

**Annual report including audited financial statements  
as at 31st December 2023**

# **KATLA FUND**

An investment company with variable share capital incorporated  
under the laws of the Grand Duchy of Luxembourg

R.C.S. Luxembourg B96002

**CONVENTUM TPS**  
THIRD PARTY SOLUTIONS

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Subscriptions may be made only on the basis of the prospectus including the articles of incorporation and the fact sheets of each of the Sub-Funds and the key information document (KID). The prospectus may only be distributed if accompanied by the most recent annual report and the most recent half-year report, if the half-year report is more recent than the annual report.

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# KATLA FUND

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# KATLA FUND

## Organisation

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<b>Registered office</b>	16, Boulevard Royal L-2449 LUXEMBOURG
<b>Board of Directors of the SICAV</b>	
<b>Chairman</b>	Margret SVEINSDOTTIR Advisor Tjarnarmýri 17 IS-170 SELTJARNARNES
<b>Directors</b>	Eric CHINCHON Independent Director 16, Rue Jean-Pierre Brasseur L-1258 LUXEMBOURG  Íris Björk HREINSDOTTIR Attorney at Law / Legal Counsel Sporðagrunn 9 IS-104 REYKJAVIK
<b>Management Company and Domiciliary Agent of the SICAV</b>	BLI - BANQUE DE LUXEMBOURG INVESTMENTS Société Anonyme acting under the commercial name CONVENTUM THIRD PARTY SOLUTIONS 16, Boulevard Royal L-2449 LUXEMBOURG
<b>Board of Directors of the Management Company</b>	
<b>Chairman</b>	Nicolas BUCK Chief Executive Officer AVANTERRA Société Anonyme 33-39, Rue du Puits Romain L-8070 BERTRANGE
<b>Directors</b>	Ruth BÜLTMANN Independent Director 40, Rue d'Ernster L-6977 OBERANVEN (until 31st December 2022)  Gary JANAWAY Chief Executive Officer UI efa S.A. (formerly EUROPEAN FUND ADMINISTRATION) Société Anonyme 2, Rue d'Alsace L-1122 LUXEMBOURG

## KATLA FUND

### Organisation (continued)

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Fanny NOSETTI-PERROT  
Chief Executive Officer  
BLI - BANQUE DE LUXEMBOURG INVESTMENTS  
Société Anonyme  
16, Boulevard Royal  
L-2449 LUXEMBOURG

Guy WAGNER  
Chief Investment Officer  
BLI - BANQUE DE LUXEMBOURG INVESTMENTS  
Société Anonyme  
16, Boulevard Royal  
L-2449 LUXEMBOURG

#### **Executive committee of the Management Company**

Fanny NOSETTI-PERROT  
Chief Executive Officer

Nico THILL  
Deputy Chief Executive Officer

Cédric LENOBLE  
Chief Operating and Chief Financial Officer

Guy WAGNER  
Chief Investment Officer

#### **Investment Manager**

STEFNIR ASSET MANAGEMENT COMPANY HF.  
19, Borgartun  
IS-105 REYKJAVIK

#### **Depositary and Primary Paying Agent**

BANQUE DE LUXEMBOURG  
Société Anonyme  
14, Boulevard Royal  
L-2449 LUXEMBOURG

#### **Central Administration**

BANQUE DE LUXEMBOURG  
Société Anonyme  
14, Boulevard Royal  
L-2449 LUXEMBOURG  
(until 30th September 2023)

UI efa S.A.  
(formerly EUROPEAN FUND ADMINISTRATION S.A.)  
Société Anonyme  
2, Rue d'Alsace  
L-1122 LUXEMBOURG  
(since 1st October 2023)

## KATLA FUND

### Organisation (continued)

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**Central Administration's  
Subcontractor**

UI efa S.A  
(formerly EUROPEAN FUND ADMINISTRATION S.A.)  
Société Anonyme  
2, Rue d'Alsace  
L-1122 LUXEMBOURG  
(until 30th September 2023)

**Independent auditor**

ERNST & YOUNG  
Société Anonyme  
35E, Avenue John F. Kennedy  
L-1855 LUXEMBOURG

**Global Distributor**

ARION BANK HF  
19, Borgartun  
IS-105 REYKJAVIK

# KATLA FUND

## Report of the Board of Directors

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### Market Development and Outlook

In 2023, the market braced for an anticipated recession, as analysts across equities and bond desks predicted market downturns and a shift in asset values. The consensus was essentially that the S&P 500 would decline, as well as treasury yields and that Chinese assets would do well, anticipating a robust recovery from Covid lockdowns. This consensus proved to be entirely off the mark.

Contrary to expectations, the S&P 500 surged 24,3%, and the Nasdaq 100 saw a remarkable 53,8% annual gain in USD terms, marking the most significant uptick since the dot-com boom. The MSCI World gained 17,9% in EUR terms and MSCI Europe, which did not see the same magnitude of gains as US stocks, still saw a 12% gain. The unexpected turn of events underscored the impact of economic forces unleashed during the pandemic, particularly the surge in consumer demand fostering both growth and inflation. This economic resilience defied predictions of a looming recession. The Federal Reserve's aggressive interest rate hikes, instead of causing a slowdown, coincided with breakthroughs in artificial intelligence, contributing to a bullish stock market.

The year kicked off on a high note, by the end of July the S&P 500 had climbed more than 19% but had a temporary slowdown for a couple months as treasury yields rose. As the pace of inflation decelerated, triggering widespread speculation about the Federal Reserve's potential reversal of its interest rate hikes, a renewed rally gained momentum in November and through the year end.

