 770.65
Total expenses	-931 354.21
Net income (loss) on investments	490 504.45
Realized gain (loss) (Note 1)	
Realized gain (loss) on market-priced securities without options	-776 916.24
Realized gain (loss) on options	-1 503 013.66
Realized gain (loss) on financial futures	-639 655.91
Realized gain (loss) on forward foreign exchange contracts	-1 489 047.86
Realized gain (loss) on foreign exchange	-244 029.31
Total realized gain (loss)	-4 652 662.98
Net realized gain (loss) of the financial year	-4 162 158.53
Changes in unrealized appreciation (depreciation) (Note 1)	
Unrealized appreciation (depreciation) on market-priced securities without options	-2 481 363.29
Unrealized appreciation (depreciation) on options	12 000.00
Unrealized appreciation (depreciation) on financial futures	-319 948.80
Unrealized appreciation (depreciation) on forward foreign exchange contracts	2 859 103.76
Total changes in unrealized appreciation (depreciation)	69 791.67
Net increase (decrease) in net assets as a result of operations	-4 092 366.86

Statement of Changes in Net Assets

	EUR
	1.1.2020-31.12.2020
Net assets at the beginning of the financial year	74 369 955.27
Subscriptions	1 359 999.90
Redemptions	-282 639.04
Total net subscriptions (redemptions)	1 077 360.86
Net income (loss) on investments	490 504.45
Total realized gain (loss)	-4 652 662.98
Total changes in unrealized appreciation (depreciation)	69 791.67
Net increase (decrease) in net assets as a result of operations	-4 092 366.86
Net assets at the end of the financial year	71 354 949.27

Changes in the Number of Shares outstanding

	1.1.2020-31.12.2020
Class	H Shares
Number of shares outstanding at the beginning of the financial year	119 059.4530
Number of shares issued	0.0000
Number of shares redeemed	-2 000.0000
Number of shares outstanding at the end of the financial year	117 059.4530
Class	R Shares
Number of shares outstanding at the beginning of the financial year	3 448.0000
Number of shares issued	3 151.2600
Number of shares redeemed	-968.0000
Number of shares outstanding at the end of the financial year	5 631.2600
Class	U Shares
Number of shares outstanding at the beginning of the financial year	536 836.0000
Number of shares issued	9 828.4650
Number of shares redeemed	0.0000
Number of shares outstanding at the end of the financial year	546 664.4650

Statement of Investments in Securities and other Net Assets as of 31 December 2020

