

# Annual Report 2023

**Investment Company under Luxembourg Law**

**R.C.S. Luxembourg N° B 214 367**

**Annual report and audited financial statements as of 31 December 2023**

Kersio Lux

Kersio Lux – Kersio Equity



# Annual report and audited financial statements as of 31 December 2023

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## **Sales restrictions**

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

# Management and Administration

## Registered Office

33A, avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

## Board of Directors

*Alejandro Scherk Serrat*  
Chairman  
Aribau 225, escalera B 2ª 2ª  
E08021 Barcelona  
Spain

*Alex Nicolas Vilchez*  
Independent Director  
LNV Directorship Services Sarl  
14 Rue des Champs  
L-5953 Itzig  
Grand Duchy of Luxembourg

*Nuria Izquierdo Martin*  
Independent Director  
2, rue Lamartine  
L-1914 Luxembourg  
Grand Duchy of Luxembourg

## Management Company

UBS Fund Management (Luxembourg) S.A.  
33A, avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg  
R.C.S. Luxembourg N° B 154 210

## Investment Manager

Kersio Global Investment A.V. S.A.  
c/Cister, Num 2, 2B  
08022 Barcelona  
Spain

## Depository, Paying Agent and Domiciliary Agent

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

## Administrator

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

## Auditor

ERNST & YOUNG S.A.  
35E, avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

## Legal adviser as to matters of Luxembourg law

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

The sales prospectus, the PRIIPs KID (Packaged Retail and Insurance-based Investment Products Key Information Document), the articles of association of the Company, the annual and semi-annual reports as well as the portfolio movements of the Company mentioned in this publication are available free of charge at the sales agencies and at the registered office of the Company.

# Features of the Company

Kersio Lux (hereinafter called the "Company") is a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital (*société d'investissement à capital variable*). The Company is subject to Part I of the Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as amended or supplemented from time to time.

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

The Company has been incorporated in Luxembourg on 25 April 2017. The Company is registered with the Luxembourg Trade and Companies Register under number B 214 367. The latest version of the Articles of Association was published in the "*Recueil Electronique des Sociétés et Associations*" of the Grand Duchy of Luxembourg (RESA) on 3 May 2017.

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

UBS Fund Management (Luxembourg) S.A. has been incorporated in Luxembourg on 1 July 2010 in the legal form of a public limited liability company (*société anonyme*) for unlimited duration. It is registered with the R.C.S. Luxembourg under number B 154 210. Its registered office is in 33A, avenue John F. Kennedy, L-1855 Luxembourg.

The articles of incorporation of the Management Company have been published by reference on 16 August 2010 in the Mémorial C. The consolidated version of the articles of incorporation has been deposited for inspection with the Register of Trade and Companies (*Registre du commerce et des sociétés*) in Luxembourg. The corporate object of the Management Company is, inter alia, the management of Luxembourg undertakings for collective investment as well as the issue and redemption of shares of these products. The share capital of the Management Company amounts to EUR 13 000 000 and is fully paid-in.

The share capital of the Company is represented by fully paid up shares of no par value. The share capital of the Company is at all times equal to the Net Asset Value of the Company, which is the total Net Asset Value of all subfunds expressed in the Reference Currency of the Company.

The share capital of the Company must at all times be at least equal to the minimum required by the 2010 Law, which is currently EUR 1 250 000. The shares will be issued in registered form only.

As at 31 December 2023 the following share classes are offered:

Share Class A-EUR is open to retail and institutional investors.

Share Class M-EUR is reserved for Feeder Fund(s).

Share Class Z-EUR is reserved for the employees of the Investment Manager responsible for the investment management of the Fund.

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

The annual general meeting of shareholders will be held each year in Luxembourg in order to approve the financial statements of the Company for the previous financial year. The annual general meeting of shareholders will be held at the registered office of the Company, or at such alternative location in Luxembourg as may be specified in the convening notice, at 3.00 pm (Luxembourg time) on the first Tuesday of June or, if such day is not a Business Day, on the next Business Day.

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

The annual and semi-annual reports are available free of charge to shareholders at the registered office of the Company and the Depositary.

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

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

## **SFDR (Sustainable Finance Disclosure Regulation) information (unaudited)**

### **Article 6:**

Kersio Lux – Kersio Equity\*

- \* The investments underlying this subfund do not take into account the EU criteria for environmentally sustainable economic activities (Art. 7 Taxonomy).  
The subfund does not consider principal adverse impacts on sustainability factors due to its investment strategy and the nature of the underlying investments (SFDR Art. 7).

