

**EAST CAPITAL**

---

Annual report including audited  
financial statements  
as at 31st December 2022

---

East Capital Multi-Strategi

**Important Notice**

Historic yields are no guarantee for future yields. Fund units can go up or down in value, and investors may not get back the amount invested. Key investor information documents and prospectuses are available at [www.eastcapital.com](http://www.eastcapital.com).

This Annual Report is a translation from the original Swedish version, the latter being the official version. In the case of discrepancies between the English translation and the Swedish original, the original takes precedence.

---

# Contents

**General market comment..... 4**  
**East Capital Multi-Strategi ..... 5**

### Overview

2022 turned out to be a turbulent year for investors as risk assets were shaken by synchronized monetary policy tightening in response to surging global inflation, recession fears, the Russia-Ukraine crisis, and the zero-COVID policy in China. When it came to the investment returns, inflation became a clear and dominant force driving the markets in 2022. Consequent rate hikes and monetary policy uncertainty caused elevated volatility with VIX reaching 32 in 3Q 2022, highest since the pandemic. Global economic momentum has also slowed. Elevated inflation and tighter financial conditions have become a global phenomenon causing broad-based weakness in the global GDP, which IMF forecasts to slow down from 3.4% in 2022 to 2.9%<sup>1</sup> in 2023. U.S. GDP is expected to grow 1.4% in 2023, which signifies relatively mild slow-down from 2% in 2022, cushioned by carryover effects from domestic demand resilience<sup>1</sup>. However, the risk of the recession in 2023 or 2024 is not completely off the table and rests in the hands of FED and its dual role to navigate economic tightening versus recession risks. Eurozone economies and the U.K. have also been hindered by record high energy prices and gas shortages due to the Ukraine war, resulting in slumps in consumer confidence and spending. Consequently, inflation has risen even sharper across Europe and caused central banks to adopt more hawkish policy positions. Hence, Eurozone growth is expected to soften down to 0.7% in 2023<sup>1</sup>, but clearly avoiding a much deeper economic decline forecasted in the worst-case scenario of excessive energy crisis and industrial shuts downs. While Chinese growth was particularly weak in 2022 of just 3%, it should improve in the coming years, rebounding to 5.2% according to IMF and reaching 5.9% y-o-y by Q4 2023. Actions taken by policymakers, such as the easing of zero-Covid policies, liquidity injections for the real estate sector and efforts to ease geopolitical tensions should act as economic tailwinds. Overall, 2023 is expected to be much better for Emerging Markets in terms of growth with the EM/DM growth differential (4.0%/1.2%<sup>1</sup>), accelerating to the highest point in almost a decade, boding well for the improving market sentiment in EMs.

Developed markets performed -17% in 2022 posting the worst performance since Global Financial Crisis. U.S. Nasdaq tech heavy down 32.5% as growth stock started discounting increasingly higher interest rates. Europe was down 17% led by Austria and Germany – most dependant one on Russian gas amid of the energy crisis fears. U.K. was one of the stronger markets down 6.5%, mostly on the weakness of pound. On a global sector basis, all the sectors showed negative returns with the exception of the energy sector outperforming 33% on the back of higher oil and gas prices. Technology and communication sectors were down 31% and 36% on the back of increasing rates and recession fear. Consumer discretionary was also very weak second year in a row down 32%, while real estate corrected 25% following declining home sales. Less cyclical sectors like utilities and healthcare were holding up value better, down 5% and 6% respectively. U.S. Treasuries and German bonds, the benchmarks of global borrowing markets and traditional go-to assets in troubled times, have also significantly underperformed by losing 17% and 25% respectively in dollar terms.

Emerging markets showed relative resilience compared to developed markets, with a decline of -20% as turbulent times normally mean much higher volatility for EMs vs. DMs. Despite currency weakening in Asia and Eastern Europe, LatAm held up well with Brazil up 10%, Argentina up 36%. India, with a decline of only 4.7%, was among the strong performers, increasing its index share from 8% to 14%. However, the weak performance of

large markets accounting for 58% of the benchmark, such as China (-22%), Taiwan (-27%), Korea (-29%), offset the strong performance in other markets. Chinese market was having the worst year since 2008, lagging Asia's regional benchmark as sectors such as electric vehicles and tech hardware suffered from lockdowns and weak consumer confidence. Turkey's high inflation and monetary policy problems have cost the lira another 29% but have also seen locals flock to its stock market making it the best performer in the world with an 117% gain even in dollar terms. Polish market ended 2022 being among the worst performers globally losing -24% despite its sharp bounce from the bottom of 48% in 4Q 2022 as sentiment for EMs was improving. Eastern Europe continued suffering from the elevated geological risk premium resulting in record low valuations of i.e. Poland trading at 7.9x P/E for 2023 vs. EMs P/E for 2023 at 11x.

Frontier markets has underperformed an asset class down by 26.3%. Main driver was decline in Asia, especially Vietnam and Sri Lanka down 34% and 60%. Middle East was the place where market activity remained strong, helped by initial public offerings and strong revenue of energy sector. Kuwait and Oman have outperformed the index up by 11% and 23%, while African countries saw a very mixed picture with Ghana down 43% and Nigeria gaining 16%, supporting our view that low correlations among FM markets offer some attractive diversification opportunities. Frontier markets continue trading at a discount to EMs with 2023 P/E of 8.5x.

Commodities have been the best performing asset class for a second consecutive year. Natural gas' 20% rise is the largest overall in that group, mainly due to the war in Ukraine, which boosted prices by as much as 140% at one point. Mounting recession worries, along with the West's plan to stop buying Russian oil, meant Brent crude gaining 10% over the year, however pulling back much of the 80% gain it made in the 1Q 2022, as have wheat and corn.

### Outlook

Ahead of 2023, we believe that we have now entered a period of "fat and flat" returns, with higher volatility and lower real returns. At the same time, if the US does manage to achieve a soft landing and inflation continues to fall, it will not necessarily be a terrible year for equities, as a lot of the bad news is priced in. We do believe that emerging and frontier markets are well positioned, given the strong macro fundamentals, cheaper valuations versus historical levels, and the fact that we believe that we have passed the peak in USD strength. Moreover, the GDP growth differential between emerging and developed markets became the highest in almost a decade, which is normally a good predictor for the EMs stock market performance. We have already started to witness this, with emerging markets returning 21% since 1 November, outperforming developed markets by 11%<sup>2</sup>. We believe this has more to go, given that valuations remain fairly appealing, with for example China trading at almost one standard deviation below its 5-year average levels. Across our portfolios, we have taken advantage of the significant sell-off to rotate into higher quality companies that we believe will be able to generate growth, defend margins and meet/exceed consensus expectations regardless of the macro backdrop. These companies are trading at appealing valuations well below their historical averages.

Note: The information in this report represents historical data and is not an indication of future results.

---

<sup>1</sup> IMF, World Economic Outlook Update, January 2023.

<sup>2</sup> 2022-11-01 till 2023-01-27

---

## Management report

The Fund declined 13% during the year (in SEK). The net asset value was 227m SEK as of 31 December 2022, to be compared to 342m SEK as of 31 December 2021. Net outflows during the year amounted to 72m SEK.

## The Fund's changes during the period

Multi-Strategy started the year with an allocation to equities of 65% and ended the year with an allocation to equities of 62%.

Within equities, we held a balanced exposure mainly towards emerging markets in Asia and Eastern Europe. Within fixed income, exposure mainly consisted of corporate bonds with shorter duration and a limited exposure to long-duration.

