



# **Annual report**

## **Lupus alpha Dividend Champions**

**as of 31 December 2023**

Lupus alpha

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## Activity report for the period: 1 January 2023 - 31 December 2023

### Investment objectives and investment policy to achieve the objectives:

The fund invests in medium-sized and smaller European companies characterized by continuous dividend payments and a stable business model. The objective of the fund is to participate in the performance of these companies and thus to outperform the benchmark index over a long investment period.

The portfolio consists of around 30 holdings, which are characterised by continuous dividend payments, a solid balance sheet and a stable business model. These are weighted according to their price potential as assumed by us. The fund also maintains an operational cash position to anticipate purchases and sales of holdings through small inflows and outflows.

Details of environmental and/or social characteristics according to Regulation (EU) 2020/852 of the European Parliament and of the Council can be found in the appendix of this annual report.

### Portfolio structure and significant changes during the reporting period:

	31 December 2023	% quota	31 December 2022	% quota
Equities	175,484,942.28	94.63	250,084,767.19	97.85
Cash at banks, money market instruments and money market funds	9,288,828.73	5.01	5,703,875.27	2.23
Other assets	951,777.61	0.51	1,116,591.35	0.44
	-284,059.97	-0.15	-1,316,746.54	-0.52
<b>Structure of the fund:</b>				
<b>Fund assets</b>	<b>185,441,488.65</b>	<b>100.00</b>	<b>255,588,487.27</b>	<b>100.00</b>

**Fund earnings:**

Following a very weak 2022, European small and mid-cap equities showed a strong start to 2023. However, the index fell again in March and by the end of that month was back at previous year-end levels. Between April and July the index showed sideways movement between its start of March high and its level at the beginning of the year. August marked the commencement of a stronger downward trend that pushed the index into the red for the year and reached its low end in October. There was a robust rally in the last two months of the year that lifted the index into the black for the year end.

Price fluctuations were again this year driven mainly by US and European central bank interest rate rises that in turn drove up inflation. However, particularly in Europe and in the second half of the year the slackening pace of overall economic development received assistance from a different driver that supported the year-end rally with the prospect of lower interest rates in 2024.

Lupus alpha Dividend Champions (C) gained 1.67% cent in 2023, failing to outperform its benchmark (Stoxx TMI Small Net Return), which gained 11.51%.

Lupus alpha Dividend Champions (R) gained 0.95% in 2023, failing to outperform its benchmark (Stoxx TMI Small Net Return), which gained 11.51%.

The main cause of disposal loss over the reporting period was loss on equities.

**Significant risks:**

The main types of risk assumed by the fund during the reporting period were as follows:

- Market price risk: The annualised volatility of fund units values over the financial year was 14.49%. This was higher than benchmark, whose volatility in the reporting period was an annualised 14.48%.
- Liquidity risk: The fund consists of units in small and medium-sized European companies. The size of holding in individual units depends, among other things, on their daily trading volume, which is why the liquidity risk may be considered low.
- Currency risk: The fund may hold European equities. The associated currency risk is not hedged through the use of derivatives.
- Operational risk: In principle, the fund is exposed to operational risk in the management company's processes, but did not report any increased operational risk during the reporting period.

# Annual report for Lupus alpha Dividend Champions

## Statement of assets as of 31 December 2023

Investment focus	Current value in EUR	% of fund assets <sup>1)</sup>
<b>Assets</b>		
<b>Equities</b>	<b>175,484,942.28</b>	<b>94.63</b>
Belgium	14,798,300.00	7.98
Federal Republic of Germany	38,574,920.00	20.80
France	15,760,200.00	8.50
Great Britain, Northern Ireland and Channel Islands	56,856,215.19	30.66
Ireland	11,930,370.53	6.43
Sweden	37,564,936.56	20.26
<b>Cash at banks, money market instruments and money market funds</b>	<b>9,288,828.73</b>	<b>5.01</b>
<b>Other assets</b>	<b>951,777.61</b>	<b>0.51</b>
<b>Other liabilities</b>	<b>-284,059.97</b>	<b>-0.15</b>
<b>Fund assets</b>	<b>185,441,488.65</b>	<b>100.00</b>

<sup>1)</sup> Minor rounding differences may arise as a result of rounding percentages in the calculation.

## Annual report for Lupus alpha Dividend Champions

### Statement of net assets as of 31 December 2023

Generic name	ISIN	Market	Qty, units or currency in 1,000	As of 31 December 2023	Purchases/ Acquisitions	Sales/ Disposals	Market price	Market value in EUR	% of fund assets <sup>1)</sup>	
					during the reporting period					
<b>Securities traded on an exchange</b>										
<b>Equities</b>										
ADVANCED MED.SO.GRP LS-05	GB0004536594		QTY	1,850,000	500,000	0	GBP	2.075	4,427,675.06	2.39
BARCO N.V.	BE0974362940		QTY	171,000	0	326,000	EUR	16.550	2,830,050.00	1.53
CEWE STIFT.KGAA O.N.	DE0005403901		QTY	80,000	12,000	36,830	EUR	101.200	8,096,000.00	4.37
COMPUGROUP MED. NA O.N.	DE000A288904		QTY	166,000	166,000	0	EUR	37.900	6,291,400.00	3.39
CVS GROUP PLC LS -,002	GB00B2863827		QTY	140,000	295,000	585,000	GBP	16.830	2,717,678.40	1.47
DCC PLC EO-.25	IE0002424939		QTY	94,000	40,000	166,000	GBP	57.780	6,264,570.53	3.38
D'IETEREN GROUP P.S.	BE0974259880		QTY	30,000	0	64,000	EUR	176.900	5,307,000.00	2.86
DUNELM GROUP PLC LS-.01	GB00B1CKQ739		QTY	420,000	420,000	0	GBP	10.970	5,314,248.15	2.87
ESKER S.A. INH. EO 2	FR0000035818		QTY	37,000	27,000	12,000	EUR	159.600	5,905,200.00	3.18
FEVERTREE PLC LS -.0025	GB00BRJ9BJ26		QTY	480,000	480,000	0	GBP	10.490	5,807,679.44	3.13
FORTNOX AB	SE0017161243		QTY	1,480,000	1,300,000	420,000	SEK	60.280	8,013,941.29	4.32
FUCHS SE VZO NA O.N.	DE000A3E5D64		QTY	100,000	85,000	205,000	EUR	40.300	4,030,000.00	2.17
GB GROUP PLC LS-.25	GB0006870611		QTY	1,400,000	1,600,000	200,000	GBP	2.740	4,424,503.17	2.39
GEA GROUP AG	DE0006602006		QTY	183,000	70,000	180,000	EUR	37.690	6,897,270.00	3.72
GERRESHEIMER AG	DE000A0LD6E6		QTY	23,000	18,000	175,000	EUR	94.350	2,170,050.00	1.17
GLANBIA PLC EO 0.06	IE0000669501		QTY	380,000	0	644,000	EUR	14.910	5,665,800.00	3.06
HILL + SMITH LS-.25	GB0004270301		QTY	185,000	185,000	0	GBP	19.080	4,071,327.24	2.20
IG GROUP HLDGS PLC	GB00B06QFB75		QTY	540,000	0	0	GBP	7.655	4,767,875.06	2.57
JD SPORTS FASH. LS -.0005	GB00BM8Q5M07		QTY	2,000,000	0	4,300,000	GBP	1.660	3,828,187.18	2.06
JM AB	SE0000806994		QTY	265,000	265,000	0	SEK	177.500	4,225,279.36	2.28
KAINOS GROUP PLC LS-.005	GB00BZ0D6727		QTY	180,000	220,000	460,000	GBP	11.190	2,323,210.19	1.25
LOOMIS AB SERIES	SE0014504817		QTY	210,000	0	315,000	SEK	267.600	5,047,968.09	2.72
MELEXIS NV	BE0165385973		QTY	73,000	73,000	0	EUR	91.250	6,661,250.00	3.59
MENSCH UND MASCH.O.N.	DE0006580806		QTY	112,000	112,000	0	EUR	55.000	6,160,000.00	3.32
NEW WAVE GROUP AB B O.N.	SE0020356970		QTY	550,000	1,120,000	570,000	SEK	101.880	5,033,415.97	2.71
NOLATO AB SER.B	SE0015962477		QTY	440,000	0	1,810,000	SEK	52.900	2,090,833.96	1.13
OXFORD INSTR. PLC LS-.05	GB0006650450		QTY	270,000	270,000	0	GBP	22.950	7,147,141.26	3.85
PARADOX INTERAC.SK 0.005	SE0008294953		QTY	410,000	510,000	275,000	SEK	225.400	8,301,354.60	4.48
PETS AT HOME GROUP LS 1	GB00BJ62K685		QTY	1,610,000	1,610,000	0	GBP	3.182	5,908,972.42	3.19
SOFTCAT PLC LS-.0005	GB00BYZDVK82		QTY	390,000	720,000	330,000	GBP	13.600	6,117,717.62	3.30
TRELLEBORG B (FRIA) SK 25	SE0000114837		QTY	160,000	310,000	150,000	SEK	337.600	4,852,143.29	2.62
VERBIO SE INH O.N.	DE000A0JL9W6		QTY	165,000	165,000	0	EUR	29.880	4,930,200.00	2.66
VICAT INH. EO 4	FR0000031775		QTY	300,000	385,000	85,000	EUR	32.850	9,855,000.00	5.31
<b>Total equities</b>							<b>EUR</b>	<b>175,484,942.28</b>	<b>94.63</b>	
<b>Total securities traded on an exchange</b>							<b>EUR</b>	<b>175,484,942.28</b>	<b>94.63</b>	

