



Annual report

Lupus alpha Sustainable Convertible Bonds

as of 31 January 2024

Lupus alpha

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Activity report for the period: 1 February 2023 - 31 January 2024

Investment objectives and investment policy to achieve the objectives:

The Lupus alpha Sustainable Convertible Bonds fund invests in a global, broadly diversified portfolio of convertible bonds. It is actively managed with the aim of benefiting from the asymmetric return profile of convertible bonds and achieving attractive long-term capital growth. To this end, the Fund exploits a worldwide spectrum of opportunities flexibly within the asset class of global convertible bonds. The bottom-up investment process for selecting convertible bonds focuses on growth companies, convex payout profiles, a solid credit rating, attractive protection clauses in the bond prospectus, a sustainability filter containing negative criteria, positive contributions to the sustainable development goals and a high environmental, social and governance score. The aim is for the equity sensitivity at fund level to be kept in the medium range (30-60 per cent delta). Foreign currency risks are systematically hedged.

The reporting period (financial year) covers the period from 1 February 2023 to 31 January 2024 inclusive.

Following a simultaneous equity and bond market slump the previous year, 2023 turned in a markedly improved performance. Two big upswings in early summer and especially the last two months of the year in the underlying equities of convertible bonds produced major increases and significant absolute growth. After interest rates peaked in October, tailwinds came first from the bond market where yields on e.g. 10-year US Treasury bonds fell from a high of 5.02 per cent at the end of October to just below 3.80 per cent at the end of December. The resulting reduction in discounted cashflows also relieved the pressure on the growth companies that naturally play a key role in the convertible bond universe. In general, it remains true that convertible bonds may be used to invest in promising growth companies, whose units may be highly volatile, in a significantly risk-reduced manner while maintaining price potential. And since convertible bond issuers are not usually the high cap corporations big indices heavily weight, this provides additional diversification for the investor. As in previous years, the portfolio management took advantage of opportunities arising from market fluctuations and the primary market in the global convertible bond universe.

The average rating in the sub-fund is BBB-. By continuing to avoid issuers with very low credit ratings, we continued to avoid defaults. While interest rates continued to rise until at least autumn, sensitivity to them was deliberately kept low at a PV01 of 1.6 per cent for Lupus alpha Sustainable Convertible Bonds. Regionally, the focus remained on the developed markets, especially the USA and Europe. In sector terms, our investment strategy remains focused on growth stocks: the heaviest weighting being given to IT, healthcare and industry stock at the reporting date.

At the reporting date, the Fund was invested in 72 individual securities and had an average delta of 47 per cent (in the balanced, convex area).

Portfolio structure and significant changes during the reporting period: Structure of the fund:

Fixed interest securities	31.01.2024	% quota	31.01.2023	% quota
Cash at banks, money market instruments and money market funds	91,025,279.13	93.99	159,085,924.11	94.17
Other assets	6,083,524.67	6.28	7,543,133.67	4.47
Forward exchange contracts	252,249.99	0.26	1,652,487.41	0.98
Other liabilities	-445,926.51	-0.46	1,657,427.06	0.98
	-66,307.53	-0.07	-1,005,395.20	-0.60
Fund assets	96,848,819.75	100.00	168,933,577.05	100.00

Fund earnings:

During the reporting period, Lupus alpha Sustainable Convertible Bonds grew 1.11 per cent (unit class C), 0.45 per cent (unit class R) and 0.92 per cent (unit class CAV). Distribution was suspended in June but in December 2023 was EUR 1.66 per C-class unit. In December 2023, the dividend was EUR 1.47 per R-class unit. As there is currently no sustainable convertible bond index (yet), the Lupus alpha Sustainable Convertible Bonds fund has no official performance benchmark.

The main sources of negative income from disposals were losses on interest-bearing securities.

For details of environment and/or social characteristics as per Regulation (EU) 2020/852 of the European Parliament and of the Council, see the appendix to this annual report.

Significant risks:

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

- Market price risk: At 31.01.2024, Fund unit volatility over the financial year was 6.4 per cent p.a. (unit class C). The fund is subject to price fluctuations on the stock markets, especially in Europe and the USA. However, fluctuations only have an effect with about half the force: Equity sensitivity was 47 per cent at the reporting date.
- Interest rate risk: The fund invests predominantly in global convertible bonds. At the reporting date, interest rate sensitivity was just 1.6 per cent (PV01).

- Default risk: Default risk (or counterparty/issuer risk) includes the risk of the party, especially of a mutual contract, defaulting on its own claim (insolvency). This applies to all contracts entered into for the account of an investment fund. If transactions are not conducted via an exchange or a regulated market (OTC transactions), there is a risk that the counterparty to the transaction may default or that the counterparty may not meet its obligations in full.

Credit risk: Bonds always carry a credit risk in relation to the issuer. This includes price fluctuations and the risk of loss of the capital invested and current income. The investment fund is always invested in a very large number of different international issuers. The average rating of the convertible bonds is BBB-. A very broad diversification across different sectors and countries limits the individual default risk in economically weaker phases. Theoretically, a very deep economic crisis may lead to more insolvencies. However, there were no insolvencies in the fund in the past fiscal year.

- Liquidity risk: Assets may also be acquired for the fund that are not admitted to the official market of a stock exchange or included in a regulated market. The acquisition of such assets is associated with the risk that problems may arise, in particular when the assets are resold to third parties. In addition, there is a risk that securities traded in a rather narrow market segment may be subject to considerable price volatility.
- Currency risk: The fund's positions are systematically currency hedged in euros. There is therefore no significant currency risk under normal market conditions, but there is no guarantee that the hedging or protection will be achieved.
- Operational risk: In principle, the fund is exposed to operational risk in the processes of the management company, but did not report any increased operational risk during the reporting period. To reduce operational risk, ex ante and ex post audit procedures are integrated into the order process in accordance with the dual control principle. Furthermore, securities trading transactions are concluded exclusively via competent and experienced counterparties. Securities custody service is provided by an established custodian with a good credit rating.

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Statement of assets as of 31 January 2024

Investment focus Assets

	Current value in EUR	% of fund assets ¹⁾
Fund assets	96,848,819.75	100.00
Fixed interest securities	91,025,279.13	93.99
Bermuda	1,992,822.94	2.06
Federal Republic of Germany	8,614,115.00	8.89
France	6,627,250.00	6.84
Israel	1,751,772.40	1.81
Italy	3,320,719.94	3.43
Japan	4,165,396.73	4.30
Cayman Islands	1,197,472.61	1.24
Netherlands	1,031,396.74	1.06
Spain	3,951,590.00	4.08
South Korea	3,390,654.63	3.50
USA	54,982,088.14	56.77
Forward exchange contracts	-445,926.51	-0.46
Cash at banks, money market instruments and money market funds	6,083,524.67	6.28
Other assets	252,249.99	0.26
Other liabilities	-66,307.53	-0.07

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

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Statement of net assets as of 31 January 2024