## The Fund's risk exposure

The Risk/Reward indicator presented in the Funds KIID shows the causality between risk and possible performance an investment in the Fund entails. The indicator is based on how the Funds value has changed during the past 5 years. East Capital Multi-Strategi has been assigned a summary risk indicator (SRI) value of 3 which indicate medium low risk for both increases and decreases in value. The Funds risk category can change as it is based on historical data and is not a guarantee for future Risk/Reward.

Investments in funds are always associated with risks. The Fund may both increase or decrease in value, and there is no guarantee that you will recoup all of your invested capital. The primary risks are market risk, foreign exchange risk, liquidity risk, counterparty risk, operating risk and investment risk.

The Fund's liquidity risk, a part of the Fund can be invested in instruments that can have worsening liquidity in stressful situations on the market. Low liquidity can make it hard or impossible to buy or sell within a reasonable time and the price can be higher or lower than expected.

The Fund's currency risk entails a risk for changes in underlying currencies in financial instruments the Management company trades in on behalf of the Fund. In countries where the Fund invests and where the currency deviates from the SEK the following applies:

- For equity investments foreign exchange is not hedged
- For investments in interest bearing securities the Management Company may hedge the foreign exchange.

Other risks that can affect the value of the Fund are:

- Credit/Counterparty risk, the risk that an issuer or counterparty in a financial transaction cannot meet its obligations. The Fund invests in interest bearing instruments e.g. bonds. If an issuer of such an instrument cannot pay the interest or the nominal amount the investment can lose parts of, or its whole value.
- Interest risk, the fund invests a significant part of its assets in interest bearing instruments which are affected by market interest rates general development.
- Operational risk, the risk of loss caused by operational functions, e.g. IT systems, management, depositary and administration.
- Investment risk, emerging markets: The Fund seeks, directly or indirectly exposure to companies and issuers located in emerging markets. Investors should be aware that these investments are connected with higher risk than investments in instruments from issuers in more developed countries. Investments in emerging markets can be volatile and illiquid and a fund's investments in such markets can be subject to delays in divestment. Also, there can be a higher risk of political, economic, social and religious instability and negative changes in governmental statutes and laws in emerging markets. The Fund's assets can also be

negatively affected by fluctuations in foreign exchange rate, currency controls and taxation.

Investments in derivative instruments may only be made for the purpose of protecting the value of the Fund's assets. Use of derivatives is not expected to affect the Fund's risk profile. The commitment risk approach is used to estimate the Fund's global exposure by measuring its exposure to the underlying assets in its existing derivative instruments.

---

## Objective

The investment objective of East Capital Multi-Strategi is to provide a combination of long-term capital growth and interest income.

The Fund pursues risk diversification through active asset allocation and by investing, indirectly through fund units or directly, in equities and debt securities globally and will actively seek exposure to emerging markets to draw on the Management Company's extensive knowledge and experience in these markets.

With long term capital growth means the growth expected of fund investments over a period of five years.

---

## Investment Policy of the Fund

The Fund will invest at least 30% and at most 80% of its assets directly in debt securities or indirectly through the use of UCITS or other UCIs which in turn invest in debt securities.

The Fund will further invest at least 20% and at most 70% of its assets directly in equities and equity related securities or indirectly through the use of UCITS or other UCIs in equities and equity related securities.

Cash at banks can range between 0-50% of the Fund's net assets, however any higher allocation to cash at bank is expected to be temporary, for example following larger inflows to the Fund or during extreme market conditions.

The Fund's investment focus is global and diversified and as such unrestricted in terms of industry, geography, sector and market capitalisation.

Emerging Markets are defined as countries not classified as developed by the recognised major indices, or which are considered as low or middle income countries by the World Bank.

---

## Important Note

From 13 December 2018 the feeder fund East Capital Pension, which invested in the Master UCITS East Capital Multi-Strategi has been restructured and renamed to East Capital Multi-Strategi a stand-alone Swedish UCITS.

On April 1, 2022, the feeder fund EC Offensiv was merged into East Capital Multi-Strategi.

Pursuant to the Swedish Investment Fund Act (2004:46), East Capital Asset Management S.A. has been appointed to act as Management Company of the Fund.

Note: All performance figures in the management report are in SEK unless otherwise stated.

\* The annual report and half year report of the Fund are available at the registered address of the Management Company.

# East Capital Multi-Strategi

## Key figures <sup>1</sup>

<b>Total return</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Class A SEK	-13%	13%	3%	19%	-10%	3%	3%	-2% <sup>4</sup>	-	-
Class B SEK	-14%	13%	3%	-	-	-	-	-	-	-
Benchmark <sup>2</sup>	-	-	-	-	-	-	-	-	-	-
<b>Net asset value (in '000s SEK)</b>										
class A SEK	75 810 <sup>3</sup>	118 337 <sup>3</sup>	121 072 <sup>3</sup>	3 546 345 <sup>3</sup>	687 543 <sup>3</sup>	759 769 <sup>3</sup>	763 745 <sup>3</sup>	141 900 <sup>3</sup>	-	-
class B SEK	151 283 <sup>3</sup>	224 508 <sup>3</sup>	251 213 <sup>3</sup>	332 019 <sup>3</sup>	-	-	-	-	-	-
<b>Number of units (without decimal)</b>										
class A SEK	681 012	919 548	1 058 572	31 987 289	7 394 512	7 321 581	7 599 558	1 454 884	-	-
class B SEK	774 071	993 432	1 250 751	1 705 409	-	-	-	-	-	-
<b>Unit value (in SEK)</b>										
class A SEK	111.32 <sup>3</sup>	128.69 <sup>3</sup>	114.37 <sup>3</sup>	110.87 <sup>3</sup>	92.98 <sup>3</sup>	103.77 <sup>3</sup>	100.50 <sup>3</sup>	97.53 <sup>3</sup>	-	-
class B SEK	195.44 <sup>3</sup>	225.99 <sup>3</sup>	200.85 <sup>3</sup>	194.69 <sup>3</sup>	-	-	-	-	-	-
<b>Dividend per unit (in SEK)</b>										
class A SEK	-	-	-	-	-	-	-	-	-	-
class B SEK	-	-	-	-	-	-	-	-	-	-
<b>Investment expenses</b> (Subscription fee not included)			<b>Management fee</b>		<b>Fund facts</b>					
Management cost for lump sum deposit of SEK 10 000 (in SEK) <sup>4</sup>			class A SEK		Management company	East Capital Asset Management S.A.				
class B SEK			134.37		Launch date	10 August, 2015 (class A)				
Management cost for regular savings of SEK 100 (in SEK) <sup>4</sup>			class B SEK		2 April, 2019 (class B)					
class A SEK			9.51		Quotation/trade	Daily				
class B SEK			9.52		Dividend	No (class A SEK and class B SEK)				
<b>Total risk</b>			<b>2022</b>		Management fee	1.50% (class A SEK and class B SEK)				
East Capital Multi-Strategi			8.79%		Subscription fee	0% (class A SEK and class B SEK)				
Active risk			-		Redemption fee	0% (class A SEK and class B SEK)				
Active share			-		Domicile	Sweden				
Turnover rate <sup>5</sup>			32.11%		Minimum investment	200 SEK				
Ongoing charges <sup>4</sup>					NAV currency	SEK				
class A SEK			1.73%		ISIN	SE0007278585 (class A SEK)				
class B SEK			1.72%		SE0012351492 (class B SEK)					
Turnover with closely related funds <sup>5</sup>			0.00%							
Turnover with closely related investment firms <sup>5</sup>			0.00%							
Average annual yield for the past 24 months										
class A SEK			-1.34%							
class B SEK			-1.36%							
Average annual yield for the past 5 years										
class A SEK			1.41%							
class B SEK			-							
Transaction costs as % of traded securities <sup>4</sup>			0.11%							
Transaction costs (in '000s SEK) <sup>4</sup>			271							
Management fee as % of average net asset value <sup>4</sup>										
class A SEK			1.51%							
class B SEK			1.51%							