<sup>1)</sup> Minor rounding differences may arise as a result of rounding percentages in the calculation.

## Annual report for Lupus alpha Dividend Champions

### Statement of net assets as of 31 December 2023

Generic name	ISIN	Market	Qty, units or currency in 1,000	As of 31 December 2023	Purchases/ Acquisitions	Sales/ Disposals	Market price	Market value in EUR	% of fund assets <sup>1)</sup>	
					during the reporting period					
<b>Total securities holdings</b>							<b>EUR</b>	<b>175,484,942.28</b>	<b>94.63</b>	
<b>Cash at banks, money market instruments and money market funds</b>										
<b>Cash at banks</b>										
<b>EUR Balances with the custodian</b>										
Kreissparkasse Köln			EUR	8,859,129.70			%	100.000	8,859,129.70	4.78
<b>Balances in other EU/EEA currencies</b>										
Kreissparkasse Köln			DKK	545,106.92			%	100.000	73,129.45	0.04
Kreissparkasse Köln			NOK	392,263.61			%	100.000	34,964.53	0.02
Kreissparkasse Köln			SEK	300,499.40			%	100.000	26,993.23	0.01
<b>Total balances in other EU/EEA currencies</b>							<b>EUR</b>	<b>135,087.21</b>	<b>0.07</b>	
<b>Balances in non-EU/EEA currencies</b>										
Kreissparkasse Köln			CHF	20,944.06			%	100.000	22,527.52	0.01
Kreissparkasse Köln			GBP	235,894.37			%	100.000	272,084.30	0.15
<b>Total balances in non-EU/EEA currencies</b>							<b>EUR</b>	<b>294,611.82</b>	<b>0.16</b>	
<b>Total cash at banks</b>							<b>EUR</b>	<b>9,288,828.73</b>	<b>5.01</b>	
<b>Total cash at banks, money market instruments and money market funds</b>							<b>EUR</b>	<b>9,288,828.73</b>	<b>5.01</b>	
<b>Other assets</b>										
Dividend claims			EUR	152,631.52					152,631.52	0.08
Withholding tax refund claims			EUR	799,146.09					799,146.09	0.43
<b>Total other assets</b>							<b>EUR</b>	<b>951,777.61</b>	<b>0.51</b>	
<b>Other liabilities</b>										
Payables from pending transactions			EUR	-53,075.42					-53,075.42	-0.03
Accrued expenses			EUR	-230,984.55					-230,984.55	-0.12
<b>Total other liabilities</b>							<b>EUR</b>	<b>-284,059.97</b>	<b>-0.15</b>	
<b>Fund assets</b>							<b>EUR</b>	<b>185,441,488.65</b>	<b>100.00</b>	
<b>Outstanding units - Class C</b>							<b>QTY</b>	<b>300,427.572</b>		
<b>Unit value – Class C</b>							<b>EUR</b>	<b>234.18</b>		

<sup>1)</sup> Minor rounding differences may arise as a result of rounding percentages in the calculation.

## Annual report for Lupus alpha Dividend Champions

### Statement of net assets as of 31 December 2023

Generic name	ISIN	Market	Qty, units or currency in 1,000	As of 31 December 2023	Purchases/ Acquisitions	Sales/ Disposals	Market price	Market value in EUR	% of fund assets <sup>1)</sup>
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during the reporting period

**Outstanding units - Class R**  
**Unit value - Class R**

**QTY**  
**EUR**

**864,024.699**  
**133.20**

**Securities holdings as a percentage of fund assets**

**94.63**

**Securities prices/market rates**

The investment fund assets are valued on the basis of the following list/market prices:

All assets: Prices/market rates as of 29 December 2023 or last known

**Exchange rate(s)/conversion factor(s) (indirect quote) as of 29 December 2023**

Danish krone	(DKK)	7.45400	= 1 euro (EUR)
Pound sterling	(GBP)	0.86699	= 1 euro (EUR)
Norwegian krone	(NOK)	11.21890	= 1 euro (EUR)
Swedish krona	(SEK)	11.13240	= 1 euro (EUR)
Swiss franc	(CHF)	0.92971	= 1 euro (EUR)

<sup>1)</sup> Minor rounding differences may arise as a result of rounding percentages in the calculation.