Generic name	ISIN	Market	Qty, units, or currency in 1,000	As of 31 January 2024	Purchases/ Acquisitions	Sales/ Disposals		Market price	Market value in EUR	% of fund assets ¹⁾
					during the reporting period					
Securities traded on an exchange										
Interest-bearing securities										
2.5000 % ADV.ENER.IND 23/28 CV	US007973AD29		USD	600	600	0	%	103.530	571,936.29	0.59
0.3750% AKAMAI TECHN 19/27 CV	US00971TAL52		USD	3,400	500	3,950	%	114.460	3,583,132.31	3.70
1.0000% ALNYLAM PHAR 22/27 CV	US02043QAB32		USD	1,100	0	0	%	96.110	973,400.24	1.01
1.7500% ALTAIR ENG. 23/27 CV 144A	US021369AC72		USD	750	0	500	%	130.900	903,922.29	0.93
1.5000% AMADEUS IT GRP 20/25 CV	XS2154448059		EUR	1,300	0	3,200	%	123.820	1,609,660.00	1.66
3.6250% AME.WAT.CAP.23/26 CV 144A	US03040WBB00		USD	3,250	3,250	0	%	98.260	2,940,290.95	3.04
2.0000 % BECHTLE AG WA 23/30	DE000A382293		EUR	500	500	0	%	108.660	543,300.00	0.56
0.3750% BENTLEY SYS.22/27 CV	US08265TAD19		USD	1,750	0	750	%	88.670	1,428,712.83	1.48
0.0000% BILL HOLDING 21/25 CV ZO	US090043AB64		USD	1,650	0	1,600	%	93.690	1,423,335.79	1.47
1.2500% BIOMARIN PH 20/27 CV	US09061GAK76		USD	3,275	0	0	%	99.810	3,009,646.90	3.11
3.0000% BLOOM ENERGY 23/28 CV144A	US093712AJ60		USD	1,300	1,900	600	%	92.500	1,107,172.45	1.14
0.0000% BNP PARIBAS 22/25 ZO CV	FR0014008OH3		EUR	700	700	0	%	120.190	841,330.00	0.87
0.7500% BOOKING HLDG 21/25 CV	US09857LAN82		USD	400	0	1,300	%	186.560	687,082.22	0.71
0.5000% CELLNEX TEL. 19/28 CV	XS2021212332		EUR	1,100	700	600	%	106.070	1,166,770.00	1.20
0.7500% CELLNEX TEL. 20/31 CV	XS2257580857		EUR	1,400	0	0	%	83.940	1,175,160.00	1.21
0.0000 % Daifuku Co Ltd	XS2676374239		JPY	150,000	150,000	0	%	109.340	1,032,808.56	1.07
0.0000 % DAIWA HOUSE 24/29 ZO	XS2743016193		JPY	70,000	70,000	0	%	101.860	449,005.04	0.46
0.1250% DATADOG 21/25 CV	US23804LAB99		USD	1,250	450	2,050	%	140.800	1,620,476.94	1.67
0.0500% DEUTSCHE POST WLD.17/25	DE000A2G87D4		EUR	2,500	900	1,600	%	97.400	2,435,000.00	2.51
0.2500% DEXCOM 20/25 CV	US252131AK39		USD	2,550	0	3,175	%	103.240	2,423,920.45	2.50
0.3750 % DEXCOM 23/28 CV 144A	US252131AL12		USD	750	750	0	%	100.510	694,065.92	0.72
0.0000% DROPBOX 22/28 ZO CV	US26210CAD65		USD	2,000	0	2,200	%	104.600	1,926,157.81	1.99
0.7500% DUERR AG WA 20/26	DE000A3H2XR6		EUR	1,500	300	1,100	%	93.404	1,401,060.00	1.45
0.0000% EDENRED 21/28 ZO CV	FR0014003YP6		EUR	8	7,500	0	%	65.680	492,600.00	0.51
0.0000% ENPHASE ENER 21/28 ZO CV	US29355AAK34		USD	1,562	500	3,000	%	84.320	1,212,667.71	1.25
1.7500 % ENVISTA HLDG 23/28 CV	US29415FAC86		USD	850	850	0	%	90.840	710,929.01	0.73
0.1250% ETSY 20/26 CV	US29786AAJ51		USD	900	900	0	%	104.090	862,544.89	0.89
0.3750% EXACT SCIEN. 19/27 CV	US30063PAB13		USD	1,850	900	300	%	92.280	1,571,844.21	1.62
0.0000% FORD MOTOR 22/26 ZO CV	US345370CZ16		USD	2,600	2,200	1,300	%	97.480	2,333,560.45	2.41
1.0000% HALOZ.THERAP 23/28 CV	US40637HAF64		USD	1,775	0	0	%	90.550	1,479,847.62	1.53
0.3750% INSULET 20/26 CV	US45784PAK75		USD	500	500	700	%	106.840	491,851.58	0.51
0.0000% IONIS PHARM. 22/26 ZO CV	US462222AD25		USD	2,750	1,500	1,400	%	106.340	2,692,523.71	2.78
2.0000% JAZZ INVES.I 21/26 CV	US472145AF83		USD	2,150	0	1,000	%	100.670	1,992,822.94	2.06
2.6250 % LANTH.HLDGS 23/27 CV	US516544AB96		USD	650	0	0	%	103.540	619,657.49	0.64
0.8750% LEG IMMOB.WLD.17/25	DE000A2GSDH2		EUR	1,600	1,400	3,300	%	97.080	1,553,280.00	1.60

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Statement of net assets as of 31 January 2024