# Independent Auditor's Report

To the Shareholders of

## **Kersio Lux**

33A, avenue John F. Kennedy  
L-1855 Luxembourg

## **Opinion**

We have audited the financial statements of Kersio Lux (the "Company"), which comprise the statement of net assets and the schedule of investments and other net assets as at 31 December 2023, and the statement of operations and the statement of changes in net assets for the year then, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

## **Basis for Opinion**

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Other information**

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

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

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

## **Responsibilities of the Board of Directors of the Company for the financial statements**

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

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

### **Responsibilities of the “réviseur d’entreprises agréé” for the audit of the financial statements**

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

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

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

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

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

Luxembourg, 15 March 2024

ERNST & YOUNG  
Société Anonyme  
Cabinet de révision agréé

  
Isabelle Nicks



## Combined Statement of Net Assets

	EUR
<b>Assets</b>	<b>31.12.2023</b>
Investments in securities, cost	101 485 907.43
Investments in securities, unrealized appreciation (depreciation)	16 346 758.93
Total investments in securities (Note 1)	117 832 666.36
Cash at banks, deposits on demand and deposit accounts	3 452 909.99
Receivable on dividends	103 838.53
Other assets	11 246.70
Other receivables	117 432.06
Formation expenses, net (Note 2)	6 134.97
<b>Total Assets</b>	<b>121 524 228.61</b>
<b>Liabilities</b>	
Provisions for management company fees and investment manager fees (Note 2)	-98 280.19
Provisions for administration fees	-6 901.86
Provisions for depositary fees	-4 663.20
Provisions for distribution fees (Note 2)	-4 656.34
Provisions for taxe d'abonnement (Note 3)	-14 894.27
Provisions for regulatory fees	-10 624.73
Provisions for audit fees, legal and economic advice	-12 687.47
Provisions for other commissions and fees	-85 351.71
Total provisions	-238 059.77
<b>Total Liabilities</b>	<b>-238 059.77</b>
<b>Net assets at the end of the financial year</b>	<b>121 286 168.84</b>

## Combined Statement of Operations

	EUR
<b>Income</b>	<b>1.1.2023-31.12.2023</b>
Interest on liquid assets	135 837.79
Dividends	2 518 948.33
<b>Total income</b>	<b>2 654 786.12</b>
<b>Expenses</b>	
Management company fees and investment manager fees (Note 2)	-838 015.01
Administration fees	-82 345.25
Depositary fees	-55 032.00
Distribution fees (Note 2)	-55 343.57
Taxe d'abonnement (Note 3)	-57 088.17
Regulatory fees	-13 397.27
Audit fees, legal and economic advice	-34 810.25
Amortization of formation expenses (Note 2)	-287.52
Other commissions and fees	-126 963.70
Interest on cash and bank overdraft	-822.92
<b>Total expenses</b>	<b>-1 264 105.66</b>
<b>Net income (loss) on investments</b>	<b>1 390 680.46</b>
<b>Realized gain (loss) (Note 1)</b>	
Realized gain (loss) on market-priced securities without options	1 748 182.51
Realized gain (loss) on forward foreign exchange contracts	4 207.44
Realized gain (loss) on foreign exchange	-5 954.05
<b>Total realized gain (loss)</b>	<b>1 746 435.90</b>
<b>Net realized gain (loss) of the financial year</b>	<b>3 137 116.36</b>
<b>Changes in unrealized appreciation (depreciation) (Note 1)</b>	
Unrealized appreciation (depreciation) on market-priced securities without options	13 330 901.47
<b>Total changes in unrealized appreciation (depreciation)</b>	<b>13 330 901.47</b>
<b>Net increase (decrease) in net assets as a result of operations</b>	<b>16 468 017.83</b>

## Combined Statement of Changes in Net Assets

	<b>EUR</b>
	<b>1.1.2023-31.12.2023</b>
Net assets at the beginning of the financial year	107 131 118.09
Subscriptions	244 392.56
Redemptions	-2 557 359.64
Total net subscriptions (redemptions)	-2 312 967.08
Net income (loss) on investments	1 390 680.46
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# Kersio Lux – Kersio Equity

## Three-year comparison

Date	ISIN	31.12.2023	31.12.2022	31.12.2021
Net assets in EUR		121 286 168.84	107 131 118.09	118 221 512.07
<b>Class A-EUR</b>	<b>LU1476746869</b>			
Shares outstanding		346 328.9940	363 568.2960	371 191.9170
Net asset value per share in EUR		141.18	122.29	132.58
<b>Class M-EUR</b>	<b>LU2081628021</b>			
Shares outstanding		557 172.5930	558 186.3810	569 693.4170
Net asset value per share in EUR		111.18	96.07	103.92
<b>Class Z-EUR</b>	<b>LU1877355211</b>			
Shares outstanding		8 145 301.7880	8 145 301.7880	8 145 301.7880
Net asset value per share in EUR		1.28	1.11	1.20

## Report of the Portfolio Manager

The year 2023 has proven to be favorable for both the stock market and Kersio. Concerns regarding a recession have gradually dissipated, albeit through a long process. The FED and other central banks have vigilantly monitored inflation, adjusting rates accordingly. Fortunately, the economy has demonstrated resilience, with inflation showing signs of stabilization. Right now, the stock market's primary inquiry pertains not to the trajectory of interest rates, but rather to the timing of their reduction. While many anticipate a decrease in 2024, global consensus remains elusive.