The conflict in the Middle East, Europe facing vulnerabilities amid economic weakness, China's deflationary risks and the time of pivots from central banks in the world are key catalysts for the upcoming year. Amid these challenges we are still vaguely optimistic for global stock markets in 2023 as financial conditions should ease with interest rate cuts from central banks.

### Katla Fund - Global Equity

Katla Fund - Global Equity returned 25.2% (EUR) in 2023, compared with 19.6% (EUR) return of the benchmark, the MSCI World Net Total Return EUR Index. The Sub-Fund overperformed the benchmark by 5,56%.

In 2023 the Sub-Fund continued its underweight on US equities while overweighting Europe, though most attribution came from the US. The Sub-Fund is less, but still underweight US and overweight Europe with overweight on Consumers, Communication Services and Health Care.

### Board Activity

2023 was for once a year without too numerous new regulations impacting Katla Fund - Global Equity, but rather a year of overseeing the good implementation of regulations issued in previous years.

The Board has ensured during the whole year 2023 that the concerned stakeholders take all necessary action to perform their tasks ensuring compliance with regulations, bearing in mind its objective to limit or even decrease the total expense ratio of the SICAV.

The Board is also in permanent discussion with the portfolio manager regarding ESG topics and SFDR mandatory disclosures and classification and carefully monitors the evolution of the legal environment as well as quality (and quantity) of data available.

The Board has been continuously working with the SICAV's management company to ensure that the SICAV is at all times in line with best market practice and that the interests of investors are safeguarded. In 2023, the Board met at least on a quarterly basis (via video conference but also in-person meeting) and has been throughout the year in permanent communication with relevant stakeholders. No matter came to the attention of the Board indicating that the service providers of the SICAV have not been and are not in a position to fulfil their duties.

## **KATLA FUND**

### **Report of the Board of Directors (continued)**

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Finally, and as always, the Board would like to thank you for investing in our Sub-Fund. The Board is grateful for your continued commitment to the Sub-Fund.

Luxembourg, 23rd January 2024

the Board of Directors

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



## Independent auditor's report

To the Shareholders of  
KATLA FUND  
Luxembourg

### Opinion

We have audited the financial statement of KATLA FUND (the "Fund"), which comprise the statement of net assets, the statement of investment and other net assets as at 31 December 2023, and the statement of operations and other changes in the net assets for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

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

### Basis for opinion

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

## **Other information**

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of the Board of Directors of the Fund use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund or any of its sub-funds 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 the Board of Directors 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.

Ernst & Young  
Société anonyme  
Cabinet de révision agréé



Nadia Faber

Luxembourg, 5 March 2024

## KATLA FUND - GLOBAL EQUITY

### Statement of net assets (in EUR) as at 31st December 2023

#### Assets

Securities portfolio at market value	272,999,758.53
Cash at banks	1,862,091.44
Income receivable on portfolio	123,579.74
Bank interest receivable	2,995.08
Receivable on issues of shares	3,121.59
Total assets	<u>274,991,546.38</u>

#### Liabilities

Payable on redemptions of shares	3,661.02
Expenses payable	1,079,310.35
Total liabilities	<u>1,082,971.37</u>
Net assets at the end of the year	<u><u>273,908,575.01</u></u>

#### Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in EUR)
A	848,312.0488	EUR	277.29	235,227,129.86
B	137,999.3807	EUR	280.30	38,681,445.15
				<u>273,908,575.01</u>

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

## KATLA FUND - GLOBAL EQUITY

### Statement of operations and other changes in net assets (in EUR) from 1st January 2023 to 31st December 2023

<b><u>Income</u></b>	
Dividends, net	2,018,822.88
Bank interest	165,048.62
Other income	155,776.08
Total income	2,339,647.58
<b><u>Expenses</u></b>	
Management fees	3,548,416.96
Depositary fees	209,313.53
Banking charges and other fees	47,384.77
Transaction fees	445,556.26
Central administration costs	124,203.62
Professional fees	20,658.00
Other administration costs	30,636.57
Subscription duty ("taxe d'abonnement")	113,290.02
Bank interest paid	11,764.66
Other expenses	34,731.95
Total expenses	4,585,956.34
Net investment loss	-2,246,308.76
<b><u>Net realised gain/(loss)</u></b>	
- on securities portfolio	13,523,426.34
- on forward foreign exchange contracts	409.49
- on foreign exchange	72,055.04
Realised result	11,349,582.11
<b><u>Net variation of the unrealised gain/(loss)</u></b>	
- on securities portfolio	42,373,798.23
Result of operations	53,723,380.34
Subscriptions	18,152,134.81
Redemptions	-10,609,370.75
Total changes in net assets	61,266,144.40
Total net assets at the beginning of the year	212,642,430.61
Total net assets at the end of the year	273,908,575.01

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

## KATLA FUND - GLOBAL EQUITY

Statistical information (in EUR)  
as at 31st December 2023

Total net assets	Currency	31.12.2021	31.12.2022	31.12.2023
	EUR	261,455,801.76	212,642,430.61	273,908,575.01

Net asset value per share class	Currency	31.12.2021	31.12.2022	31.12.2023
A	EUR	264.48	221.57	277.29
B	EUR	-	222.11	280.30

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
A	856,520.8799	11,458.1568	-19,666.9879	848,312.0488
B	102,921.8192	57,178.2980	-22,100.7365	137,999.3807