## Annual report for Lupus alpha Dividend Champions

### Transactions completed during the reporting period, not included in the statement of net assets:

- Purchases and sales of securities, investment fund units and bonded loans (market allocation as of the reporting date):

Generic name	ISIN	Qty, units, nominal value or currency in 1,000	Purchases/ Acquisitions	Sales/ Disposals
<b>Securities traded on an exchange</b>				
<b>Equities</b>				
ALLIANCE PHARMA LS-.01	GB0031030819	QTY	5,410,000	7,400,000
BECHTLE AG O.N.	DE0005158703	QTY	60,000	200,000
BOSSARD HLDG NAM. SF 5	CH0238627142	QTY	16,000	16,000
DECHRA PHARMACEUT. LS-.01	GB0009633180	QTY	0	270,000
DKSH HOLDING AG NA.SF-.10	CH0126673539	QTY	100,000	100,000
HUHTAMAEMI OYJ	FI0009000459	QTY	0	265,000
RWS HOLDINGS PLC LS-.01	GB00BVFCZV34	QTY	0	1,500,000
SCHOUW A/S DK 10	DK0010253921	QTY	0	85,000
SECUNET SECURITY AG O.N.	DE0007276503	QTY	0	24,000
SIEGFRIED HL NA SF 14.60	CH0014284498	QTY	0	14,000
SOFTWARE AG NA O.N.	DE000A2GS401	QTY	0	438,000
SPECTRIS PLC LS-.05	GB0003308607	QTY	215,000	215,000
SPIRENT COMMUNIC.LS-.0333	GB0004726096	QTY	0	2,500,000
STRATEC SE NA O.N.	DE000STRA555	QTY	0	30,000
TECAN GRP AG NAM.SF 0.10	CH0012100191	QTY	0	21,000
TECHNOGYM S.P.A.	IT0005162406	QTY	0	930,000
<b>Securities included in organised markets</b>				
<b>Equities</b>				
GRAFTON GROUP PLC EO-.05	IE00B00MZ448	QTY	0	940,000

# Annual report for Lupus alpha Dividend Champions C

## Profit and loss account (including income equalisation) for the period from 1 January 2023 to 31 December 2023

### I. Income

1. Interest on investments in liquid assets, domestic	EUR	121,341.80
2. Dividends from domestic issuers	EUR	348,787.12
3. Dividends from foreign issuers (gross) with deduction of withholding tax	EUR	489,315.22
4. Dividends from foreign issuers (gross) without deduction of withholding tax	EUR	1,283,294.88
5. Dividend withholding tax	EUR	-98,675.47

<b>Total income</b>	<b>EUR</b>	<b>2,144,063.55</b>
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### II. Expenses

1. Interest from borrowings	EUR	-1.58
2. Auditing and publication charges	EUR	-8,031.18
3. Custodian fee	EUR	-42,602.99
4. Management fee	EUR	-704,182.49
5. Other expenses	EUR	-33,638.30

including a performance fee -EUR  
274.48

<b>Total expenses</b>	<b>EUR</b>	<b>-788,456.54</b>
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<b>III. Ordinary net income</b>	<b>EUR</b>	<b>1,355,607.01</b>
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### IV. Disposals

1. Realised gains	EUR	5,709,647.31
2. Realised losses	EUR	-13,035,685.34

<b>Income from disposals</b>	<b>EUR</b>	<b>-7,326,038.03</b>
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<b>V. Realised earnings for the fiscal year</b>	<b>EUR</b>	<b>-5,970,431.02</b>
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1. Net change in unrealised gains	EUR	-184,825.97
2. Net change in unrealised losses	EUR	12,918,689.96

<b>VI. Unrealised earnings for the fiscal year</b>	<b>EUR</b>	<b>12,733,863.99</b>
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<b>VII. Earnings for the fiscal year</b>	<b>EUR</b>	<b>6,763,432.97</b>
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# Annual report for Lupus alpha Dividend Champions R

## Profit and loss account (including income equalisation) for the period from 1 January 2023 to 31 December 2023

### I. Income

1. Interest on investments in liquid assets, domestic	EUR	176,284.34
2. Dividends from domestic issuers	EUR	480,000.96
3. Dividends from foreign issuers (gross) with deduction of withholding tax	EUR	673,441.51
4. Dividends from foreign issuers (gross) without deduction of withholding tax	EUR	1,764,816.28
5. Dividend withholding tax	EUR	-135,847.87
<b>Total income</b>	<b>EUR</b>	<b>2,958,695.22</b>

### II. Expenses

1. Interest from borrowings	EUR	-2.57
2. Auditing and publication charges	EUR	-10,427.97
3. Custodian fee	EUR	-69,952.59
4. Management fee	EUR	-2,025,669.15
5. Other expenses	EUR	-54,766.25
<b>Total expenses</b>	<b>EUR</b>	<b>-2,160,818.53</b>

### III. Ordinary net income

EUR 797,876.69

### IV. Disposals

1. Realised gains	EUR	9,374,586.40
2. Realised losses	EUR	-21,408,553.64

### Income from disposals

EUR -12,033,967.24

### V. Realised income for the financial year

EUR -11,236,090.55

1. Net change in unrealised gains	EUR	-179,600.87
2. Net change in unrealised losses	EUR	12,553,474.20

### VI. Unrealised earnings for the fiscal year

EUR 12,373,873.33

### VII. Earnings for the fiscal year

EUR 1,137,782.78

# Annual report for Lupus alpha Dividend Champions C

## Development of fund assets

2023

<b>I. Value of the investment fund at the beginning of the financial year</b>	EUR		<b>136,133,064.29</b>
1. Distribution for the previous year/tax allowance for the previous year	EUR		0.00
2. Interim dividends	EUR		-2,459,212.69
3. Inflow/outflow of funds (net)	EUR		-66,015,055.51
a) Cash inflow from sale of units	EUR	20,344,183.56	
b) Cash outflow from redemption of units	EUR	-86,359,239.07	
4. Income/expense equalisation	EUR		-4,066,649.04
5. Net income for the financial year	EUR		6,763,432.97
of which unrealised gains	EUR	-184,825.97	
of which unrealised losses	EUR	12,918,689.96	
<b>II. Value of the investment fund at the end of the financial year</b>		EUR	<b>70,355,580.02</b>

# Annual report for Lupus alpha Dividend Champions R

## Development of fund assets

2023

<b>I. Value of the investment fund at the beginning of the financial year</b>	EUR		<b>119,455,422.98</b>
1. Distribution for the previous year/tax allowance for the previous year	EUR		0.00
2. Interim dividends	EUR		-3,361,057.00
3. Inflow/outflow of funds (net)	EUR		-1,912,924.77
a) Cash inflow from sale of units	EUR	16,201,630.06	
b) Cash outflow from redemption of units	EUR	-18,114,554.83	
4. Income/expense equalisation	EUR		-233,315.36
5. Net income for the financial year	EUR		1,137,782.78
of which unrealised gains	EUR	-179,600.87	
of which unrealised losses	EUR	12,553,474.20	
<b>II. Value of the investment fund at the end of the financial year</b>		EUR	<b>115,085,908.63</b>

## Annual report for Lupus alpha Dividend Champions

### Appropriation of net income from unit class C

#### Calculation of distribution (overall and per unit)

	overall	per unit
<b>I. Available for distribution</b>	<b>EUR 2,459,212.69</b>	<b>8.19</b>
1. Carried forward from the previous year	EUR 7,121,679.96	23.71
2. Realised income for the financial year	EUR -5,970,431.02	-19.87
3. Addition from the investment fund <sup>3)</sup>	EUR 1,307,963.75	4.35
<b>II. Not appropriated for distribution</b>	<b>EUR 0.00</b>	<b>0.00</b>
1. Allocated to reinvestment	EUR 0.00	0.00
2. Amount carried forward	EUR 0.00	0.00
<b>III. Total distribution</b>	<b>EUR 2,459,212.69</b>	<b>8.19</b>
1. Interim dividends <sup>2)</sup>	EUR 2,459,212.69	8.19
2. Final dividend	EUR 0.00	0.00

### Appropriation of net income from unit class R

#### Calculation of distribution (overall and per unit)

	overall	per unit
<b>I. Available for distribution</b>	<b>EUR 3,361,057.00</b>	<b>3.89</b>
1. Carried forward from the previous year	EUR 11,970,748.37	13.85
2. Realised income for the financial year	EUR -11,236,090.55	-13.00
3. Addition from the investment fund <sup>3)</sup>	EUR 2,626,399.18	3.04
<b>II. Not appropriated for distribution</b>	<b>EUR 0.00</b>	<b>0.00</b>
1. Allocated to reinvestment	EUR 0.00	0.00
2. Amount carried forward	EUR 0.00	0.00
<b>III. Total distribution</b>	<b>EUR 3,361,057.00</b>	<b>3.89</b>
1. Interim dividends <sup>2)</sup>	EUR 3,361,057.00	3.89
2. Final dividend	EUR 0.00	0.00

<sup>2)</sup> Interim dividend paid on 14 December 2023 following a 4 December 2023 resolution

<sup>3)</sup> The addition from the investment fund results from the recognition of realised losses.