Market sentiment has improved in response to this shift. Our benchmark, the SX5T index (Eurostoxx50 with dividends), surged by 22.2% in 2023. Kersio also performed well, recording a 15.4% increase in its NAV for the year. The fund has delivered some alpha taking into account that our beta is in the vicinity of 0.70.

Our investment approach remains steadfast, focusing on our core companies with modest portfolio rotations. Nonetheless, we made some adjustments this past year, divesting from certain positions while initiating new ones. We divested all the position in Intel, recognizing the company's challenges in maintaining its semiconductor industry leadership. Additionally, Cigna was sold at opportune exit points, although we maintain a positive outlook on the health sector.

We initiated a position in Nordea, drawn to the well-managed and highly capitalized Scandinavian banking sector, which we perceive as offering good value. Our confidence in the industrial sector led us to acquire shares in the Austrian company Andritz. Finally, we have initiated a small position in the home and agricultural retailer Tractor Supply.

Overall, we remain diligent in identifying value in selective markets, adhering to our low beta strategy in pursuit of favorable opportunities. We are optimistic that 2024 will parallel the success of 2023, and we feel confident to be able to beat the index once again this year.

## Structure of the Securities Portfolio

Geographical Breakdown as a % of net assets	
United States	25.46
Canada	14.59
Spain	12.72
United Kingdom	10.39
Norway	7.71
Italy	4.29
Denmark	4.19
Cyprus	3.95
Sweden	3.89
The Netherlands	3.41
France	2.68
Germany	1.50
Faroe Islands	1.02
Finland	0.79
Austria	0.56
<b>Total</b>	<b>97.15</b>

Economic Breakdown as a % of net assets	
Banks & credit institutions	14.94
Retail trade, department stores	9.38
Food & soft drinks	9.36
Forestry, paper & pulp products	8.57
Pharmaceuticals, cosmetics & medical products	8.14
Healthcare & social services	6.05
Packaging industry	5.67
Internet, software & IT services	5.28
Tobacco & alcohol	4.75
Non-ferrous metals	3.95
Finance & holding companies	3.21
Miscellaneous unclassified companies	3.16
Agriculture & fishery	3.08
Mechanical engineering & industrial equipment	2.51
Mining, coal & steel	2.49
Miscellaneous services	2.15
Telecommunications	1.61
Real Estate	1.41
Chemicals	0.96
Insurance	0.48
<b>Total</b>	<b>97.15</b>

## Statement of Net Assets

	EUR
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## Development of the outstanding shares

	1.1.2023-31.12.2023
<b>Class</b>	<b>A-EUR</b>
Number of shares outstanding at the beginning of the financial year	363 568.2960
Number of shares issued	1 902.2620
Number of shares redeemed	-19 141.5640
<b>Number of shares outstanding at the end of the financial year</b>	<b>346 328.9940</b>
<b>Class</b>	<b>M-EUR</b>
Number of shares outstanding at the beginning of the financial year	558 186.3810
Number of shares issued	0.0000
Number of shares redeemed	-1 013.7880
<b>Number of shares outstanding at the end of the financial year</b>	<b>557 172.5930</b>
<b>Class</b>	<b>Z-EUR</b>
Number of shares outstanding at the beginning of the financial year	8 145 301.7880
Number of shares issued	0.0000
Number of shares redeemed	0.0000
<b>Number of shares outstanding at the end of the financial year</b>	<b>8 145 301.7880</b>