# East Capital Multi-Strategi

## Key figures <sup>1</sup>

Balance sheet (in '000s SEK)	2022	2021	Note 1: Financial instruments
<b>Assets</b>			See the detail of the financial instruments pages 8-12 "Holdings and positions"
Transferable securities	208 612	322 642	
Money market instruments	10 219	15 864	
OTC derivative instruments with positive market value	-	-	
Other derivative instruments with positive market value	4 179	-	
Fund units	-	-	
<b>Total financial instruments with positive market value (Note 1)</b>	<b>223 010</b>	<b>338 506</b>	
Bank deposits and other cash equivalents	6 164	11 428	
Prepaid expenses and accrued income	1 016	1 066	
Other assets	215	5 436	
<b>Total assets</b>	<b>230 405</b>	<b>356 436</b>	
<b>Liabilities</b>			
OTC derivative instruments with negative market value	-648	-	
Other derivative instruments with negative market value	-	-	
Other financial instruments with negative market value	-	-	
<b>Total financial instruments with negative market value</b>	<b>-648</b>	<b>-</b>	
Accrued expenses and pre-paid income	-1 500	-1 464	
Other liabilities	-1 164	-12 127	
<b>Total liabilities</b>	<b>-3 312</b>	<b>-13 591</b>	
<b>Net asset value</b>	<b>227 093 <sup>3</sup></b>	<b>342 845 <sup>3</sup></b>	
<b>Profit and loss (in '000s SEK)</b>	<b>2022</b>	<b>2021</b>	
<b>Income and change in value</b>			
Change in value of Transferable securities (Note 3)	-47 550	38 609	
Change in value of Money market instruments (Note 3)	-2 137	1 050	
Change in value of Fund investment (Note 3)	-	-	
Change of value of OTC derivative instruments (Note 3)	-1 593	-	
Change of value of other derivative instruments	1 818	-	
Interest income	5 637	5 731	
Dividends	4 158	5 136	
Exchange rate profit and loss, net	291	-39	
Other financial income	0	0	
Other income	59	5	
<b>Total income and change in values</b>	<b>-39 317</b>	<b>50 492</b>	
<b>Expenses</b>			
Management fees	-4 088	-5 464	
Interest expenses	-2	-7	
Other financial expenses	-	-	
Other expenses	-592	-775	
Transaction fees	-306	-433	
<b>Total expenses</b>	<b>-4 988</b>	<b>-6 679</b>	
<b>Result for the year</b>	<b>-44 305</b>	<b>43 813</b>	
<b>Note 2: Change in the net asset value (in '000s SEK)</b>	<b>2022</b>	<b>2021</b>	
Net asset value at the beginning of the year	342 845	372 285	
Units issuance	9 136	26 166	
Units redemption	-80 583	-99 419	
Result for the year	-44 305	43 813	
<b>Net asset value at the end of the year</b>	<b>227 093</b>	<b>342 845</b>	
<b>Note 3: Change in value of financial instruments (in '000s SEK)</b>	<b>2022</b>	<b>2021</b>	
Realised profit	16 464	39 421	
Realised losses	-17 448	-16 336	
Unrealised profit and losses	-46 566	15 524	
<b>Change in value of transferable securities</b>	<b>-47 550</b>	<b>38 609</b>	
Realised profit	569	-	
Realised losses	-73	-1 237	
Unrealised profit and losses	-2 633	2 287	
<b>Change in value of money market instruments</b>	<b>-2 137</b>	<b>1 050</b>	
Realised profit	29	-	
Realised losses	-974	-	
Unrealised profit and losses	-648	-	
<b>Change in value of OTC derivative instruments</b>	<b>-1 593</b>	<b>-</b>	
Realised profit	2 361	-	
Realised losses	-272	-	
Unrealised profit and losses	-271	-	
<b>Change in value of other derivative instruments</b>	<b>1 818</b>	<b>-</b>	
Realised profit	-	-	
Realised losses	-	-	
Unrealised profit and losses	-	-	
<b>Change in value of fund units</b>	<b>-</b>	<b>-</b>	

### Notes:

Past performance cannot be used as an indicator for current or future performance. The performance data do not take into account the commission and fees generated each time fund units are issued and purchased. The reporting principles are available at the end of this report.

<sup>1</sup> Based on the end of year NAV.

<sup>2</sup> The Fund does not use a benchmark.

<sup>3</sup> Based on end of day prices.

<sup>4</sup> The figure shown is calculated with the data of the class A (SEK) of the Master Fund for the period from 01.01.18 to 12.12.2018 and with the data of East Capital Multi-Strategi (formerly East Capital Pension) of the Fund for the period from 12/12/18 to 31/12/18.

<sup>5</sup> The figure shown is calculated with the data of the class A (SEK) of the Master Fund for the period from 01.01.18 to 12.12.2018 and with the data of East Capital Multi-Strategi (formerly East Capital Pension) of the Fund for the period from 12/12/18 to 31/12/18.