Generic name	ISIN	Market	Qty, units, or currency in 1,000	As of 31 January 2024	Purchases/ Acquisitions	Sales/ Disposals		Market price	Market value in EUR	% of fund assets ¹⁾
					during the reporting period					
1.6000% LG CHEM 23/30 CV	XS2647856777		USD	2,300	2,300	0	%	92.010	1,948,466.99	2.01
0.5000% LUMENTUM 19/26 CV	US55024UAD19		USD	1,500	800	2,750	%	90.240	1,246,294.08	1.29
3.0000 % MERIT MED.SY 23/29 144A	US589889AA22		USD	700	700	0	%	111.390	717,917.32	0.74
0.0000% EDENRED 21/25 ZO CV	US653656AB42		USD	2,000	0	2,875	%	95.130	1,751,772.40	1.81
3.8750 % NIO 23/29 CV 144A	US62914VAG14		USD	500	500	0	%	80.310	369,717.34	0.38
0.5000% ON SEMICON 23/29 CV 144A	US682189AT21		USD	2,175	3,175	1,000	%	96.610	1,934,690.64	2.00
0.0000% PARK24 CO 23/28 ZO CV	XS2584105055		JPY	120,000	120,000	0	%	100.540	759,748.11	0.78
0.0000% PRYSMIAN 21/26 ZO CV	XS2294704007		EUR	1,700	700	2,300	%	110.360	1,876,120.00	1.94
1.2500% RAPID7 23/29 CV 144A	US753422AG97		USD	550	550	0	%	109.700	555,519.75	0.57
1.0000% REPLIGEN 23/28 CV	US759916AC34		USD	500	500	0	%	116.270	535,263.79	0.55
4.6250% RIVIAN AUTOM 23/29 144A	US76954AAA16		USD	1,225	3,761	2,536	%	107.290	1,210,111.87	1.25
0.0000% ROHM CO.LTD 19/24 ZO CV	XS2080209435		JPY	150,000	0	200,000	%	101.580	959,508.82	0.99
1.2500 % SAREP.THERA. 23/27 CV	US803607AD25		USD	1,000	0	0	%	112.850	1,039,038.76	1.07
1.9700 % SCHNEID.ELEC 23/30 CV MTN	FR001400M9F9		EUR	600	600	0	%	107.770	646,620.00	0.67
0.0000% SCHNEIDER EL 20/26 CV MTN	FR0014000OG2		EUR	6	0	0	%	197.010	1,182,060.00	1.22
3.5000 % SEAG.HDD CAY 23/28 CV144A	US81180WBK62		USD	750	750	0	%	119.870	827,755.27	0.85
5.7500% SGL CARBON WA 22/27	DE000A30VKB5		EUR	700	1,000	300	%	100.549	703,843.00	0.73
5.7500% SGL CARBON WA 23/28	DE000A351SD3		EUR	400	800	400	%	99.668	398,672.00	0.41
1.0000 % SHOCKW.MED. 23/28 CV 144A	US82489TAA25		USD	500	500	0	%	105.380	485,130.28	0.50
0.1250% SHOPIFY 20/25 CV	US82509LAA52		USD	3,000	0	2,000	%	95.460	2,636,773.78	2.72
1.7500% SK HYNIX 23/30 CV	XS2607736407		USD	1,200	1,200	0	%	130.530	1,442,187.64	1.49
0.0000% SOLAREGE T. 21/25 CV ZO	US83417MAD65		USD	850	0	2,175	%	89.780	702,633.28	0.73
2.0000% SPIE 23/28 CV	FR001400F2K3		EUR	3,200	1,500	500	%	108.270	3,464,640.00	3.58
1.1250% SPLUNK 19/25 CV	US848637AD65		USD	625	0	4,025	%	111.230	640,076.88	0.66
0.0000% STMICROELECTR. 20/25 ZO	XS2211997155		USD	1,400	0	3,800	%	112.070	1,444,599.94	1.49
0.0000% STMICROELECTR. 20/27 ZO	XS2211997239		USD	1,000	0	0	%	112.020	1,031,396.74	1.06
0.0000% TOKYU 23/28 ZO CV	XS2635167450		JPY	150,000	150,000	0	%	102.090	964,326.20	1.00
0.2500% TYLER TECHS 22/26 CV	US902252AB17		USD	2,000	0	3,700	%	101.150	1,862,627.75	1.92
0.0000% UBER TECHNO. 20/25 CV	US90353TAJ97		USD	1,250	0	1,250	%	103.370	1,189,692.48	1.23
0.8750% UBER TECHNO. 23/28 144A	US90353TAL44		USD	500	500	0	%	110.990	510,956.63	0.53
2.2500 % VISHAY INTER 23/30 CV	US928298AQ11		USD	500	500	0	%	93.930	432,418.75	0.45
3.2500% WAYFAIR 23/27 CV	US94419LAP67		USD	450	1,850	1,400	%	110.640	458,410.83	0.47
2.7500 % WELLTOWER OP 23/28CV 144A	US95041AAB44		USD	1,000	1,000	0	%	108.700	1,000,828.65	1.03
3.0000% WEST.DIGITAL 23/28 CV	US958102AS46		USD	900	900	0	%	130.200	1,078,906.18	1.11
1.8750% WOLFSPEED 23/29 CV	US977852AD45		USD	700	0	300	%	57.530	370,785.38	0.38
1.2500 % WORKIVA 23/28 CV 144A	US98139AAC99		USD	1,250	1,250	0	%	96.040	1,105,331.00	1.14
0.0500% ZALANDO SE WA 20/25	DE000A3E4589		EUR	1,700	700	1,500	%	92.880	1,578,960.00	1.63

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

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Statement of net assets as of 31 January 2024

Generic name	ISIN	Market	Qty, units, or currency in 1,000	As of 31 January 2024	Purchases/ Acquisitions	Sales/ Disposals	Market price	Market value in EUR	% of fund assets ¹⁾
					during the reporting period				
Total interest-bearing securities							EUR	91,025,279.13	93.99
Total securities traded on an exchange							EUR	91,025,279.13	93.99
Total securities holdings							EUR	91,025,279.13	93.99
Derivatives									
(Negative figures denote sold positions)									
Currency derivatives									
Receivables/liabilities									
Futures contracts (Buy)									
Open positions									
JPY/ EUR 632.0 M.		OTC						-54,619.11	-0.06
USD/ EUR 26.0 M.		OTC						-177,950.92	-0.18
USD/ EUR 31.0 M.		OTC						-180,344.16	-0.19
USD/ EUR 11.8 M.		OTC						-33,012.32	-0.03
Total currency derivatives							EUR	-445,926.51	-0.46
Cash at banks, money market instruments and money market funds									
Cash at banks									
EUR Balances with the custodian									
Kreissparkasse Cologne			EUR	4,912,215.53		%	100.000	4,912,215.53	5.07
Balances in non-EU/EEA currencies									
Kreissparkasse Cologne			CHF	5,144.47		%	100.000	5,522.48	0.01
Kreissparkasse Cologne			GBP	96,621.05		%	100.000	113,265.40	0.12
Kreissparkasse Cologne			HKD	551,110.80		%	100.000	64,909.11	0.07
Kreissparkasse Cologne			JPY	4,010,293.00		%	100.000	25,253.73	0.03
Kreissparkasse Cologne			USD	1,045,217.48		%	100.000	962,358.42	0.99
Total balances in non-EU/EEA currencies							EUR	1,171,309.14	1.21

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Statement of net assets as of 31 January 2024

Generic name	ISIN	Market	Qty, units, or currency in 1,000	As of 31 January 2024	Purchases/ Acquisitions	Sales/ Disposals	Market price	Market value in EUR	% of fund assets ¹⁾
					during the reporting period				
Total cash at banks					EUR		6,083,524.67		6.28
Total cash at banks, money market instruments and money market funds					EUR		6,083,524.67		6.28
Other assets									
Interest claims			EUR	200,703.70				200,703.70	0.21
Receivables from pending transactions			EUR	51,546.32				51,546.29	0.05
Total other assets					EUR		252,249.99		0.26
Other liabilities									
Accrued expenses			EUR	-66,307.53				-66,307.53	-0.07
Total other liabilities					EUR		-66,307.53		-0.07
Fund assets					EUR		96,848,819.75		100.00
Outstanding units - Class C					QTY		985,621.035		
Unit value – Class C					EUR		94.68		
Outstanding units - Class R					QTY		42,188.462		
Unit value - Class R					EUR		83.40		
Outstanding units - Class CAV					QTY		166.000		
Unit value - Class CAV					EUR		83.55		
Securities holdings as a percentage of fund assets									93.99

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Statement of net assets as of 31 January 2024

Generic name	ISIN	Market	Qty, units, or currency in 1,000	As of 31 January 2024	Purchases/ Acquisitions	Sales/ Disposals	Market price	Market value in EUR	% of fund assets ¹⁾
					during the reporting period				

Securities prices/market rates

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

All assets: Prices/market rates as of 31 January 2024 or last known

Exchange rate(s)/conversion factor(s) (indirect quote) as of 31 January 2024

Pound sterling	(GBP)	0.85305	= 1 euro (EUR)
Hong Kong dollar	(HKD)	8.49050	= 1 euro (EUR)
Japanese yen	(JPY)	158.80000	= 1 euro (EUR)
Swiss franc	(CHF)	0.93155	= 1 euro (EUR)
US dollar	(USD)	1.08610	= 1 euro (EUR)

Market key

c) OTC	Over-the-Counter
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¹⁾ Minor rounding differences may arise as a result of rounding percentages in the calculation.