## Annual report for Lupus alpha Dividend Champions

### Unit classes

The unit classes listed in the following table were issued in the reporting period

Unit class	currency	Management fee (per cent p.a.)		Front load (per cent)		Minimum investment amount in currency	Appropriation of income
		maximum	current	maximum	current		
C	EUR	1.00	1.00	5.00	5.00	500,000.00	distributing
R	EUR	1.70	1.70	5.00	5.00	0.00	distributing

In addition, the management company receives a performance-related fee from the investment fund for managing the investment fund in accordance with the prospectus.

## Pursuant to § 7 (9) KARBV [Capital Investment Accounting and Valuation Regulations]

### Information pursuant to the German Derivatives Regulation (Derivateverordnung)

underlying exposure through derivatives	0.00		EUR
counterparty to derivatives transactions			
none			
<b>Total amount of securities pledged by third parties under derivatives transactions:</b>	<b>0.00</b>		<b>EUR</b>
Securities holdings as a percentage of fund assets	94.63	%	
Derivatives holdings as a percentage of fund assets	0.00	%	

The use of the market risk limit for this investment fund was determined using the qualified approach in accordance with the Derivatives Regulation.

#### Information according to the qualified approach:

##### Potential risk exposure for market risk

lowest potential risk exposure	8.106	%
highest potential risk exposure	11.334	%
average potential risk exposure	9.422	%

##### Risk model used pursuant to § 10 of the Derivatives Regulations

Monte Carlo simulation

##### Parameters used pursuant to § 110 of the Derivatives Regulations

Confidence level = 99%, holding period 10 days

Effective historical observation period 12 months = 250 days

Average amount of leverage achieved during the financial year through derivative transactions

0.00

##### Composition of benchmark assets

Composition of the benchmark assets (§ 37 (5) of the Derivatives Regulations):

STOXX Europe Total Market Small Net Return Index EUR (XBB5G Index)

### Other information

Unit value – Class C

234.18 EUR

Outstanding units - Class C

300,427.572 QTY

Unit value - Class R

133.20 EUR

Outstanding units - Class R

864,024.699 QTY

### Information on the asset valuation method

Additional information pursuant to § 16 (1) (2) of the KARBV - Information about the valuation method



Valuation is done by the management company. The management company generally relies on external sources for this purpose.

If no trading prices are available, valuation models are used to determine prices (derived fair values) that are agreed between the custodian and the management company and are based as far as possible on market parameters. This procedure is subject to a permanent control process. Price information from third parties is checked for plausibility by other price sources, model invoices or by other appropriate procedures.

For assets admitted to trading on an exchange or admitted to or included in another organised market, as required under §27 KARBV, the last available trading price is used ensure the valuation is reliable. For assets that are neither admitted to trading on exchanges nor admitted to or included in another organised market, or for which no trading price is available, as required under §28 KARBV taken together with §168(3) KAGB, market values are used, based on careful assessment that involves appropriate valuation models and takes current market conditions into account. The underlying fair value may also be determined and communicated by an issuer, counterparty or other third party. In this case, this value is checked for plausibility by the management company or the custodian and this plausibility check is documented. Units in domestic investment funds, EC investment units and foreign Units in investment funds are valued at their most recent available redemption price or at a current price, as required under §27(1) KARBV. If no current price is available, the value of the units is determined in accordance with § 28 KARBV; reference is made to this in the annual report. Bank deposits are valued at their nominal value plus accrued interest. Fixed-term deposits are measured at fair value. Liabilities are recognised at their repayment amount.

The investments shown in this report are valued at tradeable stock exchange or market prices for 94.63% of the fund assets and at derived market values for 0.00% of the fund assets. The remaining 5.37% of fund assets consist of other assets, other liabilities and cash.

## Information on transparency and the total expense ratio

The total expense ratio expresses all charges and payments borne by the fund during the year. (excluding transaction charges) in relation to the average net asset value of the fund; it must be shown as a percentage.

1.08 Unit class C

1.80 Unit class R

Performance-related fee as a percentage of average net asset value

0.00 Unit class C

0.00 Unit class R

The management company does not receive any rebates on fees and expense reimbursements paid from the fund to the custodian or any third parties.

The management company does not grant any broker trail commissions to intermediaries to a significant extent from the fees paid to it by the fund.

### Significant other income and other expenditure

no significant other income and other expenditure

Transaction charges (total of incidental acquisition charges plus selling charges)

676,530.46 EUR

## Information pursuant to Regulation (EU) 2015/2365 on securities financing transactions

During the reporting period, the fund was not invested in any securities financing transactions pursuant to Regulation (EU) 2015/2365, which is why no disclosure is made below regarding this type of transaction.

Other information required for understanding the report

Explanation of net change in unrealised gains and losses:

The net change in unrealised gains and losses is determined by comparing the values of the assets included in the unit price with their respective historical cost in each fiscal year, the amount of positive differences is included in total unrealised gains, the amount of negative differences is included in total unrealised losses, and net changes are determined by comparing the totals at the end of the fiscal year with the totals at the beginning of the fiscal year.

## **Information on staff remuneration Lupus alpha Group**

### **remuneration policy**

#### **Management company's remuneration system**

Lupus alpha Investment GmbH is a subsidiary of Lupus alpha Asset Management AG. Lupus alpha (which means "the leader of the pack") is an owner-managed, independent asset management group that offers specialist investment products to institutional and private investors. We focus on a small number of attractive asset classes for which special expertise is required and in which we may realise sustainable added value for our customers. Our focus is on European second-tier stocks as well as alternative solutions. As a specialist provider, we systematically open up new sources of alpha for institutional investors through specialist, innovative strategies and open up avenues for broader and deeper diversification of their overall portfolios.

Lupus alpha's partnership-based corporate structure creates the conditions for the highest possible level of staff continuity at management level. Together with its role as a specialist provider and the focus of its own investments on liquidity investments, limitation to the usual risks of a medium-sized asset manager is guaranteed.

Performance-related and entrepreneurial-oriented remuneration for employees is a central component for the design of Lupus alpha's remuneration system. By adopting a holistic remuneration concept, management intends to support the medium to long-term corporate goals defined as part of the strategy development process and to avoid incentives to take disproportionately high risks. All requirements arising from the decree concerning the Supervisory Requirements for Institutions' Remuneration Systems (InstitutsVergV), § 13 and 22 of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (AIFM Directive), the guidelines for sound remuneration policies taking account of the AIFMD (German translation of the ESMA Guidelines) and Annex II Remuneration Policy of the AIFM Directive, are complied with in this regard.