<sup>6</sup> Period from 10.08.2015 to 31.12.2015

# East Capital Multi-Strategi

## Holdings and positions (in SEK) \* as at 31 December 2022

Issuer	Security	Number/ Nominal	Market value	% of total net assets
<b>Transferable securities listed for trading on a regulated market or the equivalent outside of the EEA</b>				
<b>Financial Institution bonds</b>				
<b>Banking &amp; Investment Services</b>				
Arion Bank	Arion Bank FRN EMTN Sen Reg S 18/22.11.28	6 000 000	5 862 810	2.58
Arion Bank	Arion Bank VAR Jun Sub Reg S 20/26.08.Perpetual	400 000	3 562 330	1.57
Islandsbanki HF	Islandsbanki HF FRN MTN Sen Sub Reg S 19/26.06.29	6 000 000	5 932 050	2.61
Skandiabanken AB	Skandiabanken AB FRN Ser 527 21/24.11.26	2 000 000	2 020 100	0.89
<b>Total Banking &amp; Investment Services</b>			<b>17 377 290</b>	<b>7.65</b>
<b>Total - Financial Institution bonds</b>			<b>17 377 290</b>	<b>7.65</b>
<b>Corporate bonds</b>				
<b>Banking &amp; Investment Services</b>				
B2 Holding ASA	B2 Holding ASA FRN Sen 19/28.05.24	300 000	3 296 316	1.45
TBC Bank JSC	TBC Bank JSC 5.75% EMTN Sen Reg S 19/19.06.24	500 000	5 122 589	2.26
<b>Total Banking &amp; Investment Services</b>			<b>8 418 905</b>	<b>3.71</b>
<b>Utilities</b>				
Aker Horizons ASA	Aker Horizons ASA FRN 144A 21/15.08.25	5 500 000	5 479 937	2.41
Scatec ASA	Scatec ASA FRN 21/19.08.25	700 000	6 987 538	3.08
<b>Total Utilities</b>			<b>12 467 475</b>	<b>5.49</b>
<b>Industrial &amp; Commercial Services</b>				
ViaCon Group AB	ViaCon Group AB FRN 21/04.11.25	400 000	3 676 571	1.62
<b>Total Industrial &amp; Commercial Services</b>			<b>3 676 571</b>	<b>1.62</b>
<b>Telecommunications Services</b>				
Millicom Intl Cellular SA	Millicom Intl Cellular SA FRN 22/20.01.27	6 250 000	6 085 750	2.68
<b>Total Telecommunications Services</b>			<b>6 085 750</b>	<b>2.68</b>
<b>Real Estate</b>				
Heimstaden AB	Heimstaden AB VAR Sub 19/11.07.Perpetual	10 000 000	7 300 000	3.21
<b>Total Real Estate</b>			<b>7 300 000</b>	<b>3.21</b>
<b>Financial Technology and Infrastructure</b>				
VEF AB (publ)	VEF AB (publ) FRN 22/22.04.25	2 500 000	2 371 875	1.04
<b>Financial Technology and Infrastructure</b>			<b>2 371 875</b>	<b>1.04</b>
<b>Total - Corporate bonds</b>			<b>40 320 576</b>	<b>17.75</b>
<b>Sovereign bonds</b>				
<b>Central Countries &amp; Governments</b>				
Indonesia	Indonesia 4.75% Sen 18/11.02.29	200 000	2 094 858	0.92
Mexico	Mexico 4.125% MTN Ser A Tr 31 16/21.01.26	300 000	3 051 027	1.34
Mexico	Mexico 7.5% Ser M20 07/03.06.27	110 000	5 543 271	2.44
<b>Total Central Countries &amp; Governments</b>			<b>10 689 156</b>	<b>4.70</b>
<b>Total - Sovereign bonds</b>			<b>10 689 156</b>	<b>4.70</b>
<b>Closed-end funds</b>				
<b>Collective Investments</b>				
Fondul Proprietatea SA	Fondul Proprietatea SA	537 381	2 465 520	1.09
<b>Total Collective Investments</b>			<b>2 465 520</b>	<b>1.09</b>
<b>Total closed-end funds</b>			<b>2 465 520</b>	<b>1.09</b>
<b>Money Market Instruments - Corporate bonds</b>				
<b>Cyclical Consumer Products</b>				
RE IV Ltd	RE IV Ltd 8% 20/27.11.23	5 000 000	4 525 000	1.99
<b>Total Cyclical Consumer Products</b>			<b>4 525 000</b>	<b>1.99</b>



# East Capital Multi-Strategi

## Holdings and positions (in SEK) \* as at 31 December 2022

Issuer	Security	Number/ Nominal	Market value	% of total net assets
<b>Food &amp; Drug Retailing</b>				
Maxima Grupe UAB	Maxima Grupe UAB 3.25% EMTN Sen Reg S 18/13.09.23	455 000	4 988 631	2.20
<b>Total Food &amp; Drug Retailing</b>			<b>4 988 631</b>	<b>2.20</b>
<b>Total Money Market Instruments - Corporate bonds</b>			<b>9 513 631</b>	<b>4.19</b>
<b>Shares</b>				
<b>Industrial Goods</b>				
Contemp Amperex Tec Co Ltd	Contemp Amperex Tec Co Ltd A Reg	1 800	1 069 774	0.47
Vamos Loca Caminmaq Equipm SA	Vamos Loca Caminmaq Equipm SA	73 415	1 829 415	0.81
Wuxi Lead Intel Equipm Co Ltd	Wuxi Lead Intel Equipm Co Ltd A Reg	14 500	881 651	0.39
<b>Total Industrial Goods</b>			<b>3 780 840</b>	<b>1.67</b>
<b>Banking &amp; Investment Services</b>				
Banco Bradesco SA	Banco Bradesco SA spons ADR repr 1 Pref Share	60 841	1 826 051	0.80
Cairo Mezz PLC	Cairo Mezz PLC Reg	23 051	22 771	0.01
China Merchant Bank Co Ltd	China Merchant Bank Co Ltd H	48 362	2 818 694	1.24
Emirates NBD PJSC	Emirates NBD PJSC	26 800	988 591	0.44
Genera SAB de CV	Genera SAB de CV	278 071	3 262 263	1.44
ICICI Bank Ltd	ICICI Bank Ltd Reg	23 151	2 597 490	1.14
Karur Vysya Bank Ltd (The)	Karur Vysya Bank Ltd (The)	122 863	1 752 423	0.77
Nedbank Group	Nedbank Group	12 800	1 667 401	0.73
Nova Ljubljanska Banka d.d.	Nova Ljubljanska Banka d.d. GDR repr 1/5 Share Reg S	21 069	2 964 872	1.31
OTP Bank Plc	OTP Bank Plc	6 700	1 881 878	0.83
Ping An Bank Co Ltd	Ping An Bank Co Ltd A	112 000	2 226 573	0.98
mBank SA	mBank SA Bearer	1 960	1 377 892	0.61
<b>Total Banking &amp; Investment Services</b>			<b>23 386 899</b>	<b>10.30</b>
<b>Technology Equipment</b>				
E Ink Hgs Inc	E Ink Hgs Inc	21 735	1 185 520	0.52
MediaTek Inc	MediaTek Inc	6 091	1 289 710	0.57
Samsung Electronics Co Ltd	Samsung Electronics Co Ltd Pref	10 016	4 188 798	1.84
Samsung SDI Co Ltd	Samsung SDI Co Ltd	400	1 957 723	0.86
Taiwan Semiconduct Mfg Co Ltd	Taiwan Semiconduct Mfg Co Ltd	42 711	6 489 716	2.86
<b>Total Technology Equipment</b>			<b>15 111 467</b>	<b>6.65</b>
<b>Retailers</b>				
LPP SA	LPP SA	110	2 782 336	1.23
Mitra Adiperkasa (PT) Tbk	Mitra Adiperkasa (PT) Tbk	875 755	847 136	0.37
PT Map Aktif Adiperkasa Tbk	PT Map Aktif Adiperkasa Tbk Reg	614 985	1 584 994	0.70
Pepco Group NV	Pepco Group NV	25 505	2 393 919	1.05
<b>Total Retailers</b>			<b>7 608 385</b>	<b>3.35</b>
<b>Mineral Resources</b>				
United Co Rusal Intl Pjsc	United Co Rusal Intl Pjsc	313 500	178	0.00
<b>Total Mineral Resources</b>			<b>178</b>	<b>0.00</b>
<b>Applied Resources</b>				
Suzano SA	Suzano SA Reg	200	19 020	0.01
<b>Total Applied Resources</b>			<b>19 020</b>	<b>0.01</b>
<b>Renewable Energy</b>				
Daqo New Energy Corp	Daqo New Energy Corp Spons ADR Repr 5 Shs	4 098	1 648 905	0.73
JinkoSolar Hdgs Co Ltd	JinkoSolar Hdgs Co Ltd ADR Repr 4 Shs	2 800	1 192 869	0.53
Ming Yang Smart Energy Gr Ltd	Ming Yang Smart Energy Gr Ltd A Reg	49 811	1 900 735	0.84
Terna Energy SA	Terna Energy SA Reg	13 000	2 947 264	1.30
<b>Total Renewable Energy</b>			<b>7 689 773</b>	<b>3.40</b>
<b>Software &amp; IT Services</b>				
Alibaba Group Holding Ltd	Alibaba Group Holding Ltd ADR	5 450	5 003 191	2.20
Baltic Classifieds Group Plc	Baltic Classifieds Group Plc	68 000	1 200 082	0.53
Infosys Ltd	Infosys Ltd Reg	8 356	1 587 219	0.70
Vipshop Holdings Ltd	Vipshop Holdings Ltd spons ADR repr 2 Shares	21 300	3 027 736	1.33
Wirtualna Polska Hg SA	Wirtualna Polska Hg SA	7 288	1 748 224	0.77
Yandex NV	Yandex NV A Reg	9 017	428 266	0.19
<b>Total Software &amp; IT Services</b>			<b>12 994 718</b>	<b>5.72</b>