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

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

Generic name	ISIN	Qty, units, nominal value or currency in 1,000	Purchases/ Acquisitions	Sales/ Disposals
Securities traded on an exchange				
Interest-bearing securities				
0.7000% ACCOR 20/27 CV	FR0013521085	EUR	0	60
1.7500% ALTAIR ENG. 22/27 CV 144A	US021369AB99	USD	0	1,500
0.7500% BESI 20/27 CV	XS2211511949	EUR	0	700
1.8750% BESI 22/29 CV	XS2465773070	EUR	0	1,200
0.0000% BILL HOLDING 21/27 ZO CV	US090043AD21	USD	0	2,050
0.0000% BLACKLINE 21/26 ZO CV	US09239BAD10	USD	0	2,050
0.0000% CARREFOUR 18/24 ZO CV	FR0013326204	USD	0	1,000
0.5000% CITIGR.GL.M.FDG 16/23 MTN	XS1466161350	EUR	1,500	1,500
0.0000% CYBERARK S. 19/24 CV ZO	US23248VAB18	USD	500	4,700
0.1250% ETSY 20/27 CV	US29786AAL08	USD	650	4,800
1.0000% HALOZ.THERAP 22/28 CV	US40637HAE99	USD	500	525
0.7500% HELLOFRESH WA 20/25	DE000A289DA3	EUR	400	3,400
1.5000% JAZZ INV.I 2024 CV	US472145AD36	USD	0	3,275
2.6250% LANTH.HLDGS 22/27 CV 144A	US516544AA14	USD	650	650
0.4000% LEG IMMOB.WLD.20/28	DE000A289T23	EUR	0	2,200
0.2500% LI AUTO 22/28 CV	US50202MAB81	USD	1,000	1,000
0.8750% LIVONGO HEAL 21/25 CV	US539183AA12	USD	0	1,400
0.1250% MICROCH.TECH 20/24 CV	US595017AU87	USD	0	1,050
1.0000% MIDDLEBY 20/25 CV	US596278AB74	USD	1,250	1,250
0.2500% MONGODB 21/26 CV	US60937PAD87	USD	0	2,400
0.0000% NEXTERA E.P. 20/25 ZO CV	US65341BAD82	USD	0	1,350
4.2500% NORDEX WA 23/30	DE000A351MA2	EUR	600	600
0.0000% OLIVER CAP. 20/23 ZO CV	XS2240512124	EUR	400	5,100
0.7500% PALO ALTO N. 19/23 CV	US697435AD78	USD	0	550
0.0000% RINGCENTRAL 20/25 CV ZO	US76680RAF47	USD	0	1,000
0.1500% SIKI 18-25 CV	CH0413990240	CHF	0	1,900
0.6250% SILICON LAB. 21/25	US826919AD45	USD	0	1,000
0.0000% SOITEC S.A. 20/25 ZO CV	FR0014000105	EUR	4.9	4.9
2.3750% UBISOFT ENT. 22/28 CV	FR001400DV38	EUR	800	1,600
3.2500% WAYFAIR 22/27 CV 144A	US94419LAN10	USD	1,300	1,300
1.8750% WOLFSPEED 22/29 CV 144A	US977852AC61	USD	750	1,600
0.2500% WOLFSPEED 23/28 CV	US977852AB88	USD	0	5,250
0.1250% ZSCALER 21/25 CV	US98980GAB86	USD	900	2,500
1.000% ALNYLAM PHAR 22/27 CV	US02043QAA58	USD	0	1,100
1.250% SAREP.THERA.22/27 CV 144A	US803607AC42	USD	0	1,000
0.250% WOLFSPEED INC. 22/28 CV	US977852AA06	USD	0	5,250

Lupus alpha Sustainable Convertible Bonds annual report

Generic name	Shares or units or currency	Volume in 1 000
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Derivatives (Option premia/volumes in opening transactions; purchases/sales shown for warrants)

Forward exchange contracts

Futures contracts (Buy)

Purchase of currencies on forward basis:

CHF/EUR	EUR	1,024
JPY/EUR	EUR	3,249
JPY/EUR	EUR	2,794
JPY/EUR	EUR	3,605
USD/EUR	EUR	4,172
USD/EUR	EUR	35,297
USD/EUR	EUR	37,721
USD/EUR	EUR	34,483
USD/EUR	EUR	34,966
USD/EUR	EUR	30,417
USD/EUR	EUR	31,022
USD/EUR	EUR	27,373
USD/EUR	EUR	28,753
USD/EUR	EUR	17,867

Lupus alpha Sustainable Convertible Bonds C annual report

Profit and loss account (including income equalisation)

for the period from 1 February 2023 to 31 January 2024

I. Income

1. Interest on investments in liquid assets, domestic	EUR	170,156.32
2. Interest from securities of foreign issuers	EUR	629,163.77
3. Interest from securities of domestic issuers	EUR	96,743.90
4. Foreign withholding tax	EUR	-11,265.00

Total income	EUR	884,798.99
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II. Expenses

1. Interest from borrowings	EUR	-2.13
2. Auditing and publication charges	EUR	-15,634.15
3. Custodian fee	EUR	-53,791.95
4. Management fee	EUR	-677,594.45
5. Other expenses	EUR	-14,781.68

Total expenses	EUR	-761,804.36
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III. Ordinary net income	EUR	122,994.63
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IV. Disposals

1. Realised gains	EUR	7,524,655.48
2. Realised losses	EUR	-10,817,769.79

Income from disposals	EUR	-3,293,114.31
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V. Realised income for the financial year	EUR	-3,170,119.68
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1. Net change in unrealised gains	EUR	-2,743,396.95
2. Net change in unrealised losses	EUR	6,204,041.55

VI. Unrealised income for the financial year	EUR	3,460,644.60
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VII. Net income for the financial year	EUR	290,524.92
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Lupus alpha Sustainable Convertible Bonds R annual report

Profit and loss account (including income equalisation)

for the period from 1 February 2023 to 31 January 2024

I. Income

1. Interest on investments in liquid assets, domestic	EUR	6,043.32
2. Interest from securities of foreign issuers	EUR	22,265.28
3. Interest from securities of domestic issuers	EUR	3,404.51
4. Foreign withholding tax	EUR	-420.04
Total income	EUR	31,293.07

II. Expenses

1. Interest from borrowings	EUR	-0.07
2. Auditing and publication charges	EUR	-1,313.03
3. Custodian fee	EUR	-2,035.00
4. Management fee	EUR	-47,256.54
5. Other expenses	EUR	-559.14
Total expenses	EUR	-51,163.78

III. Ordinary net income

EUR -19,870.71

IV. Disposals

1. Realised gains	EUR	284,584.68
2. Realised losses	EUR	-409,086.79
Income from disposals	EUR	-124,502.11

V. Realised earnings for the fiscal year

EUR -144,372.82

1. Net change in unrealised gains	EUR	-122,300.68
2. Net change in unrealised losses	EUR	276,576.27

VI. Unrealised earnings for the fiscal year

EUR 154,275.59

VII. Earnings for the fiscal year

EUR 9,902.77

Lupus alpha Sustainable Convertible Bonds CAV annual report

Profit and loss account (including income equalisation)

for the period from 1 February 2023 to 31 January 2024

I. Income

1. Interest on investments in liquid assets, domestic	EUR	23.86
2. Interest from securities of foreign issuers	EUR	87.95
3. Interest from securities of domestic issuers	EUR	13.47
4. Foreign withholding tax	EUR	-1.65

