



HESPER FUND

Luxembourg registered company B 234859

Annual Report for the period from

1 January 2023 to 31 December 2023

Investment Fund under Luxembourg Law

Investment fund pursuant to Part I of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment, as amended, taking the legal form of a Société d'Investissement à Capital Variable (SICAV), Luxembourg registered company B 234859

ETHENEA Independent Investors S.A.
Luxembourg registered company 155427



ETHENEA

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The Sales Prospectus with integrated Management Regulations, the Key Information Document, the statement of the fund’s additions and disposals during the reporting period and the fund’s annual report are available free of charge by post or e-mail from the registered office of the investment company, or from the depositary, paying agent and the distributor and the representative in Switzerland. Additional information may be obtained from the management company at any time during regular business hours.

Share subscriptions are valid only if they are made on the basis of the most recent version of the Sales Prospectus (including its annexes) in conjunction with the latest available annual report and any subsequent semi-annual report.

Business Performance Report

Business Performance Report

The Fund Manager reports on behalf of the management company:

2023 proved to be a difficult year to predict for most macro forecasters and for the HESPER FUND. The recovery of the Chinese economy after the COVID restrictions were lifted was disappointing, despite strong political support, as serious issues emerged in the real estate sector. In the West, fears that the central banks would trigger a recession had subsided by the middle of the year, despite the US banking crisis, the continuation of the monetary tightening cycle and increasing geopolitical tensions. Defying all odds and amid a geopolitical scenario fraught with danger, central banks may be on track to guide their economies to a soft landing.

It was another historic year for central banks, as they raised interest rates at the fastest pace since the 1980s to tame stubborn high inflation. The end of the era of negative interest rates sparked market turmoil in 2022, but the major economies were spared the predicted severe recession. Central banks managed the looming risks to financial stability well. By taking timely and decisive action, they avoided a major crisis in March when some regional US credit institutions collapsed as a result of higher interest rates and losses in their investment portfolios.

As interest rates have risen from effectively zero in 2021 to a restrictive level of 4% in the Eurozone, 5.25% in the UK and 5.25% to 5.5% in the US, the battle over interest rates will enter a new phase in 2024. Although the significantly higher interest rates did not lead to the expected recession, the shift to higher rates and robust economic growth negatively impacted many of the positions of the HESPER FUND.

The market was not disrupted by the war in Ukraine last year, as gas supplies were replaced and fiscal support for companies and consumers offset the higher prices, which eventually fell.

The shares of the T-6 EUR class lost 3.91% in 2023, ending the year 10.01% below their all-time high on 29 September 2022. The annualised return since inception fell to 3.08%. However, volatility remained limited last year at 5.1%, so that the risk/return profile remained attractive.

A difficult year for the HESPER FUND.

2023 was not an easy year for alternative macro funds. Frequent adjustments to future interest rates and the fact that economies were struggling with restrictive interest rates meant that there were no clear currency and yield trends. In addition, the rapid drop in inflation on both sides of the Atlantic in the second half of 2023 came as a surprise as the US Federal Reserve (Fed) abruptly adopted a dovish stance after previously clearly signalling a “higher for longer” interest rate path.

The HESPER FUND performed poorly, as it struggled to capitalise on any sustained trends in interest rates and currencies. Our expectation of a deeper downturn, particularly within the Eurozone, meant that overall equity exposure was generally low most of the time, or even negative at certain points, such as during the banking crisis in March. Against expectations at this time last year, the US, the Eurozone and the UK managed to sidestep the anticipated recession and rising unemployment forecast by many economists, with the US economy remarkably picking up the pace in the second half of 2023. Despite wars and stricter monetary policies, stock markets rebounded robustly from a dismal 2022. With the economic outlook improving and the likelihood of a soft landing increasing, the US dollar weakened against its major rivals, and bets on the undervalued Norwegian krone and British pound did not deliver the anticipated returns.

In summary, the fund, benchmarked against the T-6 EUR share class, declined by 3.91% in 2023. The contributions from various asset classes were as follows: fixed-income 0%, equities -0.12%, foreign exchange -2.32%, commodities -0.22% and costs -1.25%. Volatility remained stable at 5% for most of the year.

This underperformance led to significant redemptions, with total assets falling from €82 million at the end of the previous year to €61 million.

Baseline scenario for 2024

The key question for the coming pivotal year, when continued economic growth and a gradual decrease in inflation are anticipated, is how and when monetary policy pressure should be eased.

The minutes from the Federal Reserve suggest that interest rate hikes are over, but the timing of rate cuts remains uncertain.

In recent months, inflation has risen at rates that did not exceed the central bank's target values.

Fiscal policy remains expansive, with varying outlooks across regions: a soft landing is expected in the US, while growth is likely to stagnate in the Eurozone and the UK.

Positive: A disinflationary environment, less aggressive central banks, China continues to support the economy.

Negative: Persistent core inflation, heightened geopolitical tensions, political uncertainty with elections pending in more than 80 countries, challenges along major trade routes such as the Panama Canal and the Red Sea, and rapidly increasing interest burdens for many countries. Despite emerging tailwinds, we remain cautious due to the high starting levels of stocks and bonds.

We are very active in foreign exchange, starting with a neutral duration and a moderate long position in equities. The HESPER FUND is aiming for a return of 7% with volatility of less than 7%.