## KATLA FUND - GLOBAL EQUITY

### Statement of investments and other net assets (in EUR) as at 31st December 2023

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets *
<b><u>Investments in securities</u></b>					
<b><u>Transferable securities admitted to an official stock exchange listing</u></b>					
<b>Shares</b>					
CAD	110,000	Descartes Systems Gr (The) Inc	4,962,630.78	8,404,441.75	3.07
			<u>4,962,630.78</u>	<u>8,404,441.75</u>	<u>3.07</u>
CHF	50,000	Straumann Holding AG	6,286,266.19	7,293,110.35	2.66
			<u>6,286,266.19</u>	<u>7,293,110.35</u>	<u>2.66</u>
DKK	60,000	Coloplast A/S B	6,551,065.83	6,213,790.58	2.27
DKK	51,000	DSV A/S	7,338,060.70	8,110,727.23	2.96
DKK	240,000	Novo Nordisk AS B	12,117,448.80	22,475,892.23	8.21
			<u>26,006,575.33</u>	<u>36,800,410.04</u>	<u>13.44</u>
EUR	15,000	ASML Holding NV	7,804,215.14	10,225,500.00	3.73
EUR	40,000	Deutsche Boerse AG Reg	5,736,622.91	7,460,000.00	2.72
EUR	30,000	Ferrari NV	5,936,242.86	9,156,000.00	3.34
EUR	125,000	Kone Oyj B	6,960,542.22	5,645,000.00	2.06
EUR	11,000	LVMH Moët Hennessy L Vuit SE	7,586,445.20	8,069,600.00	2.95
EUR	110,000	Moncler SpA	6,921,811.93	6,127,000.00	2.24
EUR	280,000	Universal Music Group NV	5,541,031.06	7,226,800.00	2.64
			<u>46,486,911.32</u>	<u>53,909,900.00</u>	<u>19.68</u>
GBP	175,000	Diageo Plc	7,673,357.26	5,769,272.55	2.11
			<u>7,673,357.26</u>	<u>5,769,272.55</u>	<u>2.11</u>
NOK	164,000	Bakkafrost P/F Reg	8,731,873.79	7,778,321.64	2.84
			<u>8,731,873.79</u>	<u>7,778,321.64</u>	<u>2.84</u>
USD	15,000	Adobe Inc Reg	6,567,426.99	8,101,941.97	2.96
USD	115,000	Alphabet Inc C	12,309,371.79	14,672,898.47	5.36
USD	90,000	Amazon.com Inc	10,078,934.29	12,380,245.35	4.52
USD	4,400	Chipotle Mexican Shares A	8,140,875.20	9,110,157.08	3.33
USD	17,000	Costco Wholesale Corp	8,830,835.79	10,159,214.16	3.71
USD	50,000	Intuitive Surgical Inc	12,553,360.21	15,271,377.48	5.58
USD	25,000	Lululemon Athletica Inc	8,894,926.78	11,572,359.78	4.22
USD	45,000	Marsh & McLennan Cos Inc	7,815,066.87	7,719,116.38	2.82
USD	40,000	Meta Platforms Inc A	9,110,454.25	12,818,251.78	4.68
USD	32,500	Microsoft Corp	7,686,717.36	11,064,505.91	4.04
USD	25,000	Moody's Corp	5,317,346.94	8,839,799.01	3.23
USD	200,000	Nasdaq Inc	10,400,105.90	10,527,364.08	3.84
USD	47,000	Visa Inc A	8,898,144.92	11,078,221.90	4.04
USD	60,000	Waste Management Inc	8,136,016.70	9,728,848.85	3.55
			<u>124,739,583.99</u>	<u>153,044,302.20</u>	<u>55.88</u>
<b>Total Shares</b>			<u>224,887,198.66</u>	<u>272,999,758.53</u>	<u>99.68</u>
<b>Total Investments in securities</b>			<u>224,887,198.66</u>	<u>272,999,758.53</u>	<u>99.68</u>

\* Minor differences may arise due to rounding in the calculation of percentages.

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

## KATLA FUND - GLOBAL EQUITY

### Statement of investments and other net assets (in EUR) (continued) as at 31st December 2023

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets *
		Portfolio of investment	224,887,198.66	272,999,758.53	99.68
		Cash at banks		1,862,091.44	0.68
		Other net assets/(liabilities)		-953,274.96	-0.36
		<b>Total</b>		<b>273,908,575.01</b>	<b>100.00</b>

\* Minor differences may arise due to rounding in the calculation of percentages.

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



## KATLA FUND - GLOBAL EQUITY

### Industrial and geographical classification of investments as at 31st December 2023

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#### Industrial classification

(in percentage of net assets)

Technologies	27.88 %
Cyclical consumer goods	26.95 %
Healthcare	18.72 %
Industrials	11.80 %
Financials	9.38 %
Non-cyclical consumer goods	4.95 %
Total	<u>99.68 %</u>

#### Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

United States of America	51.66 %
Denmark	13.44 %
The Netherlands	9.71 %
Canada	7.29 %
France	2.95 %
Faroe Islands	2.84 %
Germany	2.72 %
Switzerland	2.66 %
Italy	2.24 %
United Kingdom	2.11 %
Finland	2.06 %
Total	<u>99.68 %</u>

## KATLA FUND

### Notes to the financial statements as at 31st December 2023

#### **Note 1 - General information**

KATLA FUND (the "SICAV") is an Investment Company with Variable Capital ("*Société d'Investissement à Capital Variable*" - SICAV) with multiple Sub-Funds organized under Luxembourg law. The SICAV is governed under the Council Directive 2009/65/EC as amended and the provisions of Part I of the law of 17th December 2010 as amended.

At the end of each financial year ending on 31st December, the SICAV publishes an audited annual report, as well as, at the end of each semester, an unaudited half-yearly report. The accounts and the financial statements of the SICAV are expressed in EUR and correspond to the financial statements of the sole Sub-Fund open.