# East Capital Multi-Strategi

## Holdings and positions (in SEK) \* as at 31 December 2022

Issuer	Security	Number/ Nominal	Market value	% of total net assets
<b>Automobiles &amp; Auto Parts</b>				
BYD Co Ltd	BYD Co Ltd H	5 500	1 414 420	0.62
<b>Total Automobiles &amp; Auto Parts</b>			<b>1 414 420</b>	<b>0.62</b>
<b>Food &amp; Drug Retailing</b>				
CP All PCL	CP All PCL Foreign	77 852	1 602 222	0.71
<b>Total Food &amp; Drug Retailing</b>			<b>1 602 222</b>	<b>0.71</b>
<b>Personal &amp; Household Products &amp; Services</b>				
Occitane International SA (L)	Occitane International SA (L) Reg	24 500	796 571	0.35
<b>Total Personal &amp; Household Products &amp; Services</b>			<b>796 571</b>	<b>0.35</b>
<b>Utilities</b>				
Ignitis Grupe AB	Ignitis Grupe AB Reg	22 800	4 824 106	2.12
Mytilineos Holdings SA	Mytilineos Holdings SA Reg	14 000	3 161 518	1.39
Renew Energy Global PLC	Renew Energy Global PLC	17 430	999 043	0.44
<b>Total Utilities</b>			<b>8 984 667</b>	<b>3.95</b>
<b>Pharmaceuticals &amp; Medical Research</b>				
Chemical Wks Richt Gedeon Plc	Chemical Wks Richt Gedeon Plc	8 721	2 010 989	0.89
<b>Total Pharmaceuticals &amp; Medical Research</b>			<b>2 010 989</b>	<b>0.89</b>
<b>Real Estate</b>				
Globalworth Real Est Inv Ltd	Globalworth Real Est Inv Ltd	146 615	6 768 587	2.98
Land and House PCL	Land and House Public Co Ltd Foreign	391 853	1 169 792	0.52
<b>Total Real Estate</b>			<b>7 938 379</b>	<b>3.50</b>
<b>Academic and educational services</b>				
HumanSoft Holding Co K.S.C.C.	HumanSoft Holding Co K.S.C.C.	24 300	2 912 693	1.28
<b>Total Academic and educational services</b>			<b>2 912 693</b>	<b>1.28</b>
<b>Insurance</b>				
Ping An Ins Gr Co of Cn Ltd	Ping An Ins Gr Co of Cn Ltd H	23 693	1 633 992	0.72
Powszechny Zaklad Ubezpie SA	Powszechny Zaklad Ubezpie SA	32 580	2 740 734	1.21
<b>Total Insurance</b>			<b>4 374 726</b>	<b>1.93</b>
<b>Telecommunications Services</b>				
Bharti Airtel Ltd	Bharti Airtel Ltd	1 093	59 688	0.03
Bharti Airtel Ltd	Bharti Airtel Ltd Dematerialised	13 012	1 321 030	0.58
<b>Total Telecommunications Services</b>			<b>1 380 718</b>	<b>0.61</b>
<b>Transportation</b>				
Intl Container Terminal Servcs	Intl Container Terminal Servcs	27 000	1 011 036	0.45
Sequoia Logisti e Transport SA	Sequoia Logisti e Transport SA	75 071	449 911	0.20
<b>Total Transportation</b>			<b>1 460 947</b>	<b>0.65</b>
<b>Cyclical Consumer Products</b>				
Anta Sports Products Ltd	Anta Sports Products Ltd	6 700	915 187	0.40
PhuNhuan Jewelry JSC	PhuNhuan Jewelry JSC	78 000	3 091 870	1.36
<b>Total Cyclical Consumer Products</b>			<b>4 007 057</b>	<b>1.76</b>
<b>Healthcare Services &amp; Equipment</b>				
Aster DM Healthcare Ltd	Aster DM Healthcare Ltd	44 304	1 289 503	0.57
Dentium Co Ltd	Dentium Co Ltd Reg	1 623	1 344 071	0.59
Rede D'Or Sao Luiz SA	Rede D'Or Sao Luiz SA	6 500	379 046	0.17
Shenzhen Min Bio-Me Ele Co Ltd	Shenzhen Min Bio-Me Ele Co Ltd A Reg	2 400	1 145 566	0.50
Universal Vision Biotec Co Ltd	Universal Vision Biotec Co Ltd	17 363	1 755 871	0.77
<b>Total Healthcare Services &amp; Equipment</b>			<b>5 914 057</b>	<b>2.60</b>
<b>Food &amp; Beverages</b>				
Varun Beverages Ltd	Varun Beverages Ltd Reg	7 084	1 179 968	0.52
<b>Total Food &amp; Beverages</b>			<b>1 179 968</b>	<b>0.52</b>
<b>Total shares</b>			<b>114 568 694</b>	<b>50.47</b>

# East Capital Multi-Strategi

## Holdings and positions (in SEK) \* as at 31 December 2022

Issuer	Security	Number/ Nominal	Market value	% of total net assets
<b>Municipal bonds</b>				
<b>Central Countries &amp; Governments</b>				
Ministry Fin The Russian Fed	Ministry Fin The Russian Fed 0% 17/23.06.27	400 000	179	0.00
<b>Total Central Countries &amp; Governments</b>			<b>179</b>	<b>0.00</b>
<b>Total - Municipal bonds</b>			<b>179</b>	<b>0.00</b>
<b>Total transferable securities listed for trading on a regulated market or the equivalent outside of the EEA</b>			<b>194 935 046</b>	<b>85.85</b>
<b>Transferable securities subject to regular trading on another market which is regulated and open to the public</b>				
<b>Shares</b>				
<b>Transportation</b>				
Tallinna Sadam AS	Tallinna Sadam AS Reg	232 669	3 685 701	1.62
<b>Total Transportation</b>			<b>3 685 701</b>	<b>1.62</b>
<b>Retailers</b>				
M Video PJSC	M Video PJSC Bearer	8 800	20	0.00
<b>Total Retailers</b>			<b>20</b>	<b>0.00</b>
<b>Banking &amp; Investment Services</b>				
Sberbank of Russia PJSC	Sberbank of Russia PJSC	114 320	228	0.00
<b>Total Banking &amp; Investment Services</b>			<b>228</b>	<b>0.00</b>
<b>Cyclical Consumer Products</b>				
CreaS F&C Co Ltd	CreaS F&C Co Ltd	8 930	1 523 430	0.67
<b>Total Cyclical Consumer Products</b>			<b>1 523 430</b>	<b>0.67</b>
<b>Total shares</b>			<b>5 209 379</b>	<b>2.29</b>
<b>Total transferable securities subject to regular trading on another market which is regulated and open to the public</b>			<b>5 209 379</b>	<b>2.29</b>
<b>Other financial instruments</b>				
<b>Forward foreign exchange contracts</b>				
<b>Foreign currency</b>				
Skandinavi Enskil Bank AB Stoc	SELL EUR SEK 16/02/2023	-1 942 000	-647 722	-0.29
<b>Total foreign currency</b>			<b>-647 722</b>	<b>-0.29</b>
<b>Total forward foreign exchange contracts</b>			<b>-647 722</b>	<b>-0.29</b>
<b>Corporate bonds</b>				
<b>Real Estate</b>				
Samhallsbyggnadsbolag i AB	Samhallsbyggnadsbolag i AB VAR 20/14.03.Perpetual	500 000	2 211 116	0.97
<b>Total Real Estate</b>			<b>2 211 116</b>	<b>0.97</b>
<b>Total - Corporate bonds</b>			<b>2 211 116</b>	<b>0.97</b>
<b>Money Market Instruments - Sovereign bonds</b>				
<b>Central Countries &amp; Governments</b>				
Ukraine	Ukraine 11.67% Sen 19/22.11.23	10 000 000	705 728	0.31
<b>Total Central Countries &amp; Governments</b>			<b>705 728</b>	<b>0.31</b>
<b>Total Money Market Instruments - Sovereign bonds</b>			<b>705 728</b>	<b>0.31</b>
<b>Shares</b>				
<b>Banking &amp; Investment Services</b>				
Webrock Ventures AB	Webrock Ventures AB	276 667	15 770 019	6.94
<b>Total Banking &amp; Investment Services</b>			<b>15 770 019</b>	<b>6.94</b>
<b>Total shares</b>			<b>15 770 019</b>	<b>6.94</b>