#### **Results of the annual review of the remuneration policy**

Lupus alpha regularly reviews the appropriateness of the remuneration concept with the involvement of compliance and makes adjustments if necessary. The remuneration policy and its application are also subject to review by the internal audit department and monitoring by the Supervisory Board. There were no complaints.

#### **Significant changes to the established remuneration policy**

There were no significant changes to the remuneration system in the reporting period.

#### **Total amount of employee compensation paid to the management company in 2022: EUR 6.6 million,**

of which fixed remuneration 59.24%

of which variable remuneration 40.76%

Remuneration paid directly out of the fund in EUR million 0.00

Total employees incl. management 90

Total remuneration paid by the management company to risk takers in the financial year just ended: EUR 2.33 million,

of which indirectly via cost allocation by the parent company to senior management: EUR 2.33 million

#### **Information for institutional investors pursuant to §101(2)(5) KAGB taken together with §134c(4) AktG.**

#### **Information on medium to long-term risks**

Information on the medium to long-term risks of the investment fund is provided in the activity report.

**Portfolio composition, portfolio turnover and portfolio turnover charges**

Information on the portfolio composition, portfolio turnover and portfolio turnover charges is available in the annual report in the sections "Statement of net assets", "Transactions completed during the reporting period not included in the statement of net assets " and "Information on transparency and the total expense ratio"

**Consideration of the medium to long-term development of the management company in the investment decision**

Shares traded on a regulated market are subject to various medium and long-term risks.

The assessment of these risks is a fundamental part of the investment strategy and policy.

The description of whether or how the medium to long-term development of the management company is taken into account in the investment decision is made in the activity report.

**Use of proxies**

Information on exercising voting rights is available on the Lupus alpha Asset Management AG website in the strategies for exercising voting rights.

**Handling securities lending and dealing with conflicts of interest in the context of participation in companies, in particular through the use of shareholder rights**

No securities lending transactions were concluded for the fund during the reporting period.

Information on the handling of conflicts of interest is available on the Lupus alpha Asset Management AG website.

**Regulatory information on the financial products referred to in Article 8 Paragraphs 1, 2 and 2a of Regulation (EU) 2019/2088 and Article 6 Paragraph 1 of Regulation (EU) 2020/852**

A **sustainable investment** is an investment in an economic activity that helps achieve an environmental or social objective, provided that said investment does not materially impair environmental or social objectives and that the invested companies follow good corporate governance practices.

The **EU Taxonomy** is a classification system specified in Regulation (EU) 2020/852 and includes a list of **environmentally sustainable economic activities**. The Regulation does not give a list of socially sustainable economic activities. Sustainable investments with an environmental goal may or may not be Taxonomy-compliant.

<b>Product name:</b> Lupus alpha Dividend Champions	<b>Company identifier code (LEI code):</b> 529900LQLUQK51OU3T85
<b>Environmental and/or social characteristics</b>	
<b>Were sustainable investments targeted with this financial product?</b>	
●● <input type="checkbox"/> <b>Yes</b>	●● <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> Investments were made in <b>sustainable investments with environmental aims:</b> _% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that are classified environmentally sustainable by the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that are not classified as environmentally sustainable by the EU Taxonomy</li> </ul> <input type="checkbox"/> Investments were made in <b>sustainable investments with social aims:</b> _____%	<input checked="" type="checkbox"/> <b>Environmental/social characteristics were advertised and even though sustainable investments were not specifically targeted, they constitute 69.80% of the investment</b> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> having an environmental objective of economic activities classified as environmentally sustainable by the EU Taxonomy.</li> <li><input checked="" type="checkbox"/> having an environmental objective of economic activities not classified as environmentally sustainable by the EU Taxonomy.</li> <li><input checked="" type="checkbox"/> having a social objective</li> </ul> <input type="checkbox"/> Environmental/social characteristics were advertised but <b>no sustainable investments were made.</b>



**Sustainability indicators** are used to measure the extent to which the financial product achieves the advertised environmental/social characteristics.

## ***To what extent did the financial product achieve the advertised environmental and/or social criteria?***

The Fund strategy assigned different weightings to environmental and social standards. Investments were therefore made in quality (small & mid cap) companies but excluded business models that are not sustainable (e.g. thermal coal mining and nuclear energy generation) and failures to meet minimum standards (e.g. violations of the UN Global Compact). ESG criteria were also included in basic bottom-up analysis. This means the Fund was not based on a benchmark and did not emulate any benchmark. The Fund did not use derivatives to achieve its advertised/environmental characteristics.

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

All investible companies were classified according to environmental, social, ethical and governance criteria. Research included social standards, environmental management, product portfolio and corporate governance. Under comprehensive negative screening, values that do not meet certain minimum standards were excluded. These applied to all securities (such as equities) and money-market instruments in the portfolio:

#### **Environment:**

- Thermal coal mining > 5% of revenues
- Power generation from thermal coal > 10 per cent of revenues
- Production and sale of nuclear energy > 5 per cent of revenues
- Products and services for the nuclear energy industry > 5 per cent of revenues
- Mining and exploration of oil sands & shale oil

#### **Social:**

- Violations of the UN Global Compact
- Violations of international human rights conventions and inadequate reaction or processing by the company
- Violations of ILO core labour standards within companies themselves and their supply chains, and poor company reaction/handling

#### **Governance:**

- Very serious controversies
- Violations of international corruption conventions and inadequate reaction or processing by the company

#### **Ethics:**

- Production/sale/servicing of cluster munitions, anti-personnel mines and other controversial weapons
- Production & sale of military weapons > 5% of revenues
- Tobacco production > 5 per cent of revenues

All companies that did not violate any of the above exclusion criteria and were not excluded on the basis of adverse impacts on sustainability factors (PAIs - principal adverse impacts - see below) were in principle investible.

The above revenue limits, violations of standards/controversies and also any adverse impacts on sustainability factors (PAIs)

were examined with the help of our independent research provider, MSCI, and its own methodology. Companies that MSCI has not researched were researched internally. The information provided by MSCI was also checked internally, as portfolio managers usually have direct access to the management of researched companies and could cast a critical light on such information. Generally speaking, independent analyses offer less ESG coverage for small and mid caps than for large caps.

- The Fund maintained the above exclusion criteria throughout the reporting period. The internal control system kept maintenance of the exclusion criteria under constant supervision.... **and compared with previous periods?**

Compared with the previous period, we made the following change this year:

- Carbon intensity included as additional PAIs in investment decision-making

- ***What were the goals of the sustainable investments made partly with the financial product, and how does sustainable investment contribute to these goals?***

We consider an investment/company to be clearly sustainable if its products or operational behaviour are aligned or strongly aligned with at least one of the 17 SDGs (sustainable development goals) while its products and operational behaviour are not at the same time misaligned or strongly misaligned with the 17 SDGs. The SDGs are those of the United Nations. [For further information go to: https://sdgs.un.org/](https://sdgs.un.org/). We use the MACI ESG methodology to assess SDG contributions. (Sustainable Impact Metrics: <https://www.msci.com/our-solutions/esg-investing/impact-solutions>). To ensure good corporate governance, the sustainable investments in the portfolio must also have an ESG rating of at least BB.

- ***To what extent did the sustainable investments made in part with the financial product have a significant adverse effect on environmental or social sustainable investment goals?***

The sustainable investments made by the financial product are checked not only for the above positive criteria but also for a number of negative criteria. It is crucial that the company's business practices, products and services are not misaligned or strongly misaligned with any of the 17 SDGs. This ensures that the sustainable investments do no significant harm to any of the environmental or social investment goals.