The Net Asset Value, issue, redemption and conversion price of each class of shares are available every full bank working day in Luxembourg at the SICAV's registered office.

The following documents are made available to the public at the registered office of the SICAV and at the registered office of the Management Company:

- The Prospectus of the SICAV, including the Articles of Incorporation and the fact sheets,
- The key information documents ("KID") of the SICAV, (also published on [www.conventumtps.lu](http://www.conventumtps.lu)),
- The financial reports of the SICAV.

The complaints handling procedure setup in accordance with the CSSF Regulation relating to the out-of-court resolution of complaints is available at the SICAV's registered office free of charge upon request.

#### **Note 2 - Significant accounting policies**

##### a) Presentation of the financial statements

The financial statements of the SICAV are prepared in accordance with the Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment and with generally accepted accounting principles in Luxembourg.

The financial statements of the SICAV have been prepared on a going concern basis.

##### b) Valuation of assets

The assets' values are determined as follows:

The value of cash on hand or on deposit, bills and notes due on demand, accounts receivable, prepaid expenses, dividends, and interest declared or due but not yet received consists of the nominal value of these assets, unless it is unlikely that this value is received, in which event, the value is determined by deducting an amount which the SICAV deems adequate to reflect the real value of these assets.

The value of all transferable securities, money-market instruments and financial derivative instruments that are listed on a stock exchange or traded on another regulated market that operates regularly, and is recognised and open to the public, is determined based on the most recent available price.

In the case of SICAV investments that are listed on a stock exchange or traded on another regulated market that operates regularly, is recognised and open to the public and traded by market makers outside the stock exchange on which the investments are listed or of the market on which they are traded, the Board of Directors may determine the main market for the investments in question that will be then evaluated at the last available price on that market.

## KATLA FUND

### Notes to the financial statements (continued)

as at 31st December 2023

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Money market instruments and fixed-interest securities, the residual maturity of which is less than one year, may be valued on the basis of amortised cost, a method that consists after purchase in taking into account a straight-line amortisation to arrive at the redemption price at the security's maturity.

The value of securities representative of an open-ended Undertaking for Collective Investment is determined according to the last official net asset value per unit or according to the last estimated net asset value if it is more recent than the official net asset value, and provided that the SICAV is assured that the valuation method used for this estimate is consistent with that used for the calculation of the official net asset value.

#### c) Acquisition cost of securities in the portfolio

The acquisition cost of the securities held by the Sub-Fund that are denominated in currencies other than the reference currency of the Sub-Fund is converted into this currency at the exchange rate prevailing on the date of purchase.

#### d) Net realised gain/(loss) on securities portfolio

The realised gains and losses on securities portfolio are calculated on the basis of the average acquisition cost and are disclosed net in the statement of operations and other changes in net assets.

#### e) Investment portfolio income

Dividend income is recorded at the ex-date, net of any withholding tax.

#### f) Valuation of forward foreign exchange contracts

Net variation of unrealised gains or losses and net realised gains or losses are disclosed in the statement of operations and other changes in net assets.

#### g) Formation expenses

The formation expenses of the Sub-Fund KATLA FUND - GLOBAL EQUITY are fully amortised.

If the launch of a Sub-Fund occurs after the launch date of the SICAV, the formation expenses related to the launch of the new Sub-Fund shall be charged to such Sub-Fund alone and may be amortised over a maximum of 5 years with effect from the Sub-Fund's launch date.

#### h) Conversion of foreign currencies

Cash at banks, other net assets, liabilities and the market value of the securities in portfolio expressed in currencies other than the reference currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the financial statements. Income and expenses expressed in currencies other than the reference currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the transaction. Net realised gains or losses on foreign exchange are disclosed in the statement of operations and other changes in net assets.

#### i) Transaction fees

Transaction costs disclosed under the item "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the SICAV and of fees relating to transactions paid to the depositary as well as of transaction fees on financial instruments and derivatives and of fees relating to term deposits.

## KATLA FUND

Notes to the financial statements (continued)  
as at 31st December 2023

### **Note 3 - Management fees**

The SICAV has appointed BLI - BANQUE DE LUXEMBOURG INVESTMENTS acting under the commercial name CONVENTUM THIRD PARTY SOLUTIONS as Management Company.

The Management Company may delegate, under its responsibility and its control, the management of the assets of one or several Sub-Funds of the SICAV to one or several Investment Managers.

The Management Company has appointed STEFNIR ASSET MANAGEMENT COMPANY HF. as Investment Manager of the Sub-Fund. The Investment Manager STEFNIR ASSET MANAGEMENT COMPANY HF. is entitled to receive an annual commission at the rate indicated below:

Name of the Sub-Fund	Share class	Currency	Management fee
KATLA FUND - GLOBAL EQUITY	A	EUR	1.50% p.a.
KATLA FUND - GLOBAL EQUITY	B	EUR	0.75% p.a.

The management fee is payable quarterly and is calculated on the basis of the average net assets of each Sub-Fund for the relevant quarter.

### **Note 4 - Subscription, redemption and conversion fees**

A subscription fee up to 2% of the subscription amount may be applied to Class A shares.

No subscription fee is applied to Class B shares.

No redemption fee is applied to both share classes.

A conversion fee up to 0.5% of the conversion amount may be applied to both share classes.

### **Note 5 - Subscription duty ("taxe d'abonnement")**

The SICAV is governed by Luxembourg law.