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Forward Exchange Contracts (Note 1)	as a % of net assets
Transferable securities and money market instruments listed on an official stock exchange			
Bearer shares			
France			
EUR AXA EUR2.29	35 900.00	700 480.80	0.98
EUR BNP PARIBAS EUR2	15 600.00	672 438.00	0.95
EUR ORANGE EUR4	145 300.00	1 414 350.20	1.98
EUR TOTAL SE EUR2.5	39 000.00	1 376 700.00	1.93
Total France		4 163 969.00	5.84
Germany			
EUR COVESTRO AG NPV	14 500.00	731 960.00	1.02
EUR FRESENIUS SE & CO. KGAA NPV	18 450.00	698 148.00	0.98
Total Germany		1 430 108.00	2.00
The Netherlands			
USD AERCAP HOLDINGS EURO.01	33 500.00	1 247 950.64	1.75
Total The Netherlands		1 247 950.64	1.75
United Kingdom			
GBP AVIVA ORD GBPO.25	307 400.00	1 116 825.47	1.57
Total United Kingdom		1 116 825.47	1.57
United States			
USD LOCKHEED MARTIN CORP COM	2 250.00	652 776.76	0.91
USD TELADOC HEALTH INC COM USD0.001	4 460.00	728 880.39	1.02
Total United States		1 381 657.15	1.93
Total Bearer shares		9 340 510.26	13.09
Registered shares			
Germany			
EUR ALLIANZ SE NPV(REGD)(VINKULIERT)	3 750.00	752 625.00	1.05
EUR BASF SE NPV	11 200.00	724 864.00	1.02
EUR DEUTSCHE BOERSE AG NPV(REGD)	5 000.00	696 250.00	0.98
Total Germany		2 173 739.00	3.05
The Netherlands			
EUR PROSUS N.V. EURO.05	5 900.00	521 324.00	0.73
Total The Netherlands		521 324.00	0.73
United Kingdom			
GBP BP ORD USD0.25	300 000.00	853 987.64	1.20
GBP EASYJET ORD GBPO.27285714	90 000.00	834 548.36	1.17
EUR TECHNIFMC PLC COM USD1	140 200.00	1 084 026.40	1.52
Total United Kingdom		2 772 562.40	3.89
United States			
USD AMAZON COM INC COM USD0.01	492.00	1 309 639.62	1.84
USD APPLE INC COM NPV	27 700.00	3 003 974.50	4.21
USD BOEING CO COM USD5	7 950.00	1 390 852.03	1.95
USD BROADCOM CORP COM USD1.00	2 060.00	737 175.43	1.03
USD CARNIVAL CORP COM USD0.01(PAIRED STOCK)	18 100.00	320 416.82	0.45
USD CHEVRON CORP COM USD0.75	5 100.00	352 004.41	0.49
USD CROWDSTRIKE HOLDIN COM USD0.0005 CL A	8 300.00	1 436 889.38	2.01
USD DRAFTKINGS INC COM USD0.0001 CL A	12 600.00	479 470.39	0.67
USD RAYTHEON TECHNOLOG COM USD1.00	19 500.00	1 139 671.45	1.60
USD SHIFT4 PMTS INC COM USD0.0001 CLASS A	10 400.00	640 889.22	0.90
USD UBER TECHNOLOGIES COM USD0.00001	8 800.00	366 801.52	0.51
USD VISA INC COM STK USD0.0001	4 300.00	768 696.82	1.08
Total United States		11 946 481.59	16.74
Total Registered shares		17 414 106.99	24.41
Depository receipts			
China			
USD ALIBABA GROUP HLDG SPON ADS EACH REP ONE ORD-ADR	3 920.00	745 618.57	1.05
USD JOYY INC SPON ADS EA REP 20 ORD SHS	5 400.00	352 982.71	0.49
USD LI AUTO INC SPN ADS ECH REP 2 ORD SHS	25 400.00	598 489.64	0.84
USD NETEASE INC ADR REP 25 COM USD0.0001	5 000.00	391 361.20	0.55
Total China		2 088 452.12	2.93
Cyprus			
USD OZON HOLDINGS PLC - ADR	9 800.00	331 672.59	0.46
Total Cyprus		331 672.59	0.46