## Statement of Investments in Securities and other Net Assets as of 31 December 2023

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
<b>Transferable securities and money market instruments listed on an official stock exchange</b>			
<b>Equities</b>			
<b>Austria</b>			
EUR ANDRITZ AG NPV(BR)	12 000.00	676 800.00	0.56
<b>Total Austria</b>		<b>676 800.00</b>	<b>0.56</b>
<b>Canada</b>			
CAD BANK NOVA SCOTIA HALIFAX COM	8 600.00	380 820.57	0.31
CAD CCL INDUSTRIES INC 'B'NON-VTG COM NPV	93 800.00	3 837 412.23	3.16
CAD NATL BK OF CANADA COM NPV	48 500.00	3 362 988.20	2.77
CAD ROYAL BK OF CANADA COM NPV	32 100.00	2 953 058.58	2.44
CAD STELLA JONES INC COM NPV	108 500.00	5 744 589.38	4.74
CAD TORONTO-DOMINION COM NPV	24 100.00	1 416 623.68	1.17
<b>Total Canada</b>		<b>17 695 492.64</b>	<b>14.59</b>
<b>Denmark</b>			
USD NOVO-NORDISK A S ADR	43 700.00	4 092 486.31	3.37
DKK SCANDINAVIAN TOBAC DKK1	63 000.00	991 325.47	0.82
<b>Total Denmark</b>		<b>5 083 811.78</b>	<b>4.19</b>
<b>Faroe Islands</b>			
NOK P/F BAKKAFROST DKK1	26 213.00	1 243 064.89	1.02
<b>Total Faroe Islands</b>		<b>1 243 064.89</b>	<b>1.02</b>
<b>Finland</b>			
EUR NORDEA HOLDING ABP NPV	85 000.00	954 210.00	0.79
<b>Total Finland</b>		<b>954 210.00</b>	<b>0.79</b>
<b>France</b>			
EUR AIR LIQUIDE(L) EUR5.5 (POST-SUBDIVISION)	6 615.00	1 165 033.80	0.96
EUR VERALLIA EUR3.38	59 987.00	2 091 146.82	1.72
<b>Total France</b>		<b>3 256 180.62</b>	<b>2.68</b>
<b>Germany</b>			
EUR DEUTSCHE BOERSE AG NPV(REGD)	9 750.00	1 818 375.00	1.50
<b>Total Germany</b>		<b>1 818 375.00</b>	<b>1.50</b>
<b>Italy</b>			
EUR INTERPUMP GROUP EURO.52	10 400.00	487 448.00	0.40
EUR RECORDATI EURO.125	56 600.00	2 763 778.00	2.28
EUR REPLY SPA EURO.13(POST SUBD)	16 350.00	1 953 825.00	1.61
<b>Total Italy</b>		<b>5 205 051.00</b>	<b>4.29</b>
<b>The Netherlands</b>			
EUR KONINKLIJKE AHOLD EURO.01	159 100.00	4 138 986.50	3.41
<b>Total The Netherlands</b>		<b>4 138 986.50</b>	<b>3.41</b>
<b>Norway</b>			
NOK ORKLA ASA NOK1.25	362 000.00	2 544 020.61	2.10
NOK SALMAR ASA NOK0.25	49 170.00	2 494 770.15	2.06
NOK SPAREBANK 1 SR BK NOK25	135 318.00	1 554 797.83	1.28
NOK SPAREBANKEN 1 SMN	218 215.00	2 758 203.28	2.27
<b>Total Norway</b>		<b>9 351 791.87</b>	<b>7.71</b>
<b>Spain</b>			
EUR INM COLONIAL SOCIM EUR2.5	261 674.00	1 713 964.70	1.41
EUR LOGISTA HOLDINGS EURO.2	195 038.00	4 774 530.24	3.94
EUR VIDRALA SA EUR1.02	51 065.00	4 789 897.00	3.95
EUR VISCOFAN SA EURO.70	77 497.00	4 153 839.20	3.42
<b>Total Spain</b>		<b>15 432 231.14</b>	<b>12.72</b>
<b>Sweden</b>			
SEK ASSA ABLOY SER'B'NPV (POST SPLIT)	72 100.00	1 880 137.94	1.55
SEK SECURITAS SER'B'NPV	131 100.00	1 160 910.98	0.96
SEK SVENSKA HANDELSBKN SER'A'NPV (P/S)	170 000.00	1 671 368.07	1.38
<b>Total Sweden</b>		<b>4 712 416.99</b>	<b>3.89</b>
<b>United Kingdom</b>			
GBP BUNZL ORD GBPO.32142857	126 300.00	4 649 555.02	3.84
GBP CRANSWICK ORD GBPO.10	106 032.00	4 659 628.05	3.84
GBP IG GROUP HLDGS ORD GBPO.00005	235 000.00	2 076 014.66	1.71
GBP PETS AT HOME GROUP ORD GBPO.01(WI)	330 000.00	1 211 801.46	1.00
<b>Total United Kingdom</b>		<b>12 596 999.19</b>	<b>10.39</b>