Total income	EUR	123.63
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II. Expenses

1. Interest from borrowings	EUR	0.00
2. Auditing and publication charges	EUR	-73.43
3. Custodian fee	EUR	-7.85
4. Management fee	EUR	-56.05
5. Other expenses	EUR	-2.15

Total expenses	EUR	-139.48
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III. Ordinary net income	EUR	-15.85
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IV. Disposals

1. Realised gains	EUR	1,106.39
2. Realised losses	EUR	-1,586.07

Income from disposals	EUR	-479.68
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V. Realised earnings for the fiscal year	EUR	-495.53
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1. Net change in unrealised gains	EUR	-562.42
2. Net change in unrealised losses	EUR	1,271.88

VI. Unrealised income for the financial year	EUR	709.46
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VII. Net income for the financial year	EUR	213.93
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Lupus alpha Sustainable Convertible Bonds C

Development of fund assets

2023-2024			
I. Value of the investment fund at the beginning of the financial year	EUR		165,354,970.86
1. Distribution for the previous year/tax allowance for the previous year	EUR		0.00
2. Interim dividends	EUR		-1,662,296.57
3. Inflow/outflow of funds (net)	EUR		-69,570,357.38
a) Cash inflow from sale of units	EUR	17,299,094.76	
b) Cash outflow from redemption of units	EUR	-86,869,452.14	
4. Income/expense equalisation	EUR		-1,096,443.10
5. Net income for the financial year	EUR		290,524.92
of which unrealised gains	EUR	-2,743,396.95	
of which unrealised losses	EUR	6,204,041.55	
II. Value of the investment fund at the end of the financial year		EUR	93,316,398.73

Lupus alpha Sustainable Convertible Bonds R

Development of fund assets

2023-2024			
I. Value of the investment fund at the beginning of the financial year	EUR		3,523,636.76
1. Distribution for the previous year/tax allowance for the previous year	EUR		0.00
2. Interim dividends	EUR		-60,821.06
3. Inflow/outflow of funds (net)	EUR		41,254.97
a) Cash inflow from sale of units	EUR	465,364.77	
b) Cash outflow from redemption of units	EUR	-424,109.80	
4. Income/expense equalisation	EUR		4,578.06
5. Net income for the financial year	EUR		9,902.77
of which unrealised gains	EUR	-122,300.68	
of which unrealised losses	EUR	276,576.27	
II. Value of the investment fund at the end of the financial year		EUR	3,518,551.50

Lupus alpha Sustainable Convertible Bonds CAV

Development of fund assets

2023-2024			
I. Value of the investment fund at the beginning of the financial year			
	EUR		54,969.46
1. Distribution for the previous year/tax allowance for the previous year	EUR		0.00
2. Interim dividends	EUR		0.00
3. Inflow/outflow of funds (net)	EUR		-40,352.94
a) Cash inflow from sale of units	EUR	0.00	
b) Cash outflow from redemption of units	EUR	-40,352.94	
4. Income/expense equalisation	EUR		-960.93
5. Net income for the financial year	EUR		213.93
of which unrealised gains	EUR	-562.42	
of which unrealised losses	EUR	1,271.88	
II. Value of the investment fund at the end of the financial year			
		EUR	13,869.52

Lupus alpha Sustainable Convertible Bonds annual report

Application of income from unit class C of the fund

Calculation of distribution (overall and per unit)

		overall	per unit
I. Available for distribution	EUR	1,662,296.57	1.69
1. Carried forward from the previous year	EUR	0.00	0.00
2. Realised income for the financial year	EUR	-3,170,119.68	-3.22
3. Addition from the investment fund ²⁾	EUR	4,832,416.25	4.90
II. Not appropriated for distribution	EUR	0.00	0.00
1. Allocated to reinvestment	EUR	0.00	0.00
2. Amount carried forward	EUR	0.00	0.00
III. Total distribution	EUR	1,662,296.57	1.69
1. Interim dividends ¹⁾	EUR	1,662,296.57	1.69
2. Final dividend	EUR	0.00	0.00

Appropriation of net income from unit class R

Calculation of distribution (overall and per unit)

		overall	per unit
I. Available for distribution	EUR	60,821.06	1.44
1. Carried forward from the previous year	EUR	0.00	0.00
2. Realised income for the financial year	EUR	-144,372.82	-3.42
3. Addition from the investment fund ³⁾	EUR	205,193.88	4.86
II. Not appropriated for distribution	EUR	0.00	0.00
1. Allocated to reinvestment	EUR	0.00	0.00
2. Amount carried forward	EUR	0.00	0.00
III. Total distribution	EUR	60,821.06	1.44
1. Interim dividends ¹⁾	EUR	60,821.06	1.44
2. Final dividend	EUR	0.00	0.00

Appropriation of net income from unit class CAV

I. Available for reinvestment		overall	per unit
1. Realised income for the financial year	EUR	-495.53	-2.99
2. Addition from the investment fund ⁴⁾	EUR	495.53	2.99
3. Tax deduction amount made available	EUR	0.00	0.00
II. Reinvestment	<u>EUR</u>	<u>0.00</u>	<u>0.00</u>

- ¹⁾ Interim dividends paid on 14 December 2023 following a 4 December 2023 resolution The interim dividend per unit is calculated on the basis of the number of units outstanding at the end of the reporting period.
- ²⁾ The injection from the investment fund results from a recognition of realised losses (the distribution required a total injection of EUR 4,832,416.25).
- ³⁾ The injection from the investment fund results from a recognition of realised losses (the distribution required a total injection of EUR 205,193.88).
- ⁴⁾ The addition from the investment fund results from the recognition of realised losses.

Lupus alpha Sustainable Convertible Bonds annual report

Unit classes

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

Unit class	currency	Management fee (per cent p.a.)		Front load (per cent)		Minimum investment amount in currency	Appropriation of income
		maximum	current	maximum	current		
C	EUR	0.75	0.75	4.00	4.00	50,000.00	distributing
R	EUR	1.35	1.35	4.00	4.00	0.00	distributing
CAV	EUR	0.45	0.45	4.00	4.00	50,000,000.00	accumulating

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

Information pursuant to the German Derivatives Regulation (Derivateverordnung)

underlying exposure through derivatives	100,274,670.01	EUR
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counterparty to derivatives transactions

Kreissparkasse Cologne

Total amount of securities pledged by third parties under derivatives transactions:	0.00	EUR
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Securities holdings as a percentage of fund assets	93.99	%
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Derivatives holdings as a percentage of fund assets	-0.46	%
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The use of the market risk limit for this investment fund was determined using the qualified approach in accordance with the Derivatives Regulation based on a benchmark asset.