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Forward Exchange Contracts (Note 1)	as a % of net assets
Singapore			
USD SEA LTD ADS EACH REP ONE CL A SHS	4 300.00	699 534.14	0.98
Total Singapore		699 534.14	0.98
Total Depository receipts		3 119 658.85	4.37
Notes, fixed rate			
USD			
USD ALPHABET INC 3.37500% 16-25.02.24	2 000 000.00	1 788 997.92	2.51
USD APPLE INC 2.85000% 14-06.05.21	800 000.00	659 149.46	0.92
USD APPLE INC 3.45000% 14-06.05.24	2 000 000.00	1 800 006.70	2.52
USD CHEVRON CORP 1.55400% 20-11.05.25	900 000.00	764 972.13	1.07
USD EUROPEAN INVESTMENT BANK 2.50000% 18-15.03.23	4 000 000.00	3 434 856.28	4.81
USD EXPORT-IMPORT BANK OF KOREA 2.62500% 16-26.05.26	500 000.00	447 085.33	0.63
USD HOME DEPOT INC/THE 2.00000% 16-01.04.21	3 000 000.00	2 458 263.58	3.45
USD INTEL CORP 3.10000% 15-29.07.22	2 000 000.00	1 709 886.81	2.40
USD JOHNSON & JOHNSON 1.65000% 16-01.03.21	5 000 000.00	4 090 328.56	5.73
USD PHILIP MORRIS INTERNATIONAL INC 1.12500% 20-01.05.23	900 000.00	750 089.89	1.05
USD PROCTER & GAMBLE CO 3.10000% 13-15.08.23	3 000 000.00	2 635 993.62	3.70
USD TOTAL CAPITAL INTERNATIONAL SA 2.21800% 19-12.07.21	700 000.00	576 952.24	0.81
USD UNILEVER CAPITAL CORP 2.20000% 17-05.05.22	700 000.00	585 904.14	0.82
USD WALMART INC 3.40000% 18-26.06.23	3 000 000.00	2 633 182.54	3.69
Total USD		24 335 669.20	34.11
Total Notes, fixed rate		24 335 669.20	34.11
Medium term notes, fixed rate			
USD			
USD NESTLE HOLDINGS INC-REG-S 2.37500% 17-18.01.22	1 500 000.00	1 251 489.52	1.75
Total USD		1 251 489.52	1.75
Total Medium term notes, fixed rate		1 251 489.52	1.75
Bonds, fixed rate			
EUR			
EUR AT&T INC 2.40000% 14-15.03.24	2 000 000.00	2 143 224.00	3.00
Total EUR		2 143 224.00	3.00
Total Bonds, fixed rate		2 143 224.00	3.00
Treasury notes, fixed rate			
USD			
USD AMERICA, UNITED STATES OF 2.25000% 14-31.03.21	2 300 000.00	1 889 185.09	2.65
Total USD		1 889 185.09	2.65
Total Treasury notes, fixed rate		1 889 185.09	2.65
Investment funds, closed end			
United States			
USD EQUITY RESIDENTIAL SBI USD0.01	15 000.00	726 737.77	1.02
Total United States		726 737.77	1.02
Total Investment funds, closed end			
Total Transferable securities and money market instruments listed on an official stock exchange		60 220 581.68	84.40
Total investments in securities		60 220 581.68	84.40

Derivative instruments

Derivative instruments listed on an official stock exchange

Financial Futures on currencies

USD EURO FX CURRENCY FUTURE 15.03.21	89.00	79 831.23	0.11
Total Financial Futures on currencies		79 831.23	0.11
Total Derivative instruments listed on an official stock exchange		79 831.23	0.11
Total Derivative instruments		79 831.23	0.11

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Forward Exchange Contracts (Note 1)	as a % of net assets
Forward Foreign Exchange contracts			
Currency purchased/Amount purchased/Currency sold/Amount sold/Maturity date			
EUR	32 083 614.78	USD	35 500 000.00
			18.2.2021
		3 101 492.60	4.35
Total Forward Foreign Exchange contracts		3 101 492.60	4.35
Cash at banks, deposits on demand and deposit accounts and other liquid assets		7 850 714.19	11.00
Other assets and liabilities		102 329.57	0.14
Total net assets		71 354 949.27	100.00

Notes to the Financial Statements

Annual report and audited financial statements as of 31 December 2020
SULA UCITS SICAV

Note 1 – Summary of significant accounting policies

The financial statements have been prepared in accordance with the generally accepted accounting principles for investment funds in Luxembourg. The significant accounting policies are summarised as follows:

a) Calculation of the net asset value

The net asset value per share shall be determined by the Administrator as of each Valuation Day (as specified for each subfund in the relevant Supplement of the Prospectus) and at least twice a month. It is calculated by dividing the net asset value of the share class of a subfund by the total number of shares of such share class in issue as of that Valuation Day. The net asset value per share is expressed in the reference currency of the share class and may be rounded up or down to two (2) decimal places.

The net asset value of a share class is equal to the value of the assets allocated to such share class within a subfund less the value of the liabilities allocated to such share class, both being calculated as of each Valuation Day.