Description	Quantity/ Nominal	Valuation in EUR Unrealized gain (loss) on Futures/ Forward Exchange Contracts/ Swaps (Note 1)	as a % of net assets
<b>United States</b>			
USD ALPHABET INC CAP STK USD0.001 CL A	14 300.00	1 808 325.71	1.49
USD AUTO DATA PROCESS COM USD0.10	6 680.00	1 408 807.86	1.16
USD AUTOZONE INC COM USD0.01	1 555.00	3 639 726.20	3.00
USD BERKLEY(WR)/CORP COM USD0.20	9 000.00	576 182.50	0.48
USD CENTENE CORP DEL COM	51 100.00	3 432 880.10	2.83
USD CVS HEALTH CORP COM STK USD0.01	42 150.00	3 012 867.42	2.48
USD DOLLAR GENERAL CP COM USD0.875	2 800.00	344 597.84	0.28
USD HOME DEPOT INC COM USD0.05	5 350.00	1 678 398.14	1.38
USD MAXIMUS INC COM	19 000.00	1 442 393.52	1.19
USD MICROSOFT CORP COM USD0.0000125	7 840.00	2 668 857.65	2.20
USD PAYCHEX INC COM	4 800.00	517 564.84	0.43
USD TRACTOR SUPPLY CO COM USD0.008	1 850.00	360 119.04	0.30
USD UNITEDHEALTH GRP COM USD0.01	8 200.00	3 908 074.05	3.22
USD VISA INC COM STK USD0.0001	13 000.00	3 063 911.65	2.53
USD WARRIOR MET COAL I COM USD0.01	54 600.00	3 013 589.82	2.49
<b>Total United States</b>		<b>30 876 296.34</b>	<b>25.46</b>
<b>Total Equities</b>		<b>113 041 707.96</b>	<b>93.20</b>
<b>Total Transferable securities and money market instruments listed on an official stock exchange</b>		<b>113 041 707.96</b>	<b>93.20</b>
<b>Transferable securities and money market instruments traded on another regulated market</b>			
<b>Equities</b>			
<b>Cyprus</b>			
GBP ATALAYA MINING PLC ORD GBP0.075	1 150 000.00	4 790 958.40	3.95
<b>Total Cyprus</b>		<b>4 790 958.40</b>	<b>3.95</b>
<b>Total Equities</b>		<b>4 790 958.40</b>	<b>3.95</b>
<b>Total Transferable securities and money market instruments traded on another regulated market</b>		<b>4 790 958.40</b>	<b>3.95</b>
<b>Total investments in securities</b>		<b>117 832 666.36</b>	<b>97.15</b>
<b>Cash at banks, deposits on demand and deposit accounts and other liquid assets</b>		<b>3 452 909.99</b>	<b>2.85</b>
<b>Other assets and liabilities</b>		<b>592.49</b>	<b>0.00</b>
<b>Total net assets</b>		<b>121 286 168.84</b>	<b>100.00</b>

# Notes to the Financial Statements

## **Note 1 – Summary of significant accounting policies**

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

### *a) Calculation of the net asset value*

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

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

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

The net asset value of the Company will at all times be equal to the sum of the net asset values of all subfunds expressed in the reference currency of the Company. The net asset value of the Company must at all times be at least equal to the minimum share capital required by the 2010 Law which is currently EUR 1 250 000 except during the first six (6) months after the approval of the Company by the CSSF.

### *b) Valuation principles*

1) The value of any cash on hand or on deposit, bills or notes payable, accounts receivable, prepaid expenses, cash dividends and interest accrued but not yet received is equal to the entire nominal or face amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof is determined after making such discount

as the Board of Directors may consider appropriate in such case to reflect the true value thereof.

- 2) Transferable Securities and Money Market Instruments which are quoted, listed or traded on an exchange or regulated market are valued, unless otherwise provided under paragraphs 3) and 6) below, at the last available market price or quotation, prior to the time of valuation, on the exchange or regulated market where the securities or instruments are primarily quoted, listed or traded. Where securities or instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors determines on which exchange or regulated market the securities or instruments are primarily quoted, listed or traded and the market prices or quotations on such exchange or regulated market are used for the purpose of their valuation. Transferable Securities and Money Market Instruments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, are valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.
- 3) Notwithstanding paragraph 2) above, where permitted under applicable laws and regulations, Money Market Instruments not traded on a stock exchange or on another regulated market open to the public will be valued on the basis of the relevant curves. Curve-based valuations are calculated from interest rates and credit spreads. The following principles are applied in this process: the interest rate nearest the residual maturity is interpolated for each money market instrument. Thus calculated, the interest rate is converted into a market price by adding a credit spread that reflects the creditworthiness of the underlying borrower. This credit spread is adjusted if there is a significant change in the borrower's credit rating.
- 4) Financial derivative instruments which are quoted, listed or traded on an exchange or regulated market are valued at the last available settlement price or, if such settlement price is not available, the last available bid price, prior to the time of valuation, on the exchange or regulated market where the instruments are primarily quoted, listed or traded. Where instruments are quoted, listed or traded on more than one exchange or regulated market, the Board of Directors determines on which exchange or regulated market the instruments are primarily



quoted, listed or traded and the closing or settlement prices or quotations on such exchange or regulated market are used for the purpose of their valuation. Financial derivative instruments for which closing or settlement prices or quotations are not available or representative are valued at their probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.

- 5) Financial derivative instruments which are traded "over-the-counter" (OTC) are valued daily at their fair market value, on the basis of valuations provided by the counterparty which are approved or verified on a regular basis independently from the counterparty. Alternatively, OTC financial derivative instruments may be valued on the basis of independent pricing services or valuation models approved by the Board of Directors which follow international best practice and valuation principles. Any such valuation is reconciled to the counterparty valuation on a regular basis independently from the counterparty, and significant differences are promptly investigated and explained.
- 6) Notwithstanding paragraph 2) above, shares or units in target investment funds (including UCITS and UCI) are valued at their latest available official net asset value, as reported or provided by or on behalf of the investment fund or at their latest available unofficial or estimated net asset value if more recent than the latest available official net asset value, provided that the Board of Directors is satisfied of the reliability of such unofficial net asset value. The net asset value calculated on the basis of unofficial net asset values of the target investment fund may differ from the net asset value which would have been calculated, on the same Valuation Day, on the basis of the official net asset value of the target investment fund. Alternatively, shares or units in target investment funds which are quoted, listed or traded on an exchange or regulated market may be valued in accordance with the provisions of paragraph 2) above.
- 7) The value of any other asset not specifically referenced above is the probable realisation value estimated with care and in good faith by the Board of Directors using any valuation method approved by the Board of Directors.