Pursuant to the legislation and regulations in force, the SICAV is subject to an annual subscription duty ("taxe d'abonnement") of 0.05% which is payable quarterly and calculated on the basis of the net assets of each Sub-Fund on the last day of each quarter. Pursuant to Article 174 (2) of the amended law of 17th December 2010, the rate of this tax is reduced to 0.01% for the share classes reserved to institutional investors.

Pursuant to Article 175 (a) of the amended law of 17th December 2010, the net assets invested in Undertakings for Collective Investment already subject to the "taxe d'abonnement" are exempt from this tax.

### **Note 6 - Forward foreign exchanges contracts**

As at 31st December 2023, the SICAV is not committed in forward foreign exchange contracts.

## **KATLA FUND**

**Notes to the financial statements (continued)**  
as at 31st December 2023

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### **Note 7 - Statement of changes in investments**

The statement of changes in investments for the reporting period is available free of charge at the registered office of the SICAV.

### **Note 8 - Events**

There are no significant events.

### **Note 9 - Subsequent events**

There are no subsequent events.

# KATLA FUND

## Additional information (unaudited)

as at 31st December 2023

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### 1 - Risk management

As required by Circular CSSF 11/512 as amended, the Management Company of the SICAV needs to determine the global risk exposure of the SICAV by applying either the commitment approach or the VaR ("Value at Risk") approach.

In terms of risk management, the Management Company of the SICAV decided to adopt the commitment approach as a method of determining the global exposure.

### 2 - Remuneration disclosure

The remuneration policy of BLI - Banque de Luxembourg Investments is aligned with that in force within its parent company, Banque de Luxembourg. This policy complies with the regulatory provisions and the values with which BLI - Banque de Luxembourg Investments is identified in the long term.

BLI - Banque de Luxembourg Investments respects an appropriate balance between the fixed and variable components of its employees' total remuneration. The fixed component represents a sufficiently major proportion of the total remuneration so that the policy can be exercised with complete freedom regarding the variable components, especially the option not to pay any variable component. BLI - Banque de Luxembourg Investments reserves the right to revoke any variable remuneration award if it is found to have been granted under conditions of misconduct. In such cases, BLI - Banque de Luxembourg Investments may demand the reimbursement of all or part of the amount allocated, up to three years after its payment.

The development of employees' remuneration is based on their accumulated experience and the assumption of new responsibilities, but also to an annual assessment of each employee by the management. It is based on qualitative rather than quantitative criteria. Where quantitative criteria are taken into account, they are expressed and assessed more in relation to the achievement of collective targets. In no case is the amount of the bonus correlated with the financial performance of an employee.

In accordance with Article 5 of the Regulation (EU) 2019/2088 of the European Parliament and the Council of 27th November 2019 on sustainability-related disclosures in the financial services sector, the remuneration policy of BLI - Banque de Luxembourg Investments includes consideration of sustainability risks.

In concrete terms, BLI - Banque de Luxembourg Investments considers that the transition to a balanced and sustainable economy is an integral part of its objectives and that each employee has an active role to play. As sustainability factors are integrated in the qualitative assessment criteria of the remuneration in the same way as the other relevant criteria, each employee actively participates in the achievement of BLI - Banque de Luxembourg Investments' sustainability objectives.

The remuneration policy of BLI - Banque de Luxembourg Investments is reviewed each year and its implementation is assessed annually by an independent body.

BLI - Banque de Luxembourg Investments has delegated the investment management to the following external portfolio manager: STEFNIR ASSET MANAGEMENT COMPANY HF. (the "Investment Manager").

BLI - Banque de Luxembourg Investments ensures that its delegate Investment Manager is subject to regulatory requirements on remuneration disclosure for its staff that are equally as effective as those applicable to the management company and/or that appropriate arrangements are in place.

BLI - Banque de Luxembourg Investments further informs that it did not pay any remuneration to the staff of its delegate Investment Manager.

## KATLA FUND

### Additional information (unaudited) (continued)

as at 31st December 2023

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During the financial year 2023, a total remuneration of EUR 10,474 mio has been paid to an average of 66 employees with a variable component weighted 25 %. Total remuneration paid to 20 identified risk takers was EUR 5,570 mio with a variable component weighted 38 %.

Details of the updated remuneration policy, including in particular a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding remuneration and benefits, the composition of the remuneration committee and the integration of sustainability factors, are available free of charge upon request by investors on [www.conventumtps.lu](http://www.conventumtps.lu).

### **3 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR")**

During the reporting period, the SICAV did not engage in transactions which are subject to the publication requirements of SFTR. Accordingly, no information concerning the transparency of securities financing transactions and of reuse of cash collateral should be reported.

### **4 - Sustainability-related disclosures**

In accordance with the requirements of the Regulations (EU) 2019/2088 of the European Parliament and of the Council of 27th November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR") as amended and as complemented by regulatory technical standards (RTS), it is noted that:

- for the Sub-Fund KATLA FUND - GLOBAL EQUITY, referred to under article 8, the required (unaudited) RTS annex to the periodic report is presented on the pages hereafter.