In addition to the exclusion criteria mentioned above for the entire fund, the following, more far-reaching criteria also apply:

- No thermal coalmining > 1% of revenues
- No tobacco production
- No revenues with tobacco >5%

The **principal adverse impacts** of investment decisions concern the environmental, social and employment areas, human rights and the fight against corruption and bribery.

In what way have principal adverse impact indicators been taken into account?

Principal adverse impact (PAI) indicator checks for sustainable investments are the same as those for the Fund as a whole (see below).

*Are the sustainable investments in alignment with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights?  
More details:*

Investments that violate UNGC principles or OECD Guidelines for Multinational Enterprises are excluded. This applies to all the equities in the portfolio.

*The EU Taxonomy establishes the “do no significant harm” principle, under which taxonomy-compliant investments must not significantly harm the objectives of the EU taxonomy. This is accompanied by specific EU criteria.*

*The “do no significant harm” principle applies only to those investments on which the financial product is based, which take into account the EU criteria for environmentally sustainable economic activities. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

*All other sustainable investments must also do no significant harm.*



### ***How did this financial product take into account the main principal adverse impacts on sustainability?***

The principal adverse impacts (PAIs) on sustainability were taken into account in the investment process. We did this by introducing measurement and assessment methods and expanded our ESG methodology to reduce the negative impact of investment. The following PAIs were explicitly included in our investment process:

#### **Environment:**

- Carbon footprint and carbon intensity
- Activities that adversely affect areas of vulnerable biodiversity

#### **Social:**

- Violations of UNGC principles and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Exposure to controversial weapons (anti-personal mines, cluster munitions, biological weapons)

#### **Governance:**

- Gender diversity on management and supervisory bodies
- Inadequate measures taken against violations of anti-corruption standards

If a company had adverse impacts on the aforementioned sustainability factors, it was generally excluded. However, in order to give companies a transitional period in which to improve on certain factors, we engage with them concerning the following factors and under certain conditions:

- Carbon footprint and carbon intensity (if both indicators are in the lowest quartile of the relevant industry IVA). The underlying percentiles were calculated by the management company itself based on CO2 data provided by MSCI. If no data was available from MSCI, the management company produced the data using its own calculations.

or

- lack of minimum gender diversity on management and supervisory committees (no women on those committees)

We would only consider the company investible if we could see clear plans for remedying these adverse impacts or if they could be directly agreed with the company. Where this was the case, we documented the plans, along with the targeted and implemented changes. If the intended changes were not made or if the company did not display the agreed willingness to implement them, after several escalations and in the final resort, the position would be sold. This was not however a step that needed to be taken for any company during this reporting period.

The above commitment could only be made for one single PAI. If an investment in a company required commitment to more than one PAI, we refrained from investing.

The aforementioned PAIs were checked with the assistance of our external research provider MSCI. Companies that MSCI has not researched were researched internally. The information provided by MSCI was also checked internally since Portfolio Management generally enjoys direct contact with the management of the issuer concerned and was able to subject the information to critical examination (issuer carbon footprint and carbon intensity percentiles were calculated internally on the basis of MSCI carbon footprint and carbon intensity data and the relevant industry IVA).





## What are the main investments of this financial product?

The list includes the following investments, which accounted for **the majority of the investments** made by the financial product during the reference period:

*01.12.2023-31.12.2023*

Biggest investments	Sector	% of assets	Country
Vicat SACA FR0000031775	Raw materials	4.58%	France
Softcat PLC GB00BYZDVK82	Software and services	4.37%	Great Britain
JD Sports Fashion PLC GB00BM8Q5M07	Non-consumer staples: Distribution and retail	4.10%	Great Britain
CVS Group PLC GB00B2863827	Healthcare: Equipment and services	3.82%	Great Britain
Loomis AB SE0014504817	Commercial & Professional services	3.80%	Sweden
Cewe Stiftung & Co KGAA DE0005403901	Commercial and professional services	3.67%	Germany
Fortnox AB SE0017161243	Software and services	3.66%	Sweden
GEA Group AG DE0006602006	Capital goods	3.40%	Germany
Barco N.V. BE0974362940	Hardware and equipment	3.37%	Belgium
Glanbia Plc IE0000669501	Food, beverages & tobacco	3.24%	Ireland
Paradox Interactive AB SE0008294953	Media and entertainment	3.08%	Sweden
D'Ieteren S.A. BE0974259880	Non-consumer staples: Distribution and retail	2.89%	Belgium
Gerresheimer AG DE000A0LD6E6	Pharmaceuticals biotechnology & biosciences	2.80%	Germany
Grafton Group Plc IE00B00MZ448	Capital goods	2.76%	Ireland