## East Capital Multi-Strategi

### Holdings and positions (in SEK) \* as at 31 December 2022

Issuer	Security	Number/ Nominal	Market value	% of total net assets
<b>Other derivative instruments</b>				
HSBC Bank Plc	HSBC Bank Plc P-Notes AraInCom 21.09.23	4 718	3 176 260	1.40
UBS AG London	UBS AG London P-Notes 23.06.23	2 100	1 002 270	0.44
<b>Total other derivative instruments</b>			<b>4 178 530</b>	<b>1.84</b>
<b>Total other financial instruments</b>			<b>22 217 671</b>	<b>9.77</b>
<b>Total financial instruments</b>			<b>222 362 096</b>	<b>97.91</b>
<b>Other net assets/ liabilities</b>			<b>4 730 522</b>	<b>2.09</b>
<b>Total</b>			<b>227 092 618</b>	<b>100.00</b>

**\* Exposures by different types of financial assets against one and the same company or against companies in one and the same group**

Issuer	% total net assets
Arion Bank	4.15
Mexico	3.78
Ping An Ins Gr Co of Cn Ltd	1.7
Bharti Airtel Ltd	0.61

**Special note to the Financial Statements  
as at 31 December 2022****Conflict in Ukraine**

On February 24, 2022, the Russian Federation initiated a military conflict in Ukraine leading to closure of the Russian Stock Exchange on 25 February. As of this date the fund contained Russia and Russia related equity securities representing 3.16% of the portfolio. Due to the low exposure the Board of Directors of the Management Company decided not to suspend the determination of the net asset value and apply fair value pricing (see below – Valuation of Russian securities) for the relevant securities.

**Valuation of Russia and Russia related equity securities**

The valuation instructions for Russia and Russia related equity securities at the date of the Financial Statements are outlined below:

<b>Classification – Statement of investments and other net assets (in EUR)</b>	<b>Condition</b>	<b>Instruction</b>
Shares – Russia and Russia related (inaccessible)	Securities listed on exchanges domiciled in the Russian Federation	Value at last available price and apply an 99.99% valuation haircut
Shares – Russia admitted to trading on a local stock exchange listing (excluding Russian exchanges)	Depository receipts or equity securities of companies domiciled and/or associated with companies domiciled in the Russian Federation, but listed on exchanges located outside the Russian Federation	Value at last available price of the equivalent local listing and apply an 81.50% valuation haircut

\*Inaccessible is defined as securities which are currently not possible for the fund to trade over the local market of listing.

---

### SFDR Disclosure

In accordance with the requirements of the EU Regulations 2019/2088 and of the Council of 27th November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR") as amended, it is noted that for the Fund:

- East Capital Multi-Strategi

referred to under article 8, the (unaudited) RTS annex is presented on the pages at the end of this report.

---

## Management Company

East Capital Asset Management S.A.,  
a wholly-owned subsidiary of East Capital Holding AB  
Corporate identity number: B 136364, incorporated 29 January 2008  
Share capital: EUR 1,000,000  
Address: 11, rue Sainte-Zithe, L-2763 Luxembourg  
Phone: +352 27 860 701  
Fax: +352 26684717  
E-mail: luxembourg@eastcapital.com  
Internet: [www.eastcapital.com](http://www.eastcapital.com)

---

## Board of the Management Company

Karine Hirn, Chairperson of the Board  
Peter Elam Håkansson, Board Member  
Albin Rosengren, Board Member  
Paul Carr, Board Member

---

## Senior management of the Management Company

Paul Carr, CEO  
Management Committee:  
Paul Carr, CEO and Conducting Officer  
Max Isaksson, Conducting Officer  
Kevin Wu, Conducting Officer

---

## Depositary

Skandinaviska Enskilda Banken (publ)

---

## Supervisory authority

The Fund(s) are authorised in Sweden and regulated by the Swedish Financial Supervisory Authority, Finansinspektionen. East Capital Asset Management S.A. is authorised in Luxembourg and regulated by the Luxembourg supervisory authority, *Commission de Surveillance du Secteur Financier* (CSSF).

---

## Legal Status of the Fund(s)

The Fund(s) are mutual funds pursuant to the Mutual Funds Act (Swedish Code of Statutes 2004:46). The Fund(s) cannot acquire rights or assume obligations, but are represented by the Management Company.

---

## Auditor

Mårten Asplund, Authorised public accountant KPMG AB.  
An agreement concerning the exchange of information and coordination has been entered into between the Fund(s) auditor and the Master Fund Company's auditor.

---

## Reporting principles

This Annual Report has been prepared in accordance with the Investment Funds Act (SFS 2004:46), the Swedish Financial Supervisory Authority's regulations on investment funds (FFFS 2013:9) and the Swedish Investment Fund Association's recommendations for the reporting of key performance indicators pertaining to investment funds.\*

The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received are deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as the Fund(s) may consider appropriate in such case to reflect the true value thereof.

Securities admitted to official listing on an official stock exchange or traded on any other organised market are valued at the last available reliable price on such stock exchange or market, unless such a price is not deemed to be representative of their fair market value.

The financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market are valued in accordance with market practice.

Fund Shares/Units in undertakings for collective investment in transferable securities ("UCITS") are valued at the latest price determined and obtained from the Master Fund. Both unrealised and realised profits and losses are reported in the accounts.

The Fund(s) holdings in shares and other financial instruments have been valued with prices taken at 22.00 CET.

\* Assets and liabilities are reported at their fair value.

---

## Term definitions

**Active risk (tracking error)**, as reported in this annual report, describes how much the total return of the Fund(s) deviates from the return of its benchmark index. It is an indication of how active the manager has been, where a high value is an indication of active management and a low value is an indication of passive management.