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

**Product name:** Katla fund – Global Equity

**Legal entity identifier:** 549300MVB7NQVQ82VL86

## Environmental and/or social characteristics

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

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

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

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



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

*In general, the environmental and/or social characteristics were met to the investment manager's satisfaction. The sustainability indicators of the environmental and social characteristics of the portfolio showed improvement over the period.*

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



		Scale (0-10)	
<b>Environmental</b>			
•	Climate change and greenhouse gas emissions	7,4	higher better
•	Resource depletion, including water	7,4	higher better
•	Waste and pollution	3,4	lower better
<b>Social</b>			
•	Working conditions, including no child labour or slavery	6,1	higher better
•	Health and safety	2,2	lower better
•	Employee relations and diversity	8,7	higher better

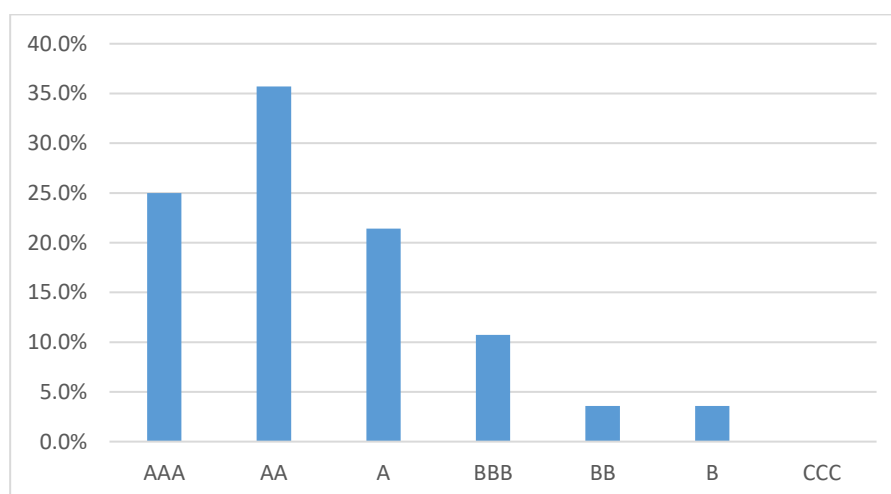
● **How did the sustainability indicators perform?**

Indicators	MSCI avg		Scale
	Score		
Carbon emission score	9,49	higher better	1-10
Carbon emission performance relative to peers *	5,58	higher better	1-10
Water Stress Score Quartile**	2,25	lower better	1-4
Natural Capital Theme Score	6,76	higher better	1-10
Pollution & Waste Theme Score	1,11	lower better	1-10
MSCI Toxic Emissions & Waste Score Quartile	3,41	lower better	1-10
BESG Waste Management Issue Percentile	10,68	lower better	1-100
Company's Social Pillar Score Quartile **	2,21	lower better	1-4
MSCI Social Pillar Score	5,02	higher better	1-10
MSCI Health & Safety Exposure Score	2,17	lower better	1-10
MSCI Labor Management Employee Satisfaction Score	8,71	higher better	1-10

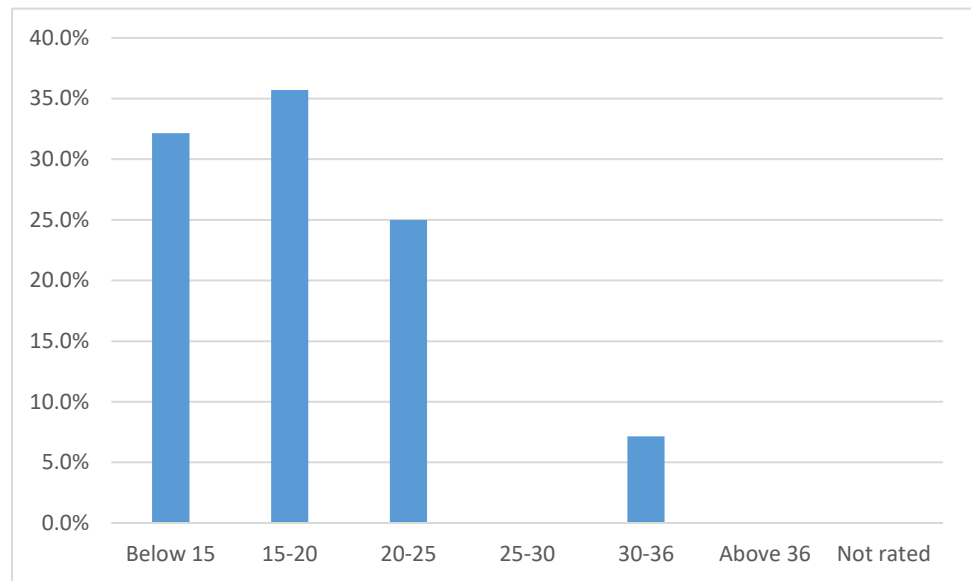
\*over 5 better than average within respective industry

\*\*average 3,0

MSCI ESG rating distribution of the portfolio at December 31st 2023



Sustanalytics rating distribution of the portfolio at December 31st 2023



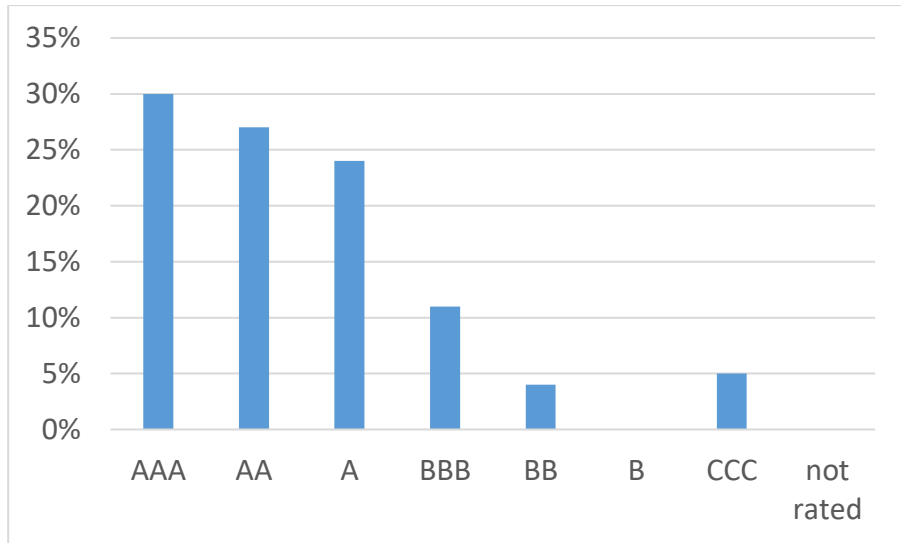
● *...and compared to previous periods?*