In certain circumstances, subscriptions, redemptions, and conversions in a subfund may have a negative impact on the Net Asset Value per Share. Where

subscriptions, redemptions, and conversions in a subfund cause the subfund to buy and/or sell underlying investments, the value of these investments may be affected by bid/offer spreads, trading costs and related expenses including transaction charges, brokerage fees, and taxes. This investment activity may have a negative impact on the Net Asset Value per Share called "dilution". In order to protect existing or remaining investors from the potential effect of dilution, the Company may apply a "swing pricing" methodology or an anti-dilution levy as further explained below and in the Supplement of the relevant subfund, if applicable. The swing pricing methodology and the anti-dilution levy cannot apply at the same time to subscription and/or redemption orders in respect of the same Valuation Day.

The Company may apply a so-called "swing pricing" methodology which adjusts the Net Asset Value per Share to account for the aggregate costs of buying and/or selling underlying investments. The Net Asset Value per Share will be adjusted by a certain percentage set by the Board of Directors from time to time for each subfund called the "swing factor" which represents the estimated bid-offer spread of the assets in which the subfund invests and estimated tax, trading costs, and related expenses that may be incurred by the subfund as a result of buying and/or selling underlying investments (called the Swing Factor). As certain stock markets and jurisdictions may have different charging structures on the buy and sell sides, the Swing Factor may be different for net subscriptions and net redemptions in a subfund. Generally, the Swing Factor will not exceed two percent (2%) of the Net Asset Value per Share unless otherwise set out for each subfund in the Supplement. A periodical review will be undertaken in order to verify the appropriateness of the Swing Factor in view of market conditions.

As at 31 December 2023, the swing pricing mechanism was not implemented in the Company.

*c) Net realized gains (losses) on sales of securities*

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

*d) Conversion of foreign currencies*

Bank accounts, other net assets and the valuation of the investments in securities held denominated in currencies other than the reference currency of the

different subfunds are converted at the mid closing spot rates on the valuation date. Income and expenses denominated in currencies other than the currency of the different subfunds are converted at the mid closing spot rates at transaction date. Gain or loss on foreign exchange is included in the statement of operations.

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

*e) Accounting of securities' portfolio transactions*

The securities' portfolio transactions are accounted for at trade dates.

*f) Combined financial statements*

The combined financial statements are expressed in EUR. The various items of the combined statement of net assets, the combined statement of operations and the combined statement of changes in net assets as of 31 December 2023 are equal to the sum of the corresponding items in the financial statements of each subfund.

*g) Income recognition*

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

*h) Valuation of financial futures contracts*

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

*i) Valuation of forward foreign exchange contracts*

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

*j) Receivable on securities sales,  
Payable on securities purchases*

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

can also include payables from foreign currency transactions.

Receivables and payables from foreign exchange transactions are netted.

## **Note 2 – Fees and Expenses**

*Management Company Fee*

The Management Company is entitled to receive out of the assets of the Company fixed annual Management Fees of EUR 20 000 plus max. 0.05% p.a. (min. EUR 30 000 p.a.). The Management Fee is calculated by reference to the net asset value of each subfund calculated on each Valuation Day and is payable on a monthly basis in arrears. The Management Company is also entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. These fees are paid directly out of the respective subfund's assets to the Management Company.

The Management Company Fee covers the fees in relation with the risk management and the supervision of the delegated functions. For the avoidance of doubt, the Management Fee does not cover investment management, central administration, registrar and transfer agency as well as domiciliation and corporate secretary services, marketing and distribution services performed respectively by the Investment Manager, the Administrator and the Distributor(s).

The Company pays separate fees to the Management Company for the services of the Investment Manager, the Administrator as well as Distributor(s) as described below.

*Investment Manager Fee*

The Investment Manager is entitled to receive from the Management Company annual customary fees equal to a percentage of the net asset value of each subfund or share class, as set out in the Supplement for each subfund or share class in the Prospectus. The Investment Manager fee is calculated by reference to the net asset value of each subfund or share class and will accrue on each Valuation Day and is payable monthly in arrears out of the assets of each subfund to the Management Company. The Management Company pays such fee to the Investment Manager.

For the subfund Kersio Lux – Kersio Equity share classes A EUR and Z EUR, the Investment Manager Fee is 0.75% of the net asset value for a net asset

value up to EUR 60 million and 0.72% of the net asset value if the net asset value is above EUR 60 million.