Information according to the qualified approach:

Potential risk exposure for market risk

lowest potential risk exposure	3.103	%
highest potential risk exposure	6.569	%
average potential risk exposure	4.544	%

Risk model used pursuant to § 10 of the Derivatives Regulations

Monte Carlo simulation

Parameters used pursuant to § 110 of the Derivatives Regulations

Confidence level = 99%, holding period 10 days

Effective historical observation period 12 months = 250 days

Average amount of leverage achieved during the financial year through derivative transactions	1.040
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Composition of benchmark assets

Composition of the benchmark assets (§ 37 (5) of the Derivatives Regulations):	50% MSCI World Net Return EUR (MSDEWIN Index), 50% BofA Merrill Lynch Global Corporate & High Yield Index in EUR (GI00 Index)
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Other information

Unit value – Class C	94.68 EUR
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Outstanding units - Class C	985,621.035 QTY
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Unit value - Class R	83.40 EUR
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Outstanding units - Class R	42,188.462	QTY
Unit value - Class CAV	83.55	EUR
Outstanding units - Class CAV	166.000	QTY

Information on the asset valuation method

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

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

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

In the case of assets that are admitted to trading on a stock exchange or another organised market or are included in such a market, in accordance with § 27 KARBV the last available trading price is used to ensure the reliability of the valuation. For assets that are neither admitted for trading on a stock exchange nor on another organised market nor included in such a market or for which no tradeable price is available, market values are used as a basis, pursuant to § 28 KARBV, in conjunction with Section 168 (3) KAGB with regard to § 168 (3) KAGB, which result from a careful assessment using suitable valuation models, taking into account current market conditions are used as a basis.

Underlying fair value may also be determined and communicated by an issuer, counterparty or other third party. If so, such a value is checked for plausibility by the management company or custodian, and this plausibility check is documented. Units in domestic investment funds, EU investment units and foreign investment units are valued at their last determined redemption price or at a current price pursuant to § 27 (1) KARBV. If current values are not available, the value of the shares is determined in accordance with § 28 KARBV; this is indicated in the annual report. Bank deposits are valued at their nominal value plus accrued interest. Fixed-term deposits are valued at market values. Liabilities are recognised at their repayment amount.

Information on transparency and the total expense ratio

The total expense ratio expresses all costs and payments (excluding transaction costs) borne by the fund over the course of the year in relation to the fund’s average net asset value; it is expressed as a percentage.	0.82	Unit class C
	1.46	Unit class R
	0.68	Unit class CAV

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

The management company does not grant any so-called follow-up commissions to brokers to a significant extent from the remuneration paid to them by the fund.

Significant other income and other expenditure

Other income	0.00	
none		
Other expenses	0.00	
none		
Transaction charges (total of incidental acquisition charges plus selling charges)	17,552.50	EUR

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

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

Other information required for understanding the report

Explanation of net change in unrealised gains and losses:

The net change in unrealised gains and losses is determined by, in each financial year, comparing the asset valuations that underlie a unit price with their historical acquisition costs - positive differences adding to total unrealised gains and negative differences adding to total unrealised losses - so that by comparing position totals at the end of the financial year with position totals at the beginning of the financial year the net change is obtained.

Information on staff remuneration Lupus alpha Group remuneration policy

Management company's remuneration system

Lupus alpha Investment GmbH is a subsidiary of Lupus alpha Asset Management AG. Lupus alpha (which means "alpha wolf") is an owner-operated, independent asset management group that offers specialist investment products to institutional and private investors. We focus on a few, attractive asset classes that require special expertise and in which we can achieve sustainable added value for our customers. We focus on European small caps and on offering alternative solutions. As a special provider, we routinely offer institutional investors access to new sources of alpha through specialised, innovative strategies and to ways of broadening and deepening the overall diversification of their portfolios.

Lupus alpha's partnership-based corporate structure creates the conditions for the highest possible level of staff continuity at management level.

By acting as a specialist provider and by focusing its own investments on liquid investments, we ensure control over the usual risks of a medium-sized asset manager.

Performance-related and entrepreneurial-oriented remuneration for employees is a central component in the design of Lupus alpha's compensation packages. Through comprehensive compensation packages, management intends to support medium- to long-term corporate goals set within the strategy-finding process. All requirements are met from the Ordinance on Supervisory Requirements for Institutional Compensation (InstitutsVergV), Articles 13 and 22 of Directive 2011/61/EU of the European Parliament and Council of 8 June 2011 on Alternative Investment Fund Managers (AIFM Directive), the guidelines for sound compensation policies based on the AIFMD (the German translation of the ESMA guidelines) and Annex II of the remuneration policy of the AIFM directive.

Results of the annual review of the remuneration policy

Lupus alpha regularly reviews the appropriateness of the remuneration concept with the involvement of compliance and makes adjustments if necessary.

The remuneration policy and its application are also subject to review by the internal audit department and monitoring by the Supervisory Board.

There were no complaints.

Significant changes to the established remuneration policy

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

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

of which fixed remuneration 59.24%

of which variable remuneration 40.76%

Remuneration paid directly out of the fund in EUR million 0.00

Total employees incl. management 90

Total remuneration paid by the management company to risk takers in the financial year just ended: EUR 2.33 million, of which indirectly via cost allocation by the parent company to senior management: EUR 2.33 million

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

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

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

Product name: Lupus alpha Sustainable Convertible Bonds	Company identifier code (LEI code): 529900V7F7ADYWPGWA97
Environmental and/or social characteristics	
Were sustainable investments targeted with this financial product?	
☐ Yes	☒ No
☐ Investments were made in sustainable investments with environmental aims: _% ☐ in economic activities that are classified environmentally sustainable by the EU Taxonomy ☐ in economic activities that are not classified as environmentally sustainable by the EU Taxonomy ☐ Investments were made in sustainable investments with social aims: _____%	☒ Environmental/social characteristics were advertised and even though sustainable investments were not specifically targeted, they constitute 83.82 per cent of the investment ☒ having an environmental objective based on economic activities that are classified as environmentally sustainable by the EU Taxonomy ☒ having an environmental objective of economic activities not classified as environmentally sustainable by the EU Taxonomy ☒ having a social objective ☐ Environmental/social characteristics were advertised but no sustainable investments were made.



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

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

The Fund strategy assigned different weightings to environmental and social standards. Investments were made in quality companies (small & mid caps) to the exclusion of non-sustainable business models (e.g., mining of thermal coal or nuclear power generation) while complying with minimum standards (e.g., violations of the UN Global Compact). ESG criteria were also included in the positive selection. This means the Fund was not based on a benchmark and did not emulate any benchmark. The Fund did not use derivatives to achieve its advertised/environmental characteristics.

How did the sustainability indicators perform?

All investible companies were classified according to environmental, social, ethical and governance criteria. Research included social standards, environmental management, product portfolio and corporate governance. Under comprehensive negative screening, values that do not meet certain minimum standards were excluded. This applied to all securities in the portfolio:

Environment:

- Violations of international corruption conventions and inadequate reaction or processing by the company
- Revenues from thermal coalmining > 5 per cent
- Revenues from thermal coal-fired energy production > 0 per cent
- Production and sale of nuclear energy (with no tolerance limit)
- Products and services for the nuclear energy industry > 3 per cent
- Revenues from uranium mining > 0 per cent
- Revenues from (conventional) oil & gas-fired energy production > 0 per cent
- Revenues from products and services for (conventional) oil & gas-fired energy production > 5 per cent
- Oil & gas production from fracking or oil sands (with no tolerance limit)
- Production of genetically modified organisms (GMOs), e.g. for human consumption or industrial use (no tolerance limits)

Social:

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

Governance:

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

Ethics:

- Revenues from production & distribution of military goods > 5 per cent
- Revenues from alcohol production > 5 per cent
- Revenues from alcohol distribution > 33 per cent
- Revenues from tobacco products production > 5 per cent

- Revenues from tobacco products distribution > 33 per cent
- Animal testing for non-medical purposes (with no tolerance limit)
- Commercial/industrial animal farming for food or animal fur production
- Revenues from production, services and offers of pornographic content > 3 per cent
- Companies with ties to abortion
- Revenues from gambling > 5 per cent
- Production/sale/servicing of cluster munitions, anti-personnel mines and other controversial weapons
- Production of nuclear weapons or systems used for transporting them or similar

In the event that the issuer and the company into whose shares the bonds can be converted do not agree, both will be examined using the above negative criteria.