Indicators	MSCI avg Score 2022		Scale
Carbon emission score	9,40	higher better	1-10
Carbon emission performance relative to peers *	5,63	higher better	1-10
Water Stress Score Quartile**	1,86	lower better	1-4
Natural Capital Theme Score	7,32	higher better	1-10
Pollution & Waste Theme Score	1,03	lower better	1-10
MSCI Toxic Emissions & Waste Score Quartile	3,44	lower better	1-10
BESG Waste Management Issue Percentile	10,59	lower better	1-100
Company's Social Pillar Score Quartile **	2,17	lower better	1-4
MSCI Social Pillar Score	5,31	higher better	1-10
MSCI Health & Safety Exposure Score	2,19	lower better	1-10
MSCI Labor Management Employee Satisfaction Score	8,72	higher better	1-10

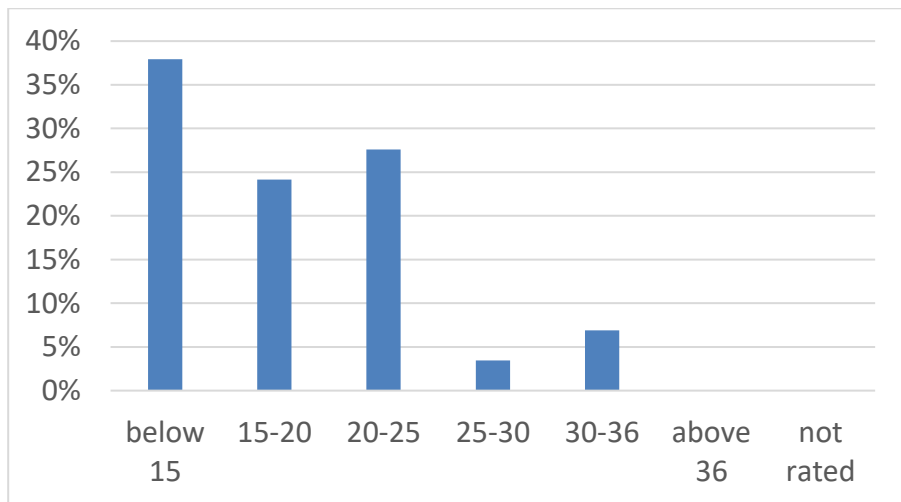
\*over 5 better than average within respective industry

\*\*average 3,0

MSCI ESG rating distribution of the portfolio at December 31st 2022



Sustanalitics rating distribution of the portfolio at December 31st 2022



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

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

N/A

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

How were the indicators for adverse impacts on sustainability factors taken into account? N/A

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

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

The fund tracks the Mandatory PAI factors for informational and data tracking reasons.

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

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

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



End of year performance averages:

Total GHG Emissions/EVIC	82,1	MT CO <sub>2</sub> -eq/EVIC (M€)
Carbon Footprint/EVIC	12,2	MT CO <sub>2</sub> -eq/EVIC (M€)
GHG Intensity	47,98	MT CO <sub>2</sub> -eq/Sales (M€)
Exposure to Fossil Fuel Sectors	-	%
Non-Renewable Energy Consumption	48,98	%
Non-Renewable Energy Production	-	%
Energy Consumption Intensity	73,11	MWh/Sales (M€)
Number of Sites Env. Sensitive Areas	-	Number of Sites
Emissions to Water	-	1k MT
Hazardous Waste	0,87	1k MT
UNGC Violations (Latest)	N	Y/N
Policies for Monitoring UNGC Compliance	68,1	Ratio
Mean Gender Pay Gap	-	%
Median Gender Pay Gap	-	%
Board Gender Diversity	38,31	% Female Members/Total Members



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

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31/12/2023

Largest investments	Sector	% Assets	Country
NOVO NORDISK A/S-B	Health Care	8,37	DE
INTUITIVE SURGICAL INC	Health Care	5,94	US
ALPHABET INC-CL C	Communication Services	5,42	US
META PLATFORMS INC-CLASS A	Communication Services	4,89	US
AMAZON.COM INC	Consumer Discretionary	4,54	US
LULULEMON ATHLETICA INC	Consumer Discretionary	4,12	US
VISA INC-CLASS A SHARES	Information Technology	4,05	US
MICROSOFT CORP	Information Technology	3,92	US
NASDAQ INC	Financials	3,79	US
ASML HOLDING NV	Information Technology	3,72	NL
COSTCO WHOLESALE CORP	Consumer Staples	3,55	US
WASTE MANAGEMENT INC	Industrials	3,49	US
FERRARI NV	Consumer Discretionary	3,43	IT
CHIPOTLE MEXICAN GRILL INC	Consumer Staples	3,26	US
DSV A/S	Industrials	3,10	DE