The net asset value of a subfund is equal to the value of the assets allocated to such subfund less the value of the liabilities allocated to such subfund, both calculated as of each Valuation Day in the reference currency of the subfund.

b) Valuation principles

- 1) The value of any cash on hand or on deposit, bills or notes payable, accounts receivable, prepaid expenses, cash dividends and interest accrued but not yet received shall be equal to the entire nominal or face amount thereof, unless the same 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.
- 2) Transferable Securities and Money Market Instruments which are quoted, listed or traded on an exchange or regulated market will be valued, unless otherwise provided under paragraphs 3) and 6) below, at the last available market price or quotation, prior to the time of valuation, on the exchange or regulated market where the securities or instruments are primarily quoted, listed or traded. Where securities or instruments are quoted, listed or traded on more than one exchange or regulated

market, the Board of Directors will determine on which exchange or regulated market the securities or instruments are primarily quoted, listed or traded and the market prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Transferable Securities and Money Market Instruments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.

- 3) Notwithstanding paragraph 2) above, where permitted under applicable laws and regulations, Money Market Instruments may be valued using an amortisation method whereby instruments are valued at their acquisition cost as adjusted for amortisation of premium or accrual of discount on a constant basis until maturity, regardless of the impact of fluctuating interest rates on the market value of the instruments. The amortisation method will only be used if it is not expected to result in a material discrepancy between the market value of the instruments and their value calculated according to the amortisation method.
- 4) Financial derivative instruments which are quoted, listed or traded on an exchange or regulated market will be valued at the last available settlement price or, if such settlement price is not available, at the last available bid price, prior to the time of valuation, on the exchange or regulated market where the instruments are primarily quoted, listed or traded. Where instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors will determine on which exchange or regulated market the instruments are primarily quoted, listed or traded and the closing or settlement prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Financial derivative instruments for which closing or settlement prices or quotations are not available or representative will be valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.
- 5) Financial derivative instruments which are traded "over-the-counter" (OTC) will be valued daily at their fair market value, on the basis of valuations provided by the counterparty which will be approved or verified on a regular basis independently from the counterparty. Alternatively, OTC financial derivative

instruments may be valued on the basis of independent pricing services or valuation models approved by the Board of Directors which follow international best practice and valuation principles. Any such valuation will be reconciled to the counterparty valuation on a regular basis independently from the counterparty, and significant differences will be promptly investigated and explained.

- 6) Notwithstanding paragraph 2) above, shares or units in target investment funds (including UCITS and UCI) will be valued at their latest available official net asset value, as reported or provided by or on behalf of the investment fund or at their latest available unofficial or estimated net asset value if more recent than the latest available official net asset value, provided that the Board of Directors is satisfied of the reliability of such unofficial net asset value. The Net Asset Value calculated on the basis of unofficial net asset values of the target investment fund may differ from the Net Asset Value which would have been calculated, on the same Valuation Day, on the basis of the official net asset value of the target investment fund. Alternatively, shares or units in target investment funds which are quoted, listed or traded on an exchange or regulated market may be valued in accordance with the provisions of paragraph 2) above.
- 7) The value of any other asset not specifically referenced above will be the probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.

c) Net realized gain (loss) on sales of securities

The realized gains or losses on the sales of securities are calculated on the basis of the average cost of the securities sold.

d) Valuation of forward foreign exchange contracts

The unrealized gain (loss) of outstanding forward foreign exchange contracts is valued on the basis of the forward exchange rates prevailing at valuation date.

e) Valuation of financial futures contracts

Financial futures contracts are valued based on the latest available published price applicable on the valuation date. Realized gains and losses and the changes in unrealized gains and losses are recorded in the statement of operations. The realized gains and losses are calculated in accordance with the FIFO method, i.e. the first contracts acquired are regarded as the first to be sold.

f) Conversion of foreign currencies

Bank accounts, other net assets and the valuation of the investments in securities held denominated in currencies other than the reference currency of the different subfunds are converted at the mid closing spot rates on the valuation date. Income and expenses denominated in currencies other than the currency of the different subfunds are converted at the mid closing spot rates at payment date. Gain or loss on foreign exchange is included in the statement of operations.

The cost of securities denominated in currencies other than the reference currency of the different subfunds is converted at the mid closing spot rate prevailing on the day of acquisition.

g) Receivable on securities sales, Payable on securities purchases

The position "Receivable on securities sales" can also include receivables from foreign currency transactions. The position "Payable on securities purchases" can also include payables from foreign currency transactions.