**Active share** is to give the investors an understanding of the activity of a specific fund and should be seen as a complement to the key ratios, for example tracking error and return comparisons against a benchmark.

**The turnover rate** is a measurement of the proportion of the Fund(s) which is traded over a period of time. It indicates how short or long-term the management perspective is by reflecting the length of time that a security remains part of the

Fund(s). It is calculated by adding all purchases and sales respectively for a given period and then dividing the lowest total by the average of the Fund(s) assets under management.

**Ongoing charges** is total costs excluding transaction costs, expressed as a percentage of the average of the Fund(s) assets under management.

**Total risk (standard deviation)** is a measure of the fluctuations in the Fund(s) total return over a set period of time. The higher the value, the higher the risk.

---

## Remuneration disclosure

Remuneration is set in accordance with East Capitals Remuneration Policy and applicable laws and regulation. A copy of the Remuneration policy is available on the East Capital webpage. No material changes were made to the Policy during the reporting period.

Remuneration and benefits includes e.g. cash salary and others cash remuneration, remuneration in the form of units in a mutual fund, or a instruments that with the same characteristics as a mutual fund, pension provisions, severance pay or car benefits.

The implementation of the remuneration policy is regularly reviewed by an independent internal audit to ensure compliance with the remuneration guidelines and procedures established by the Board of Directors of East Capital Asset Management S.A. The latest review on October 18, 2022 did not show any significant shortcomings, but resulted in minor recommendations on the process and presentation of information in the annual report.

## ECAM S.A.

Amounts in EUR, unless otherwise stated.

### 2022 Total full year remuneration\*

Executive Management	Employees in senior strategic positions	1,762.34
	Employees responsible for control functions	2,472.49
	Risk takers	0.00
	Employees whose total remuneration amounts to, or exceeds, the total remuneration, to someone in executive management.	0.00
<b>TOTAL - Executive Management</b>		<b>4,234.83</b>
Other staff		1,765.17
<b>TOTAL - All Staff</b>		<b>6,000.00</b>

\* Remuneration includes all fixed and variable remuneration and benefits from the fund company to an employee.





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

Product name: East Capital Multi-Strategi

Legal entity identifier: 529900HU0KNZU8HH6439

## Environmental and/or social characteristics

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

<input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input checked="" type="radio"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ____% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ____%	<input checked="" type="checkbox"/> It promoted <b>Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 5% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> with a social objective</li> </ul> <input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

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

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



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

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

Environmental and social characteristics promoted by this Sub-Fund were considered and addressed via our proprietary ESG analysis, which includes an ESG and SDG assessment. Environmental characteristics include, but are not limited to the reduction of greenhouse gas emissions and the transition to a Net Zero economy, improved energy efficiency and increased use of renewable energy sources. Examples of social characteristics promoted by this Sub-Fund include gender diversity, responsible supply chain management and protection of labour rights, and health and safety issues.

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

To structure the review of relevant and material ESG risks and opportunities promoted, the Investment Manager uses a proprietary ESG Scorecard which comprises a Red Flag Analysis and ESG related questions, some of which consider the principal adverse impacts (PAI) indicators. The ESG Scorecard also has an SDG module to assess revenue alignment with the UN Sustainable Development Goals (SDGs). The weighted equity average environmental and social score of the fund was 67,9 and 76 respectively. Moreover, the weighted average equity ESG score was 66,4 as of 31 December 2022. 23,7% of the Sub-Fund's NAV addressed at least one environmental SDG and 24,5% addressed at least one social SDG.

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

Not applicable.

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

The objectives of the sustainable investments that the Sub-Fund intended to make included environmental objectives, such as improved energy efficiency, increased use of renewable energy, reduced greenhouse gas emissions and other environmental objectives as outlined in the UN SDGs. Social objectives included tackling inequality and strengthening labor relations and other social objectives as outlined in the UN SDGs.

The sustainable investments contributed to the environmental and social objectives by directly addressing any of the objectives in their operations, by enabling such activities, or by themselves being part of the transition through changing their practices and policies (for example, by reducing greenhouse gas emissions). The contribution to the environmental and social objectives are included and reflected in the proprietary ESG Score. Please refer to the Asset allocation section to see the proportion of sustainable investment for the Sub-Fund.

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

The Investment Manager ensures that any sustainable investments do not cause significant harm through the Red Flag Analysis, norms-based (controversy) screening, and sector-based screening, which are all part of the "Three-Step-Test" for defining sustainable investments. The Red Flag Analysis consists of a set of

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

questions which the Investment Manager deems to be crucial to consider for ensuring that investments do not cause significant harm. The questions are related to corporate governance, ethics, and corruption, and also cover international norms and standards, as well as severe and/or systematic environmental or social controversies. The Investment Manager has introduced one question specifically addressing the Principal Adverse Impact (PAI) indicators, which are outlined in Annex I of Regulation (EU) 2019/2088. In order to assess the PAI indicators, the Investment Manager incorporates data from an external service provider that compares the PAI indicators for each company with a range of peer companies.

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

Indicators for adverse impacts are included in the Investment Manager's proprietary ESG Scorecards, which are completed by the Investment Manager and verified by the ESG function, and in the norms-based screening.

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

As part of the controversy (norms-based) screening, companies are assessed in terms of compliance with international norms, standards and underlying conventions. The controversy (norms-based) screening is intended to capture severe, systemic and structural violations of international norms as enshrined by the UN Global Compact Principles. The assessments are underpinned by references to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as their underlying conventions.

Upon new investment during the year, the investment manager confirmed the status of the new holding in regard to norms and controversies. The ESG function also verified the compliance of the Sub-Fund portfolio quarterly; this process highlights any company identified on the Watchlist or assessed as Non-Compliant. This review process is based on the results of the norms-based screening, information that has been publicly disclosed by issuers, as well as other relevant information that may have come to the attention of the Investment Manager. One company was on the watchlist and another company was considered non-compliant.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

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



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

Analysts and portfolio managers are responsible for considering PAI indicators when holistically assessing company quality and for answering the PAI-related question in the Red Flag Analysis, pre-investment. In case the PAI indicators are not available, analysts and portfolio managers are expected to make their best efforts to ensure that there are no unacceptably high risks related to principal adverse impacts on sustainability factors. The Sub-Fund considered principal adverse impacts on sustainability factors on a best effort basis given limitation in data availability.



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

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2022-12-31

Largest investments	Sector	% Assets	Country
Webrock Ventures AB	Financials	6,9%	Sweden
Heimstaden AB	Real Estate	3,2%	Sweden
Scatec ASA	Utilities	3,1%	Norway
Globalworth	Real Estate	3%	Guernsey
Taiwan Semiconductor	Information Technology	2,9%	Taiwan
Millicom International Cellular SA	Communication services	2,7%	Luxembourg
Islandsbanki	Financials	2,6%	Iceland
Arion Banki	Financials	2,6%	Iceland
Mexican Bonos	N/A	2,4%	Mexico
Aker Horizons ASA	Financials	2,4%	Norway
TBC Bank JSC	Financials	2,3%	Georgia
Alibaba Group Holding Ltd	Consumer Discretionary	2,2%	Cayman Islands
Maxima Grupe UAB	Consumer Discretionary	2,2%	Lithuania
Ignitis Grupe AB	Utilities	2,1%	Lithuania
RE IV Ltd	Real Estate	2%	Hong Kong