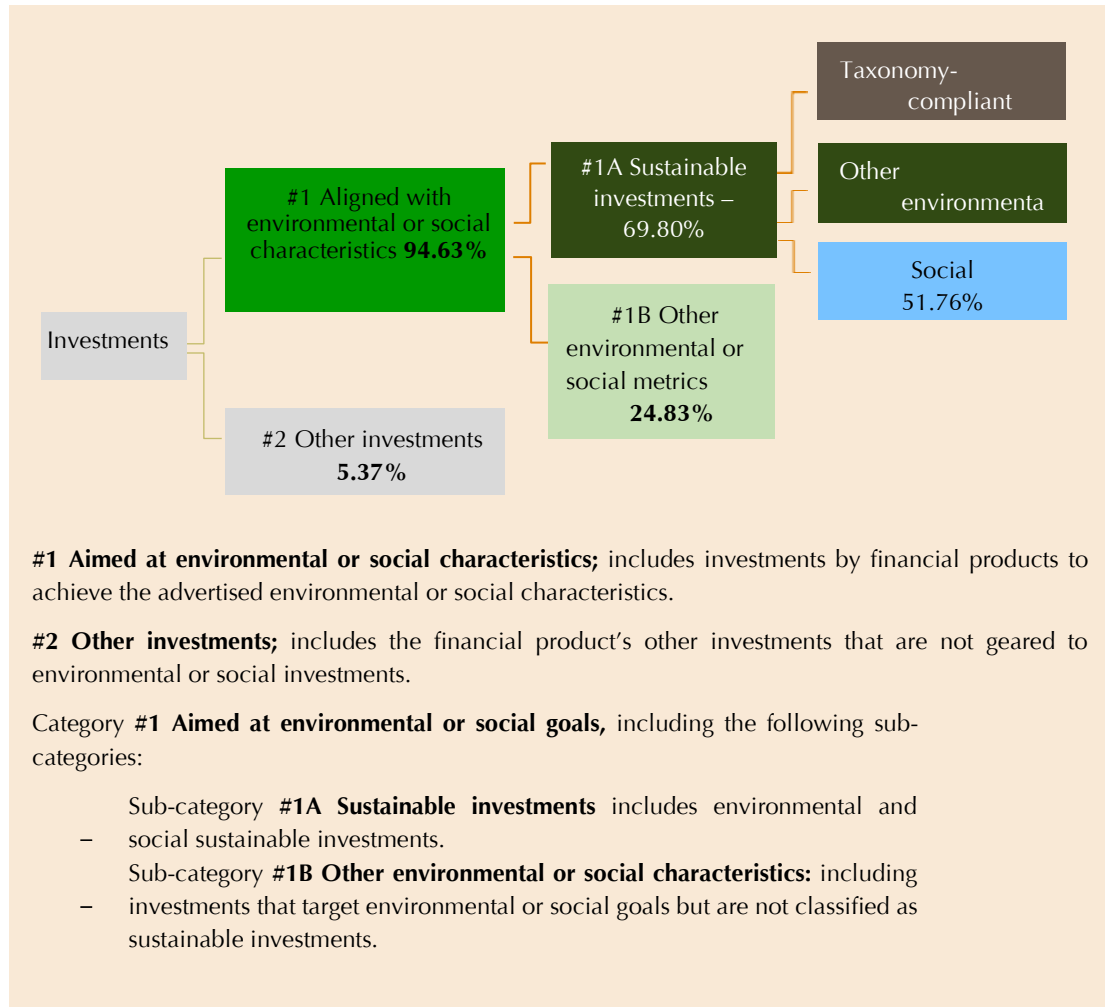


**Asset allocation** indicates the investment in percentage terms in certain assets.

### ***What was the percentage of sustainability-related investments?***

Sustainability-related investments are investments that help achieve environmental and/or social characteristics as part of the investment strategy. The percentage was 94.63%.

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



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

The table below shows the economic sectors and sub-sectors in which the financial product was invested over the reporting period. Investments were allocated to sectors and subsectors based on data from independent research providers and internal research.

Additionally, 6.26% of investments were in fossil fuels during the reporting period. Data from the independent research provider, MSCI ESG Research, was used to calculate the proportion of investment in the fossil fuel sectors and subsectors. This percentage includes companies that generate revenues from the fossil fuels sector, including the extraction, processing, storage and transportation of petroleum products, natural gas, and thermal and metallurgical coal.

Sector	Percentage
Software and services	17.82%
Capital goods	12.19%
Non-consumer staples: Distribution and retail	11.63%
Hardware and equipment	9.24%
Commercial and professional services	8.94%
Raw materials	8.23%
Healthcare: Equipment and services	6.41%
Food, beverages and tobacco	5.50%
Pharmaceuticals, biotechnology and life sciences	4.27%
Media and entertainment	3.08%
Consumer goods and clothing	2.26%
Financial services	1.96%
Energy	2.83%
Semiconductors and semiconductor equipment	3.59%

Taxonomy-compliant activities, expressed as the proportion of:

- **Revenues** reflecting the current “environmental friendliness” of the investee companies.
- **Capital expenditure (CapEx)**, which shows the environmentally friendly investments made by the investee companies for the transition to a green economy.
- **Operating expenses (OpEx)**, which reflect the environmentally friendly operating activities of investee companies.

With regard to compliance with EU Taxonomy, **fossil gas** criteria include the capping of emissions and transition to totally renewable energy or low carbon fuels by the end of 2035. **Nuclear energy** criteria include comprehensive safety and waste management requirements.

**Enabling activities** directly enable other activities to make a significant contribution to environmental goals.

**Transition activities** are those for which low-carbon alternatives do not yet exist but whose greenhouse gas emissions match the best levels of performance.

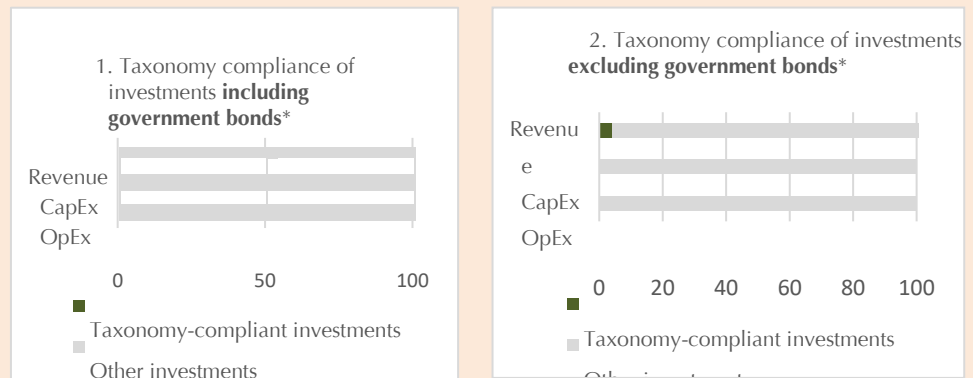
**To what extent were sustainable investments with an environmental objective compliant with the EU Taxonomy?**

The proportion of taxonomy-compliant sustainable investments made by the Fund was 4.06% (all environmental goals included) at 31.12.2023.

● **Did the financial product invest in EU Taxonomy-compliant activities in the areas of fossil gas and/or nuclear energy?**

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

*The graphs below show the percentage of investments aligned with the EU Taxonomy in green. As there is no suitable method for determining the Taxonomy compliance of government bonds\*. The first graph shows the Taxonomy compliance in relation to all investments of the financial product, including government bonds, while the second graph shows the Taxonomy compliance only in relation to the investments of the financial product that does not include government bonds.*



\* For the purpose of these charts, the term “government bonds” includes all exposures to States.

● **What percentage of the investment is in transitional and enabling activities?¹**

Companies are not yet required to state the proportion of their economic activities that is in transition and enabling activities in their taxonomy reporting. Due to the lack of data, it was therefore not possible on the reporting date to reliably determine the proportion of investments made in transition and enabling activities during the reporting period. Therefore, a percentage of 0 per cent is assumed.

● **How has the proportion of investments aligned with the EU taxonomy changed compared with previous reference periods?**

No proportion of investments aligned with the EU Taxonomy was recorded for the previous period.

¹ Activities in the fossil gas and/or nuclear power sectors are not EU Taxonomy-compliant unless they help mitigate climate change and do no significant harm to the objectives of the EU Taxonomy (see explanation to the left). The full criteria for EU Taxonomy-compliant activities in the fossil gas and nuclear energy sectors are set out in Commission Delegated Regulation (EU) 2022/1214.



are sustainable investments with an environmental objective that **do not take account of the criteria** for environmental sustainable economic activities set out in Regulation (EU) 2020/852.



***What was the proportion of sustainable investments with an environmental objective that did not comply with the EU taxonomy?***

At 31.12.2023 the proportion of sustainable investments with an environmental objective that did not comply with the EU Taxonomy was 13.97%. The 4.06% of Taxonomy-compliant sustainable investments with an environmental objective did however meet our definition of sustainable investment with an environmental objective, but is shown separately in accordance with the asset allocation diagram (see above).



***What was the proportion of sustainable social investments?***

At 31.12.2023 this was 51.76%.



***Which investments fell under “Other investments”? What was their investment objective and was there a minimum environmental or social protection?***

“#2 Other investments” included bank deposits and forward exchange transactions. These were used for liquidity management and currency hedging. There was no minimum environmental or social protection.



***What measures were taken during the reference period to ensure environmental and/or social characteristics were fulfilled?***

Compliance with ESG criteria was uninterrupted and was/is continuously monitored by both Compliance and Portfolio Management. In terms of compliance, we work with the compliance manager from SimCorpDimensions. An in-house ESG tool was developed for front office last year, and is used by Portfolio Management to check investment compliance with ESG criteria, analyse individual stocks in detail and evaluate aggregate key portfolio indicators (KPIs). The tool is based on data from MSCI. For issuers that are not covered by MSCI, independent checks were carried out with regard to the relevant ESG criteria. If an internal check was not possible in these cases, we decided not to invest. This ensured that investments were only made in companies that fit the environmental and social characteristics defined by us. If investment conditions for a particular company became negative (e.g. because of a new controversy that the company had failed to address properly), we reacted immediately by selling the position without excessive slippage. We also consider the principal adverse impacts (PAIs) on sustainability during the investment process.