For the subfund Kersio Lux – Kersio Equity share classe M EUR the Investment Manager Fee is 0.61% of the net asset value for a net asset value up to EUR 60 million and 0.58% of the net asset value if the net asset value is above EUR 60 million.

#### *Fees of the Depositary and the Paying Agent*

The Depositary and Paying Agent will be entitled to receive out of the assets of each subfund a fee equal to a percentage of the Net Asset Value of each subfund or Share Class subject to a minimum fee per subfund or Share Class. The Depositary fee will be calculated on the Net Asset Value of each subfund, subject to a maximum rate of 0.049% p.a. and subject to a minimum of 15 000 EUR p.a. per subfund. The Depositary fee is charged to the subfunds on a pro rata basis on each Valuation Day and paid on a monthly basis in arrears to the Depositary out of the subfund's assets. Further fees may be payable to the Depositary in consideration of ancillary services rendered to the subfunds and relating to the core services of the Depositary. These fees will be paid directly out of the relevant subfund's assets to the Depositary. The Depositary will also be entitled to transaction fees charged on the basis of the investments made by each subfund consistent with market practice in Luxembourg. Fees paid to the Depositary may vary depending on the nature of the investments of each subfund and the countries and/or markets in which the investments are made. The Depositary will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties upon approval by the Management Company.

#### *Fees of the Distributor*

To the extent permitted under applicable laws and regulations, the Distributor is entitled to receive from the Management Company an annual fee in consideration of the marketing and distribution of certain subfunds or share classes equal to a percentage of the net asset value of each subfund or share class, as further specified in the Supplement of each subfund in the Prospectus. The Distributor fee accrues on each Valuation Day and is payable monthly in arrears out of the assets of each subfund to the Management Company. The Management Company pays such fee to the Distributor.

For the subfund Kersio Lux – Kersio Equity, the Distribution Fee is 0.10% of the net asset value.

No Distribution Fee is applied to share class M EUR.

#### *Administrator and Transfer Agent Fee*

The Administrator and Transfer Agent will be entitled to receive from the Management Company a customary fee equal to a percentage with a minimum annual fee as set out in the Supplement of each subfund. The Administrator fee will accrue on each Valuation Day and will be payable monthly in arrears out of the assets of each subfund to the Management Company. The Management Company will pay such fee to the Administrator.

Further fees may be payable to the Administrator in consideration of ancillary services rendered to the Company and relating to the core services of the Administrator. These fees will be paid directly out of the Company's assets to the Administrator.

For the subfund Kersio Lux – Kersio Equity, the Administrator Fee is max. 0.08% p.a. (min. 30 000 EUR p.a.).

#### *Directors' fees and expenses*

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

#### *Formation expenses*

The fees and expenses incurred in connection with the formation of the Company are borne by the Company and are amortised over a period of up to five (5) years. The formation expenses of each new subfund will be borne by such subfund and may be amortised over a period of up to five (5) years. New subfunds created after the incorporation and launch of the Company will participate in the non-amortised costs of establishment of the Company.

### Note 3 – Taxe d’abonnement

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

### Note 4 – Distribution policy

There are no Share Classes distributing dividends.

### Note 5 – Transaction costs

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

For the financial year ended on 31 December 2023, the Fund incurred transaction costs relating to purchase or sale of investments in securities and similar transactions as follows:

Kersio Lux	Transaction costs
– Kersio Equity	34 481.33 EUR

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

### Note 6 – Portfolio Turnover Rate (PTR)

The portfolio turnover has been calculated as follows:

$$\frac{(\text{Total purchases} + \text{total sales}) - (\text{total subscriptions} + \text{total redemptions})}{\text{Average of net assets during the period under review}}$$

The portfolio turnover statistics are the following for the period under review:

Kersio Lux	Portfolio Turnover Rate (PTR)
– Kersio Equity	29.79%

### Note 7 – Subsequent Event

There were no events after the year-end that require adjustment to or disclosure in the Financial Statements.

### Note 8 – Applicable law, place of performance and authoritative language

The District Court of Luxembourg is the place of performance for all legal disputes between the shareholders, the Company and the Depositary. Luxembourg law applies. However, in matters concerning the claims of investors from other countries, the Company and/or the Depositary can elect to make themselves subject to the jurisdiction of the countries in which the shares were bought and sold.

The English version of these financial statements is the authoritative version and only this version was audited by the auditor. However, in matters concerning shares sold to investors in the countries in which Company shares may be bought and sold, the Company and Depositary may recognise as binding translations which they have approved into the languages concerned.