Receivables and payables from foreign exchange transactions are netted.

h) Income recognition

Dividends, net of withholding taxes, are recognized as income on the date upon which the relevant securities are first listed as "ex-dividend". Interest income is accrued on a daily basis.

i) Formation expenses

The fees and expenses incurred in connection with the formation of the Fund are estimated to an amount of approximately 60 000 EUR. Such costs will be borne by the Fund and may be amortised over a period of up to five (5) years from the date of incorporation of the Fund. The formation expenses of each new subfund will be borne by such subfund and may be amortised over a period of up to five (5) years. New subfunds created after the incorporation and launch of the Fund will participate in the non-amortised formation expenses of the Fund.

Note 2 – Fees and Expenses

Management Company Fee

In consideration for the services provided by the Management Company, the Management Company is entitled to an annual Management Company Fee, calculated as the average of the month-end Net Asset Value of the previous quarter and invoiced quarterly in arrears. The Management Company Fee is payable quarterly out of the assets of each subfund at a rate as specified for each subfund and/or Class in the relevant Special Section. The Management Company Fee is subject to a maximum of 0.06% p.a. of the Net Asset Value and subject to a minimum annual fee of EUR 15 000 per subfund.

In addition to the Management Company Fee, the Management Company is entitled to an annual fee per subfund of up to EUR 10 000 for the provision of risk management and investment compliance monitoring services. The Management Company may receive other fees for providing additional services, as agreed with the Board of Directors.

In addition, where applicable, any value added tax ("VAT") associated with the above fees and reimbursements will be charged to the relevant subfund.

The Management Company will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

Investment Manager Fee

The Investment Manager will be entitled to an annual fee equal to a percentage of the average Net Asset Value of each subfund or Share Class consistent with market practice as set out in the Supplement of the Prospectus for each subfund or Share Class. The Investment Manager fee will accrue on each Valuation Day and will be payable monthly in arrears out of the assets of each subfund and Share Class at a rate as follows:

Until 31 January 2020:

SULA UCITS SICAV – FLEXIBLE ALPHA FUND	
Share Class name	Investment Management Fee
Class H Shares	0.85% p.a.
Class R Shares	1.20% p.a.
Class U Shares	0.50% p.a.

From 1 February 2020:

SULA UCITS SICAV – FLEXIBLE ALPHA FUND	
Share Class name	Investment Management Fee
Class H Shares	1.05% p.a.
Class R Shares	1.40% p.a.
Class U Shares	0.70% p.a.

The Investment Manager will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

The Investment Manager may from time to time, at its sole discretion, decide to waive or return to the Fund all or part of its annual fee. Subject to applicable laws and regulations, the Investment Manager may also from time to time, at its sole discretion, enter into private arrangements with certain investors or financial intermediaries, affiliates and/or third-parties, whereby the Investment Manager will agree to pay an amount representing all or part of its annual fee.

Performance Fee

The Investment Manager may be entitled to receive a Performance Fee with respect to certain subfunds or Share Classes. The payment and size of the Performance Fee depends on the performance of the subfund or Share Class over a specified time period. The Performance Fee is calculated and accrued at each Valuation Day on the basis of the Net Asset Value after deducting all fees and expenses, including the Investment Manager Fee (but not the Performance Fee) and adjusting for subscriptions and redemptions during the performance period so these will not affect the calculation of the Performance Fee. The Performance Fee is paid out of the assets of the Fund and allocated to the relevant subfunds and Share Classes as described in section 8.2 (Valuation procedure) in the sales prospectus. Details regarding the calculation and payment of Performance Fees are contained in the Supplement of the Prospectus.

Over the reference period, the Performance Fee shall be accrued daily whereby the amount accrued shall be paid to the Investment Manager within fifteen Business Days following the closure of the reference period. The reference period is represented by each calendar year. In the inception year of the subfund the reference period starts on the last day of the inception month and ends on the last day of the inception year.