Companies that did not violate any of the above exclusion criteria and were not excluded on the ground of adverse impacts on sustainability factors (PAIs - see below) were further examined using positive criteria. If the examination was positive on any one of the three criteria, the company was investible:

1. Significant positive contribution to SDGs (> 10 per cent)
2. Positive contribution to SDGs and at least one ESG BB rating
3. At least one ESG A rating and no involvement in any very serious controversies

The above turnover limits, violations/controversies, positive criteria and also principal adverse impacts (PAIs) were checked with the assistance of our external research provider, MSCI, using its own methodology. Companies that MSCI has not researched were researched internally.

The Fund maintained the above exclusion criteria throughout the reporting period. Compliance with exclusion criteria was checked on an ongoing basis using internal control systems.

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

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

- Carbon intensity included as an additional PAI during investment decision-making

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

We consider an investment/company to be clearly sustainable if its products or operational behaviour are aligned or strongly aligned with at least one of the 17 SDGs (sustainable development goals) while its products and operational behaviour are not at the same time misaligned or strongly misaligned with the 17 SDGs.

The SDGs are those of the United Nations. [For further information go to: https://sdgs.un.org/](https://sdgs.un.org/). We use the MACI ESG methodology to assess SDG contributions. (Sustainable Impact Metrics: <https://www.msci.com/our-solutions/esg-investing/impact-solutions>). To ensure good corporate governance, the sustainable investments in the portfolio must also have an ESG rating of at least BB.

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

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

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

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

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

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

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

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

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

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

All other sustainable investments must also do no significant harm.

Principal adverse impacts

are those relating to investment decisions that concern the environment, social and employment areas, human rights and the fight against corruption and bribery.



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

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

Environment:

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

Social:

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

Governance:

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

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

- Carbon footprint and carbon intensity (if both indicators are in the lowest quartile of the relevant industry IVA).
- or
- lack of minimum gender diversity on management and supervisory committees (no women on those committees)

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

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

The aforementioned PAIs were checked with the assistance of our external research provider MSCI. Companies that MSCI has not researched were researched internally. (Issuers' carbon footprint and carbon intensity percentiles were calculated internally using MSCI carbon footprint and carbon intensity data and relevant industry IVAs.)



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

01.02.2023-31.01.2024

What main investments has this financial product made?

Biggest investments	Sector	% of assets	Country
Akamai Technologies Inc. 19/27 CV US00971TAL52	Software and services	3.78%	USA - United States
DexCom Inc. 20/25 CV US252131AK39	Healthcare: Equipment and services	3.07%	USA - United States
SPIE SA FR001400F2K3	Commercial and professional services	2.75%	France
Shopify Inc. 20/25 CV US82509LAA52	Software and services	2.59%	USA - United States
Tyler Technologies Inc. 21/26 CV US902252AB17	Software and services	2.59%	USA - United States
NICE Ltd. 20/25 CV US653656AB42	Software and services	2.51%	Israel
Biomarin Pharmaceutical Inc. 20/27 CV US09061GAK76	Pharmaceuticals, biotechnology and life sciences	2.45%	USA - United States
Ford Motor Co. 21/26 CV US345370CZ16	Motor vehicles and components	2.35%	USA - United States
LEG Immobilien AG DE000A2GSDH2	Real estate management and development	2.30%	Germany
Enphase Energy Inc. 21/28 CV US29355AAK34	Semiconductors and semiconductor equipment	2.27%	USA - United States
Ionis Pharmaceuticals Inc. 21/26 CV US462222AD25	Pharmaceuticals, biotechnology and life sciences	2.21%	USA - United States
Prysmian SpA XS2294704007	Capital goods	2.15%	Italy
Splunk Inc US848637AD65	Software and services	1.98%	USA - United States
Amadeus IT Group SA XS2154448059	Consumer services	1.98%	Spain
Deutsche Post AG 17/25 CV DE000A2G87D4	Transport	1.98%	Germany

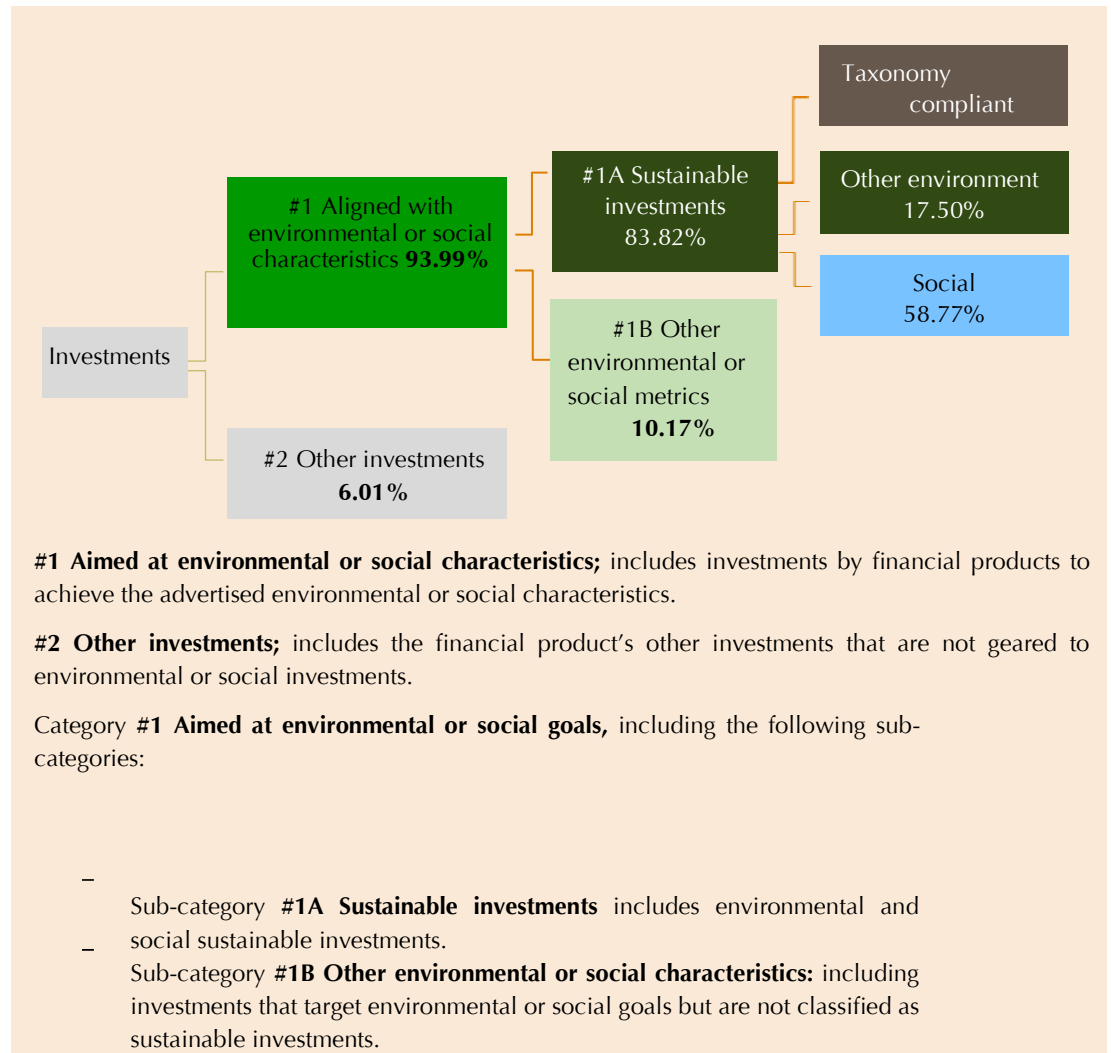


Asset allocation indicates the investment in percentage terms in certain assets.