# Appendix 1 – Global Exposure (unaudited)

## Risk management

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

## Leverage

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

<b>Subfund</b>	<b>Global risk calculation method</b>
Kersio Lux – Kersio Equity	Commitment approach

# Appendix 2 – Securities Financing Transaction Regulation (SFTR) (unaudited)

## **Transparency of securities financing transactions and their reuse**

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

# Appendix 3 – Remuneration Policy and quantitative disclosure (unaudited)

The Board of Directors of UBS Fund Management (Luxembourg) S.A. (the “Management Company” or the “AIFM”) has adopted a remuneration framework (the “Framework”) whose objectives are on one hand; to ensure that the remuneration framework is in line with the applicable laws and regulations, and more specifically with provisions defined under

- (i) the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment in Transferable Securities as amended from time to time (the “UCITS Law”) transposing the UCITS Directive 2009/65/EC (the “UCITS Directive”) as amended by Directive 2014/91/EU (the “UCITS V Directive”);
- (ii) the Alternative Investment Fund Managers Directive (“AIFMD”) 2011/61/EU, transposed into the Luxembourg AIFM Law dated from 12 July 2013, as amended from time to time;
- (iii) the ESMA’s guidelines on sound remuneration policies under the UCITS Directive - ESMA/2016/575 and ESMA’s guidelines on sound remuneration policies under the AIFMD - ESMA/2016/579 both published on 14 October 2016;
- (iv) the CSSF Circular 10/437 on Guidelines concerning the remuneration policies in the financial sector issued on 1 February 2010;
- (v) the Directive 2014/65/EU on markets in financial instruments (MiFID II);
- (vi) the Commission Delegated Regulation 2017/565/EC of 25 April 2016 supplementing Directive 2014/65/EU (MiFID II Level 2);
- (vii) Regulation (EU) 2019/2088 of the European parliament and of the council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”);
- (viii) the CSSF Circular 23/841, transposing the ESMA Guidelines on certain aspects of the MiFID II remuneration requirements (ESMA 35-43-3565) (MiFID ESMA Guidelines).

and on the other hand, to comply with the UBS Group AG (the “UBS Group”) Total Reward Principles.

The Framework is meant not to encourage excessive risk taking, to contain measures to avoid conflicts of interest, to be consistent with, and promote, sound and effective risk management, including sustainability risk where applicable, and to be consistent with the UBS Group business strategy, objectives and values.

More details about the Framework of the Management Company/the AIFM, which describes, but not limited to, how remuneration and benefits are determined, are available at <https://www.ubs.com/global/en/asset-management/investment-capabilities/white-labelling-solutions/fund-management-company-services/fml-procedures.html>.

The Framework is subject to an annual review by the control functions of the Management Company/the AIFM after review and update by the Human Resources department; and is approved by the Board of Directors of the Management Company/the AIFM. Last approval by the Board of Directors took place on 4 October 2023. No material change was made to the Framework.

## **Application of the requirements and remuneration disclosure**

In accordance with the Article 151 of the UCITS Law and Article 20 of the AIFM Law, the Management Company/the AIFM is required to disclose at least annually certain information concerning its remuneration framework and the practices for its Identified Staff.

The Management Company/the AIFM complies with the UCITS Directive/AIFMD principles in a way and to the extent that is appropriate to its size, internal organisation and the nature, scope and complexity of its activities.

Considering the total size of funds under management, both UCITS and AIFs although a significant portion is not complex or risky investment, the Management Company/the AIFM judges that the proportionality principle may not be applicable at the level of the company but at the level of the Identified Staff.

# Appendix 3 – Remuneration Policy and quantitative disclosure (unaudited)

By application of the proportionality principle for the Identified Staff, the following requirements on pay-out processes for Identified Staff are not applied:

- The payment of variable remuneration in instruments related mainly to the funds in relation to which they perform their activities;
- Deferral requirements;
- Retention periods;
- Incorporation of ex-post risk factors (i.e. malus or clawback arrangements).

The deferral requirements remain however applicable when the employee's total annual compensation is exceeding the threshold defined under the UBS Group Compensation Framework; the variable compensation will be treated in line with the plan rules defined under the UBS Group Compensation Framework.

## Remuneration of Management Company/AIFM staff

The aggregate amounts of total remuneration, split into fixed and variable, paid by the Management Company/ the AIFM to its staff and its Identified Staff during the financial year ended as at 31 December 2023 are as follows:

EUR 1 000	Fixed remuneration	Variable remuneration	Total remuneration	No of beneficiaries
All staff	12 161	2 787	14 948	104
- whereof Identified Staff	6 794	2 159	8 953	44
- thereof Senior Management*	1 937	677	2 614	10
- thereof Other Identified Staff	4 857	1 482	6 339	34

\* Senior Management includes the CEO, the Conducting Officers, the Head of Compliance, the Branch Managers and the Independent Director.

## Remuneration of the delegates' identified staff

As market or regulatory practice develops the Portfolio Manager(s) may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. Where such changes are made and in case of changes to the identified staff and/or in case of change in the number of subfunds over the year, this may result in disclosures in relation to the Fund not being comparable to the disclosures made in the prior year.

For the year ending 31 December 2023, the aggregate total remuneration paid by the Investment Manager to its Identified Staff in relation to the Fund amounted to EUR 273 455 of which EUR 49 467 represented the variable remuneration (4 beneficiaries).