The Performance Fee will be equal to a specific percentage set out in the relevant Supplement of the Prospectus of the over-performance of the relevant subfund compared to a specific benchmark as set out in the relevant Supplement of the Prospectus, in case there is an increase of the Net Asset Value compared to a high water mark. The increase will be calculated by comparing the Net Asset Value (after deducting all fees and expenses, including the Management Fee, the Investment Manager Fee (except Performance Fees) and adjusting for subscriptions and redemptions during the performance period) of the end of the reference period to the high water mark. The high water mark is equal to the highest Net Asset Value (after performance fees) reached on the previous reference period or since inception, as further set out in the relevant Supplement of the Prospectus, adjusted according to the amounts received for investments and the amounts payable for redemptions of the share class. The high-water-mark principle ensures that in case of loss, no performance fee will be paid until the loss has been recovered.

Furthermore, if so provided in the relevant Supplement of the Prospectus, the amount of the Performance Fee may depend on the performance of the NAV of the relevant Share Class compared to the performance of the relevant performance benchmark. For a specific Share Class, the Performance Fee rate equals a certain percentage of the over-performance of the subfunds versus its relevant benchmark over the reference period, as further specified in the relevant Supplement of the Prospectus.

Depositary Fees

The Depositary will be entitled to an annual fee equal to a percentage of the Net Asset Value of each subfund consistent with market practice in Luxembourg, subject to a minimum flat fee per subfund of EUR 30 000 per annum and a maximum rate of up to 0.085 percent (0.085%) per annum. The Depositary fee will be calculated by reference to the Net Asset Value of each subfund at the rate specified in the Supplement of the Prospectus for each subfund or Share Class calculated on each Valuation Day and be payable on a monthly basis in arrears. The Depositary will also be entitled to transaction fees charged on the basis of the investments made by each subfund consistent with market practice in Luxembourg. Fees paid to the Depositary may vary depending on the nature of the investments of each subfund and the countries and/or markets in which the investments are made. The

Depositary will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Further fees may be payable to the Depositary in consideration of ancillary services rendered to the Fund and relating to the core services of the Depositary.

Administration Fees

The Administrator will be entitled to an annual fee equal to a percentage of the Net Asset Value of each subfund consistent with market practice in Luxembourg, subject to a minimum flat fee per subfund of EUR 30 000 per annum and a maximum annual rate of up to 0.08 percent (0.08%) per annum. The Administrator fee will accrue on each Valuation Day and will be payable monthly in arrears. The Administrator will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

Further fees may be payable to the Administrator in consideration of ancillary services rendered to the Fund and relating to the core services of the Administrator.

Directors' fees and expenses

The members of the Board of Directors are entitled to receive a fee in consideration for their function. The Fund will also reimburse the members of the Board of Directors for appropriate insurance coverage and expenses and other costs incurred by the members of the Board of Directors in the performance of their duties, including reasonable out-of-pocket expenses, traveling costs incurred to attend meetings of the Board of Directors, and any costs of legal proceedings unless such costs are caused by intentional or grossly negligent conduct by the member of the Board of Directors in question. The Fund may also pay fees and expenses to members of any committee established by the Board of Directors, where applicable.

Operating and Administrative Expenses

The Fund bears all ordinary operating costs and expenses incurred in the operation of the Fund or any subfund or Share Class ("Operating and Administrative Expenses") including but not limited to costs and expenses incurred in connection with:

- preparing, producing, printing, depositing, publishing and/or distributing any documents relating to the Fund, a subfund or Share Class that are required by applicable laws and regulations (such