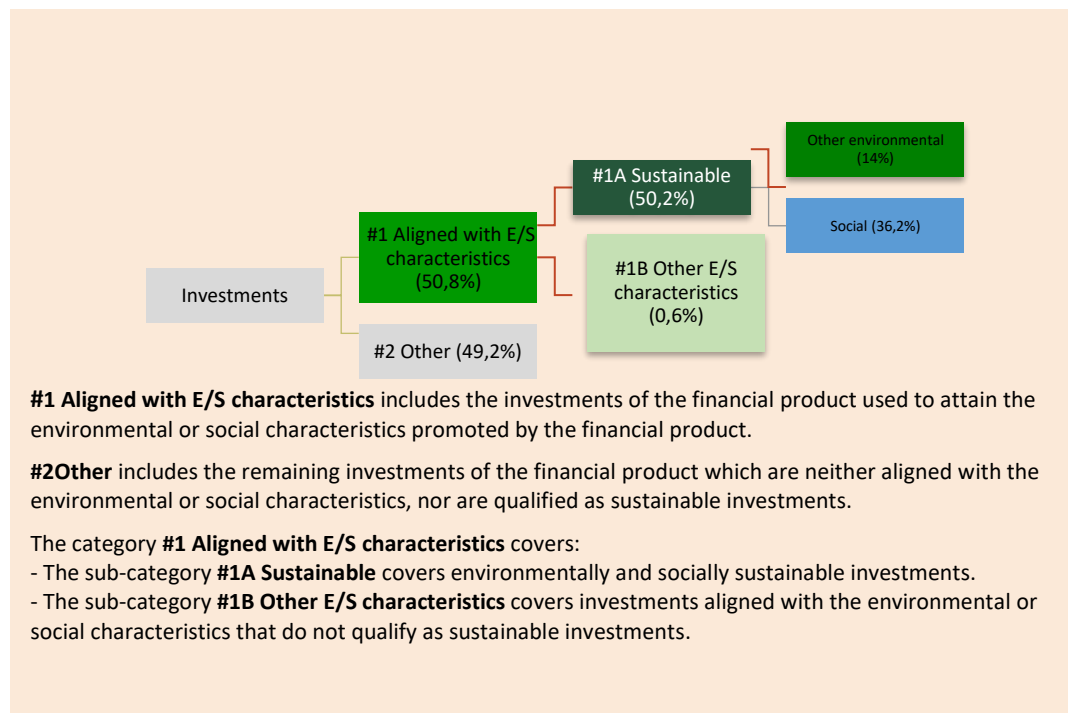
## What was the proportion of sustainability-related investments?

The proportion of Sustainable investment was 50,2% as of 31 December, 2022.

**Asset allocation** describes the share of investments in specific assets.

### ● *What was the asset allocation?*

The proportion of investments aligned with E/S characteristics and Other, amounted to 50,8% and 49,2% respectively. The proportion of Sustainable investments and Other E/S characteristics amounted to 50,2% and 0,6% respectively. Moreover, the split between Other environmental, 14% and Social investments 36,2% was tilted towards sustainable investment with a social objective.



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

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

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

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

NACE	Weights
Financial and insurance activities	36,5%
Manufacturing	15,6%
Wholesale and retail trade; repair of motor vehicles and motorcycles	11,0%
Electricity, gas, steam and air conditioning supply	8,3%
Real estate activities	7,7%
Information and communication	5,5%
Public administration and defense; compulsory social security	5,0%
Transportation and storage	2,3%
Construction	2,0%

Cash	1,8%
Professional, scientific and technical activities	1,6%
Human health and social work activities	1,5%
Education	1,3%



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

Given the evolving methodology and lack of detailed disclosure, the Investment Manager assesses that the Sub-Fund does not have any alignment with the EU taxonomy. However, the investment approach is such that a certain proportion of the Sub-Fund was invested in companies whose activities do broadly align with the taxonomy. Such companies represented approximately 8% of the Sub-Fund as of 31 December 2022. The broad alignment is not expressed in the chart presented in the section below.

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

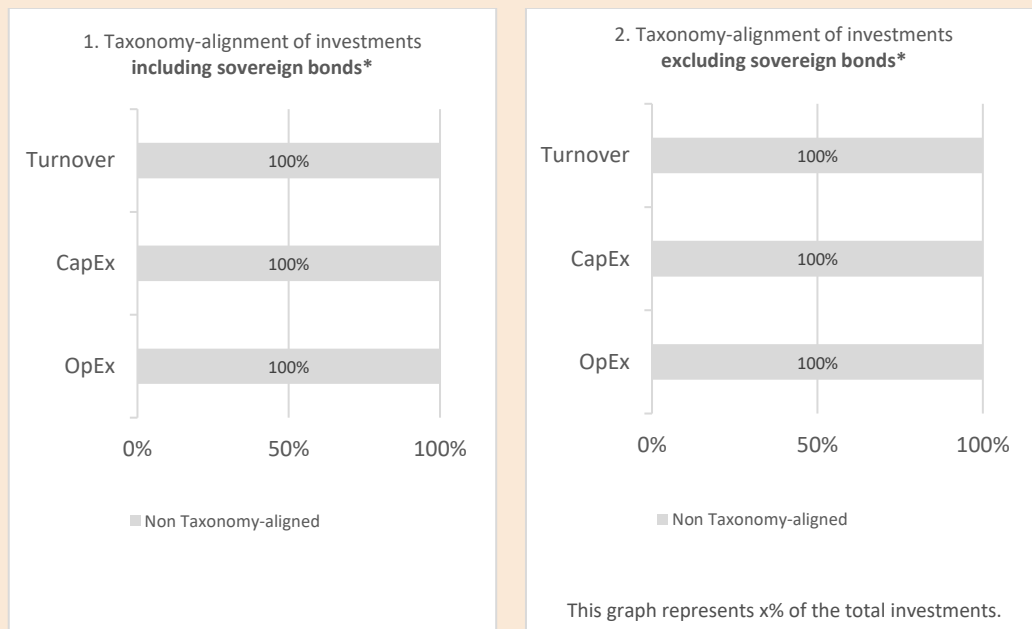
- Yes:
  - In fossil gas
  - In nuclear energy
- No

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

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

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

Not applicable. The Investment Manager did not assess that any investments were made in transitional or enabling activities, partly due to the evolving methodology and lack of detailed disclosure.

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

Not applicable.



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

The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy amounted to 14%.



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

The share of socially sustainable investments amounted to 36,2%.



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

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

Cash positions necessary for ancillary liquidity. Furthermore, investments included under “other” are investments the Investment Manager classifies as not sustainable or as aligned with E/S characteristics, where there is a very compelling investment rationale to do so and/or companies that were not covered by an ESG analysis. Assets included under “other” were involved in activities related to financial and insurance activities, real estate activities, electricity, gas, steam and air conditioning supply, information and communication, public administration and defence, compulsory social security, wholesale and retail trade, repair of motor vehicles and motorcycles, construction, professional, scientific and technical activities and manufacturing.

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



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

During the reference period, the Sub-Fund owned a retail company which the Investment Manager initiated an engagement with. The engagement involved several topics, such as gender diversity on board level and supply chain transparency.



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

No specific index has been designated as a reference benchmark for the purpose of attaining environmental or social characteristics.

- ***How does the reference benchmark differ from a broad market index?***  
Not applicable
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***  
Not applicable
- ***How did this financial product perform compared with the reference benchmark?***  
Not applicable
- ***How did this financial product perform compared with the broad market index?***  
Not applicable