Based on our methodology of considering PAI, we again this year entered into formal commitment processes with certain companies in our portfolio. In addition to implementing ESG methodology, we exercised all the Fund’s voting rights via an independent provider.

## Annual report for Lupus alpha Dividend Champions

### Comparative table covering the last three financial years

Fiscal year		Fund assets at the end of the fiscal year	Unit value
Unit class C			
2023	EUR	70,355,580.02	234.18
2022	EUR	136,133,064.29	237.12
2021	EUR	288,870,856.21	300.74
Unit class R			
2023	EUR	115,085,908.63	133.20
2022	EUR	119,455,422.98	135.84
2021	EUR	144,102,190.59	173.53

Frankfurt, 15 January 2024,

Lupus alpha Investment GmbH

Michael Frick  
Managing  
Director

Dr. Götz Albert  
Managing  
Director

## Report of the independent auditor

To Lupus alpha Investment GmbH, Frankfurt am Main

### ***Audit opinion***

We have audited the annual report of the Lupus alpha Dividend Champions fund – consisting of the activity report for the fiscal year from 1 January 2023 to 31 December 2023, the statement of net assets as of 31 December 2023, the profit and loss account, the statement of appropriation of income, the statement of changes in fund assets for the fiscal year from 1 January 2023 to 31 December 2023, as well as the comparative three-year overview, the statement of transactions completed during the reporting period not included in the statement of net assets, and the notes.

In our opinion, based on our audit, the accompanying annual report complies, in all material respects, with the provisions of the German Investment Code (Kapitalanlagegesetzbuch – KAGB) and the relevant European regulations, and presents a comprehensive and true picture of the position and developments of the investment fund in compliance with these provisions.

### ***Basis for the audit opinion***

We conducted our audit of the annual report in accordance with § 102 KAGB, considering German generally accepted auditing standards determined by the *Institut der Wirtschaftsprüfer* [Institute of Public Auditors in Germany] (IDW). Our responsibility under these provisions and standards is described in more detail in the section “Responsibility of the auditor for the audit of the annual report” of our report. We are independent of Lupus alpha Investment GmbH in accordance with German commercial law and the professional rules and regulations, and have fulfilled our other German professional duties in accordance with these requirements. We believe that the audit evidence we have obtained is suitable and sufficient to serve as a basis for our audit opinion of the annual report.

### ***Responsibility of the legal representatives for the annual report***

The legal representatives of Lupus alpha Investment GmbH are responsible for preparing the annual report, which is compliant in all regards with the provisions of the KAGB and the relevant European regulations, as well as for ensuring that the annual report presents a comprehensive and true picture of the position and developments of the investment fund, in compliance with these provisions. Furthermore, the legal representatives are responsible for the internal controls they have deemed necessary under these provisions in order to ensure that the annual report is free of material misstatement, whether due to fraud or error (i.e. fraudulent financial reporting and misappropriation).

In preparing the annual report, the legal representatives are responsible for including in the report such events, decisions and factors that may materially affect the future growth of the investment fund. This means that in preparing the annual report, the legal representatives must assess Lupus alpha Investment GmbH's operation of the investment fund as a going concern and are responsible for disclosing facts concerning the continuation of the investment fund, if applicable.

### ***Responsibility of the auditor for the audit of the annual report***

Our aim is to obtain reasonable assurance that the annual report as a whole is free of material misstatement, whether due to fraud or error, and to issue a report containing our audit opinion on the annual report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted pursuant to § 102 KAGB, in accordance with German Generally Accepted Standards for Financial Statement Audits issued by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements may be due to fraud or error and are considered material when it may reasonably be expected that these, individually or as a whole, could influence economic decisions of users made on the basis of this annual report.

During the audit, we exercise professional judgement and adopt a critical stance. In addition:

- We identify and assess the risk of material misstatements in the annual report due to fraud or error, plan and carry out audit procedures in response to these risks, and obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion. The risk that material misstatements due to fraud will not be detected is higher than the risk that material misstatements due to error will not be detected, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or bypassing of internal controls.
- We obtain an understanding of internal controls 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 controls.
- We assess the appropriateness of the account methods used by the legal representatives of Lupus alpha Investment GmbH in preparing the annual report and the justifiability of the estimated values presented by the legal representatives and related information.
- On the basis of the audit evidence obtained, we reach a conclusion as to whether a material uncertainty exists in connection with events or circumstances that could raise serious doubt about Lupus alpha Investment GmbH's operation of the investment fund as a going concern. If we conclude that a material uncertainty exists, we are obliged to draw attention in our report to the relevant information in the annual report or, if such information is inadequate, to amend our audit opinion. We draw our conclusion on the basis of the audit evidence obtained up until the date of our report. However, future events or circumstances may result in Lupus alpha Investment GmbH's discontinuation of the investment fund.
- We assess the overall presentation, structure and content of the annual report, including figures and whether the annual report presents the underlying transactions and events in such a way that the annual report, in compliance with KAGB and the relevant European regulations, presents a picture of the fund's actual circumstances and performances.

Among other things, we discuss the planned scope and time frame of the audit with those responsible for governance, as well as significant findings including any deficiencies in the internal control system identified during our audit.

Frankfurt am Main, 27 March 2024

KPMG AG Wirtschaftsprüfungsgesellschaft

Kuppler  
Auditors

Neuf  
Auditors



## Information about the management company, custodian and auditor

**Lupus alpha Investment GmbH**  
**Speicherstraße, 49-51**  
**D-60327 Frankfurt am Main, Germany**

Telephone: 0049 69 365058-70 00  
Fax: 0049 69 365058-80 00

### Supervisory Board

Chairman  
Dr. Oleg De Lousanoff, lawyer and notary  
Vice Chairman  
Dietrich Twietmeyer, Dipl.Agr.Ing.  
Dr. Helmut Wölfel, Legal counsel

### Mandates of the Executive Board

Michael Frick  
Management Board of Directors of Lupus alpha Asset Management AG, Frankfurt am  
Main, Germany  
Ralf Lochmüller  
Spokesman of the Board of Directors of Lupus alpha Asset Management AG, Frankfurt  
am Main  
Shareholder of Lupus alpha Holding GmbH, Frankfurt am Main, Germany  
Dr. Götz Albert  
Management Board of Directors of Lupus alpha Asset Management AG, Frankfurt am  
Main, Germany

## Information about the management company, custodian and auditor (Part II)

### Custodian

**Kreissparkasse Köln**  
Neumarkt 18-24  
50667 Cologne

Liable equity capital as of 31 December  
2022  
EUR 2.573 bn

### Auditor of the fund and the management company

KPMG AG Wirtschaftsprüfungsgesellschaft  
THE SQUARE  
Am Flughafen  
D-60549 Frankfurt am Main, Germany

The above information is updated in the annual and semi-annual reports.

### Other investment funds managed by the management company:

As of 31 December 2023, 10 mutual funds and 10 funds were managed by the management company.

**Capital as of 31 December 2022**  
subscribed and paid in: EUR 2.560 million

### Shareholder

Lupus alpha Asset Management AG (100%)

### Executive Board

Ralf Lochmüller  
Michael Frick  
Dr. Götz Albert