- as the Articles of Association, the Prospectus, key investor information documents, financial reports and notices to investors) or any other documents and materials made available to investors (such as explanatory memoranda, statements, reports, fact-sheets and similar documents);
- other fees in relation to the establishment and launch of the Fund;
 - organising and holding general meetings of shareholders and preparing, printing, publishing and/or distributing notices and other communications to shareholders as well as other corporate secretarial services;
 - professional advisory services (such legal, tax, accounting, compliance, auditing and other advisory services) taken by the Fund or the Management Company on behalf of the Fund;
 - investment services taken and/or data obtained by the Fund or the Management Company on behalf of the Fund (including fees and expenses incurred in obtaining investment research, systems and other services or data utilised for portfolio and risk management purposes), further information concerning the amount of research costs applicable to the relevant subfund in which they are invested being available to the shareholders at the registered office of the Fund;
 - the authorisation of the Fund, the subfunds and Share Classes, regulatory compliance obligations and reporting requirements of the Fund (such as administrative fees, filing fees, insurance costs and other types of fees and expenses incurred in the course of regulatory compliance), and all types of insurance obtained on behalf of the Fund and/or the members of the Board of Directors;
 - initial and ongoing obligations relating to the registration and/or listing of the Fund, a subfund or Share Class and the distribution of Shares in Luxembourg and abroad (such as fees charged by and expenses payable to financial regulators, distributors, correspondent banks, representatives, listing agents, paying agents, fund platforms, and other agents and/or service providers appointed in this context, as well as advisory, legal, and translation costs);
 - due diligence fees, fees for the update of procedures and ancillary services based on applicable laws and regulations charged by the Management Company to the Fund;
 - fees for domiciliation and transfer agency services;
 - the determination and publication of tax factors for the EU/EEA Member States and/or any other

countries where distribution licences and/or private placements exist, according to the actual expenditure incurred at market rates;

- memberships or services provided by international organisations or industry bodies such as the Association of the Luxembourg Fund Industry (ALFI);
- taxes, charges and duties payable to governments and local authorities (including the Luxembourg annual subscription tax (taxe d'abonnement) and any other taxes payable on assets, income or expenses) and any value added tax (VAT) or similar tax associated with any fees and expenses paid by the Fund; and
- the reorganisation or liquidation of the Fund, a subfund or Share Class.

Note 3 – Taxe d'abonnement

According to the law and practice currently in force, the Fund is not liable to any Luxembourg tax on withholding, income, capital gains or wealth taxes. The Fund is, however, liable in Luxembourg to a tax of 0.05% per annum ("Taxe d'Abonnement") of its net asset value, such tax being payable quarterly on the basis of the value of the net assets of the Fund at the end of the relevant calendar quarter or 0.01% per annum for the Classes of shares dedicated to institutional investor as defined from time to time by the Luxembourg laws and regulations.

Note 4 – Commitments on Financial Futures

Commitments on Financial Futures per subfund and respective currency as of 31 December 2020 can be summarised as follows:

Financial Futures

SULA UCITS SICAV	Financial Futures on currencies (bought)	Financial Futures on currencies (sold)
– FLEXIBLE ALPHA FUND	11 134 547.01 EUR	- EUR

The commitments on Financial Futures on currencies or index (if any) are calculated based on the market value of the Financial Futures (Number of contracts*notional contract size*market price of the futures).

Note 5 – Transaction costs

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

For the year ended on 31 December 2020, the Fund incurred transaction costs relating to purchase or sale of investments in securities and similar transactions as follows:

SULA UCITS SICAV	Transaction costs
– FLEXIBLE ALPHA FUND	433 525.70 EUR

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

Note 6 – Uncontrollable Event

In March 2020, the World Health Organization declared the outbreak of COVID-19 to be a Pandemic. Although progress has been made towards the end of 2020 in managing this Pandemic, including through the continuing development of vaccines, it remains uncertain for how long and how severe the Pandemic will continue to globally and regionally impact the economy. This raises continuing uncertainties in relation to the volatility of asset prices of the fund and the valuation of assets covered in this report.

The Board of Directors and the Investment Managers continue to monitor the management of the Pandemic by governments and hence the economic impact on the portfolio and the fund itself. There is no evidence that the ‘going concern’ assumption made by the Board of Directors when preparing the financial statements of the fund is inappropriate.

Note 7 – Subsequent events

As of 3 February 2021 MDO Management Company, the part of the DMS Group, has changed its name to Waystone Management Company (Lux) S.A., followed by a global group re-branding that occurred as of 22 March 2021.

Note 8 – Official language

The English version of these financial statements is the authoritative version and only this version was audited by the auditor. However, in the case of Fund shares sold to investors from other countries in which Fund shares can be bought and sold, the Fund and the Depositary may recognize approved translations (i.e. approved by the Fund and the Depositary) into the languages concerned as binding upon themselves.