What was the percentage of sustainability-related investments?

Sustainability-related investments are investments that help achieve environmental and/or social characteristics as part of the investment strategy. The percentage was 93.99 per cent.

What was the asset allocation?



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

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

Additionally, 0.97 per cent of investments were in fossil fuels during the reporting period. Data from the independent research provider, MSCI ESG Research, was used to calculate the proportion of investment in the fossil fuel sectors and subsectors. This percentage includes companies that generate revenues from the fossil fuels sector, including the extraction, processing, storage and transportation of petroleum products, natural gas, and thermal and metallurgical coal.

Sector	Percentage
Software and services	26.77%
Semiconductors and semiconductor equipment	12.82%
Capital goods	9.00%
Pharmaceuticals, biotechnology and life sciences	8.87%
Healthcare: Equipment and services	4.72%
Non-consumer staples: Distribution and retail	3.84%
Transport	3.77%
Consumer services	3.55%
Motor vehicles and components	3.46%
Commercial and professional services	3.25%
Real estate management and development	2.65%
Telecommunications services	2.33%
Hardware and equipment	2.16%
Consumer staples: Distribution and retail	1.15%
Raw materials	0.96%
Banks	0.66%
Utility companies	0.50%
Media and entertainment	0.30%
Financial services	0.13%

Taxonomy-compliant activities, expressed as the proportion of:

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

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

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

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



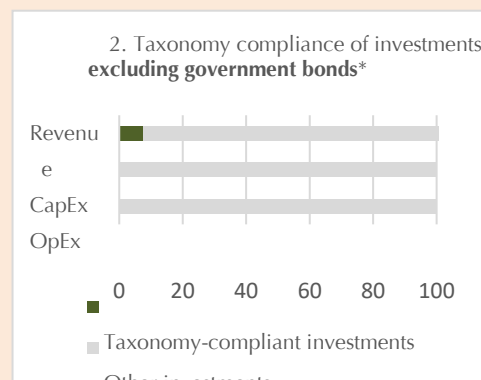
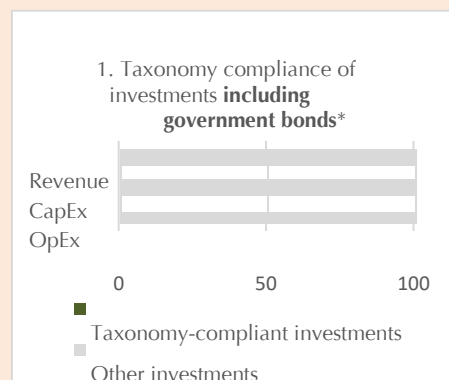
To what extent were sustainable investments with an environmental objective compliant with the EU Taxonomy?

The proportion of Taxonomy-compliant sustainable investments made by the Fund was 7.55 per cent at 31.01.2024.

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

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

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



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

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

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

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

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

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



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



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

At 31.01.2024 the proportion of sustainable investments with an environmental objective that did not comply with the EU Taxonomy was 17.50 per cent. The 7.55 per cent of Taxonomy-compliant sustainable investments with an environmental objective did however meet our definition of sustainable investment with an environmental objective, but is shown separately in accordance with the asset allocation diagram (see above).



What was the proportion of sustainable social investments?

At 31.01.2024 this was 58.77 per cent.



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

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



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

Compliance with ESG criteria was uninterrupted and was/is continuously monitored by both Compliance and Portfolio Management. In terms of compliance, we work with the compliance manager from SimCorpDimensions. An in-house ESG tool was developed for front office in 2022 and is used by Portfolio Management to check that its investments meet ESG criteria, analyse individual stocks in detail and assess aggregate key portfolio indicators (KPIs). The tool is based on data from MSCI. For issuers that are not covered by MSCI, independent checks were carried out with regard to the relevant ESG criteria. If an internal check was not possible in these cases, we decided not to invest. This ensured that investments were only made in companies that fit the environmental and social characteristics defined by us. If investment conditions for a particular company became negative (e.g. because of a new controversy that the company had failed to address properly), we reacted immediately by selling the position without excessive slippage. We also consider the principal adverse impacts (PAIs) on sustainability during the investment process.

Based on our methodology of considering PAI, we again this year entered into formal commitment processes with certain companies in our portfolio.

Lupus alpha Sustainable Convertible Bonds annual report

Comparative table covering the last three financial years

Financial year		Fund assets at the end of the financial year	Unit value
Unit class C			
2024	EUR	93,316,398.73	94.68
2023	EUR	165,354,970.86	95.28
2022	EUR	181,890,166.11	109.56
Unit class R			
2024	EUR	3,518,551.50	83.40
2023	EUR	3,523,636.76	84.48
2022	EUR	2,020,949.32	96.18
Unit class CAV			
2024	EUR	13,869.52	83.55
2023	EUR	54,969.46	82.79
2022	EUR	62,053,605.05	91.91

Frankfurt, 20 February 2024, Lupus alpha Investment GmbH

Michael Frick
MD

Dr. Götz Albert
MD

Report of the independent auditor

To Lupus alpha Investment GmbH, Frankfurt am Main

Audit opinion

We have audited the annual report of the Lupus alpha Sustainable Convertible Bonds fund – consisting of the activity report for the fiscal year from 1 February 2023 to 31 January 2024, the statement of assets and the statement of net assets as of 31 January 2024, the profit and loss account, the statement of appropriation of income, the statement of changes in fund assets for the fiscal year from 1 February 2023 to 31 January 2024, as well as the comparative three-year overview, the statement of transactions completed during the reporting period not included in the statement of net assets, and the notes.

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

Basis for the audit opinion

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

Responsibility of the legal representatives for the annual report

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

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

Responsibility of the auditor for the audit of the annual report

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

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

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

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

Among other things, we consult with those responsible for monitoring the planned scope and timing of the audit and significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

Frankfurt am Main, 08 May 2024

KPMG AG Wirtschaftsprüfungsgesellschaft

Kuppler
Auditors

Neuf
Auditors

Information about the management company, custodian and auditor

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

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

Supervisory Board

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

Mandates of the Executive Board

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

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

Shareholder

Lupus alpha Asset Management AG (100 per cent)

Executive Board

Ralf Lochmüller
Michael Frick
Dr. Götz Albert

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

Custodian**Kreissparkasse Köln**

Neumarkt 18-24

50667 Cologne

Liable equity capital as of 31 December

2022

EUR 2.573 bn

Auditor of the fund and the management company

KPMG AG Wirtschaftsprüfungsgesellschaft

THE SQUAIRE

Am Flughafen

D-60549 Frankfurt am Main, Germany

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

Other investment funds managed by the management company:

As of 31 January 2024, 10 mutual funds and 10 funds were managed by the management company.