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

N/A



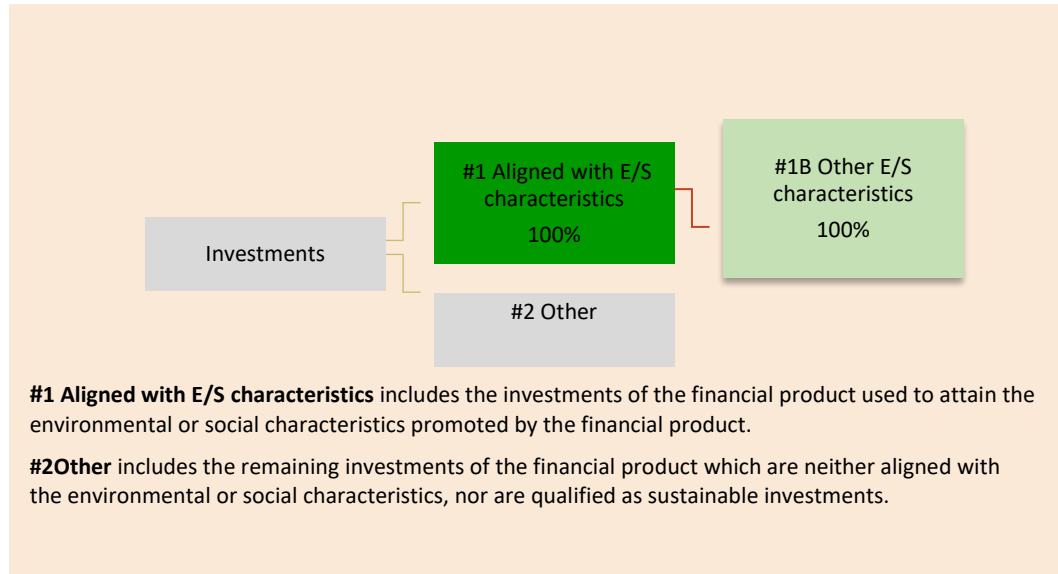
● **What was the asset allocation?**

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

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

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

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



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

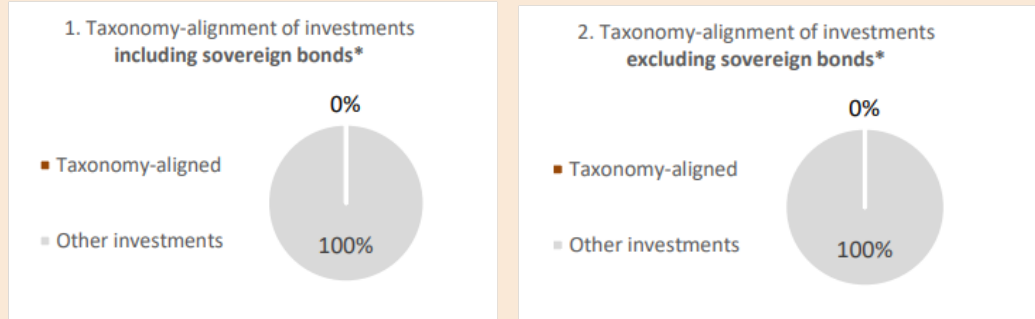
- Communication Services
- Consumer Discretionary
- Consumer Staples
- Financials
- Health Care
- Industrials
- Information Technology



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

N/A

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



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

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

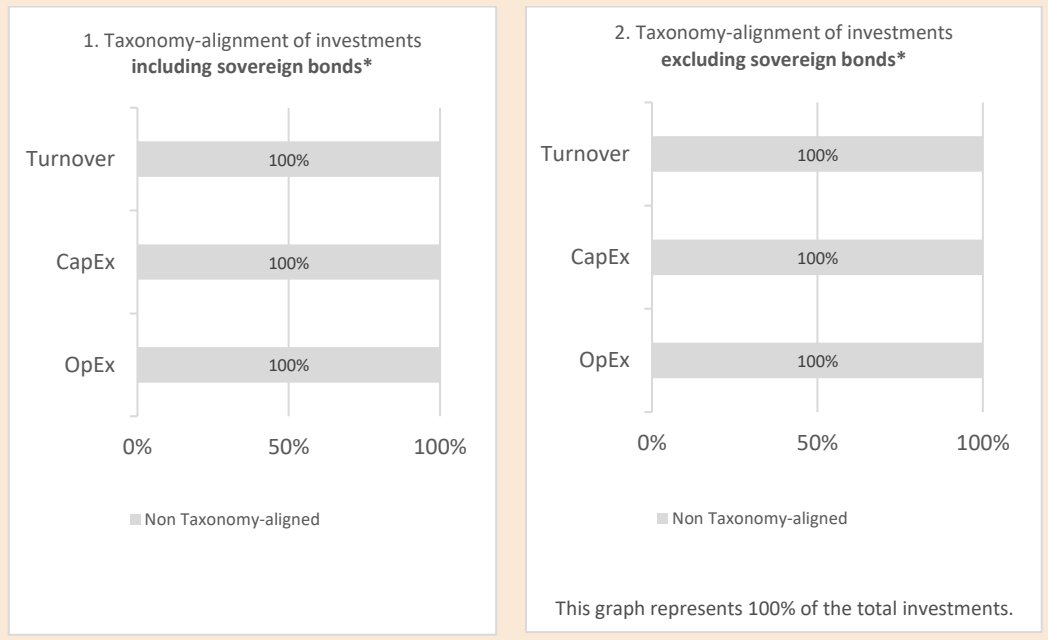
- Yes:
- In fossil gas  In nuclear energy
- No

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

Taxonomy-aligned activities are expressed as a share of:

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

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



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

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

N/A

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

N/A

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

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

N/A

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

N/A





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

N/A



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

No actions required



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

N/A

- *How does the reference benchmark differ from a broad market index?*

N/A

- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*

N/A

- *How did this financial product perform compared with the reference benchmark?*

N/A

- *How did this financial product perform compared with the broad market index?*

N/A

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