Note 9 – OTC-Derivatives

If the Company enters into OTC transactions, it may be exposed to risks related to the creditworthiness of the OTC counterparties: when the Company enters into futures contracts, forward transactions, options and swap transactions or uses other derivative techniques it is subject to the risk that an OTC counterparty may not meet (or cannot meet) its obligations under a specific or multiple contracts. Counterparty risk can be reduced by depositing a security. If the Company owes a security pursuant to an applicable agreement, such security shall be held in custody by the Depositary in favour of the Company. Bankruptcy and insolvency events or other credit events with the OTC counterparty, the Depositary or within their subdepository/correspondent bank network may result in the rights or recognition of the Company in connection with the security to be delayed, restricted or even eliminated, which would force the Company to fulfill its obligations in the framework of the OTC transaction, in spite of any security that had previously been made available to cover any such obligation.

OTC-Derivatives*

Subfund Counterparty	Unrealized gain (loss)	Collateral received
SULA UCITS SICAV – FLEXIBLE ALPHA FUND		
UBS AG	3 101 492.60 EUR	3 061 617.89 EUR

* Derivatives traded on an official exchange are not included in this table as they are guaranteed by a clearing house. In the event of a counterparty default the clearing house assumes the risk of loss.

Unaudited Information

Annual report and audited financial statements as of 31 December 2020
SULA UCITS SICAV

1) Global Exposure

Risk management

Risk management in accordance with the commitment approach and the value-at-risk approach is applied pursuant to the applicable laws and regulatory provisions.

Leverage

Leverage is defined pursuant to the applicable ESMA directives as the total of the notional values of the derivatives used by the respective subfund. According to this definition, leverage may result in artificially increased leverage amounts, as some derivatives that can be used for hedging purposes may be included in the calculation. Consequently, this information does not necessarily reflect the precise actual leverage risk that the investor is exposed to.

Subfund	Global risk calculation method	Model used	Min VaR (%)		Max VaR (%)		Avg VaR (%)		Avg Leverage 31.12.2020 (%)	Reference portfolio (benchmark)
			VaR 20d	VaR 1d	VaR 20d	VaR 1d	VaR 20d	VaR 1d		
SULA UCITS SICAV – FLEXIBLE ALPHA FUND	VaR approach	Historical VaR	0.81%	0.81%	19.99%	4.51%	6.75%	1.45%	95.61%	n/a

2) Remuneration Policy and quantitative disclosure

The management company has adopted a remuneration policy pursuant to applicable laws and regulations with the objective to ensure that its remuneration structure is in line with its interests and those of the collective investment schemes it manages and to prevent risk-taking which is inconsistent with the risk profiles, rules or articles of incorporation or management regulations of the collective investment schemes it manages.

Details of the remuneration policy of the management company, including the persons in charge of determining the fixed and variable remunerations of staff, a description of the key remuneration elements and an overview of how remuneration is determined, is available at <http://www.mdo-manco.com/about-us/legal-documents>.

With respect to the financial year ended 31 December 2020 (as of that date, the management company had a headcount of 73 employees), the total fixed and variable remuneration paid by the management company to its employees amounted to EUR 5 236 688 and to EUR 1 448 313 respectively. The total remuneration paid by the management company to senior

management and members of its staff whose actions have a material impact on the risk profile of the collective investment schemes managed amounted to EUR 3 569 815. The remuneration committee of the management company has reviewed the implementation of the remuneration policy and has not identified any deficiency in that respect. Moreover, the current version of the remuneration policy was updated and approved by the board of directors in the course of the financial year ended 31 December 2019, the current version being dated July 2019. There was no identified need for an update of the policy in the course of the financial year ended 31 December 2020, and a similar assessment will be performed in 2021.

3) Transparency of securities financing transactions and their reuse

No securities financing transactions or total return swaps within the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 ("SFTR") were used by the Fund. As a result, no disclosures within the meaning of Article 13 of said Regulation need to be made to investors in the annual report.