Strassen, January 2024

The Fund Management on behalf of the Board of Directors of the Management Company

The management company is entitled to create share classes that confer different rights depending on the shares.

Currently the following share classes exist with these structural features:

	Share class (A-12 EUR)	Share class (A-12 CHF)	Share class (T-12 EUR)	Share class (T-10 EUR)
Security identification no.:	A2PEEC	A2PEED	A2QK9X	A2PEEF
ISIN code:	LU1931795501	LU1931796905	LU2275633894	LU1931800350
Subscription fee:	up to 3.00%	up to 3.00%	up to 3.00%	up to 3.00%
Redemption fee:	none	none	none	none
Management fee:	0.15% p.a.	0.15% p.a.	0.15% p.a.	0.15% p.a.
Minimum subsequent investment:	none	none	none	none
Dividend policy:	distributed	distributed	reinvested	reinvested
Currency:	EUR	CHF	EUR	EUR

	Share class (T-12 CHF)	Share class (T-12 USD ¹⁾)	Unit class (A-6 EUR)	Share class (A-6 CHF)
Security identification no.:	A2PEEG	A2PEEH	A2PED6	A2PED7
ISIN code:	LU1931801754	LU1931801911	LU1931802216	LU1931803297
Subscription fee:	up to 3.00%	up to 3.00%	up to 3.00%	up to 3.00%
Redemption fee:	none	none	none	none
Management fee:	0.15% p.a.	0.15% p.a.	0.15% p.a.	0.15% p.a.
Minimum subsequent investment:	none	none	none	none
Dividend policy:	reinvested	reinvested	distributed	distributed
Currency:	CHF	USD	EUR	CHF

	Share class (T-6 EUR)	Share class (T-6 CHF)	Unit class (T-6 USD)
Security identification no.:	A2PED9	A2PEEA	A2PEEB
ISIN code:	LU1931806399	LU1931808338	LU1931810235
Subscription fee:	up to 3.00%	up to 3.00%	up to 3.00%
Redemption fee:	none	none	none
Management fee:	0.15% p.a.	0.15% p.a.	0.15% p.a.
Minimum subsequent investment:	none	none	none
Dividend policy:	reinvested	reinvested	reinvested
Currency:	EUR	CHF	USD

¹⁾ The T-12 USD share class was liquidated as of 20 December 2023.

Geographical breakdown by country of HESPER FUND – GLOBAL SOLUTIONS

Geographical breakdown by country ¹⁾	
United States of America	55.14%
France	8.94%
Brazil	6.70%
Germany	6.47%
Spain	4.83%
Luxembourg	0.86%
Australia	0.74%
Netherlands	0.67%
Securities holdings	84.35%
Options	-0.11%
Futures contracts	0.59%
Cash at banks ²⁾	11.59%
Other receivables and payables (net)	3.58%
	100.00%

¹⁾ Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

²⁾ See notes to the Report.

Breakdown by economic sector of HESPER FUND – GLOBAL SOLUTIONS

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	Government bonds	62.61%
	Hardware & Equipment	5.70%
	Software & services	5.06%
	Telecommunications services	4.56%
	Raw materials & supplies	2.73%
	Wholesale & retail trade	2.16%
	Transport	0.86%
	Energy	0.67%
	Securities holdings	84.35%
	Options	-0.11%
	Futures contracts	0.59%
	Cash at banks ²⁾	11.59%
	Other receivables and payables (net)	3.58%
		100.00%

¹⁾ Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

²⁾ See notes to the Report.

Change over the last 3 financial years

Share class A-12 EUR

Date	Net sub-fund assets In EUR millions	Outstanding shares	Net inflows In EUR thousands	Share value EUR
31/12/2021	0.41	3,801	388.67	107.70
31/12/2022	6.14	59,631	5,983.24	102.99
31/12/2023	4.45	45,184	-1,399.93	98.38

Share class A-12 CHF

Date	Net sub-fund assets In EUR millions	Outstanding shares	Net inflows In EUR thousands	Share value EUR	Share value CHF
31/12/2021	0.01	100	9.26	103.50	107.27 ¹⁾
31/12/2022	0.18	1,756	177.64	103.26	101.68 ²⁾
31/12/2023	0.14	1,347	-38.87	102.70	95.35 ³⁾

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Share class T-12 EUR

Date	Net sub-fund assets In EUR millions	Outstanding shares	Net inflows In EUR thousands	Share value EUR
31/12/2021	0.01	100	10.00	107.52
31/12/2022	9.34	90,810	9,685.00	102.82
31/12/2023	4.74	48,297	-4,114.80	98.21

Share class T-10 EUR

Date	Net sub-fund assets In EUR millions	Outstanding shares	Net inflows In EUR thousands	Share value EUR
31/12/2021	2.80	23,302	522.66	120.15
31/12/2022	5.20	45,250	2,683.84	114.98
31/12/2023	2.41	21,879	-2,588.54	110.05

Share class T-12 CHF

Date	Net sub-fund assets In EUR millions	Outstanding shares	Net inflows In EUR thousands	Share value EUR	Share value CHF
31/12/2021	0.02	220	20.43	106.08	109.94 ¹⁾
31/12/2022	1.78	16,614	1,780.03	106.86	105.23 ²⁾
31/12/2023	0.32	2,987	-1,392.62	106.29	98.68 ³⁾

Share class A-6 CHF

Date	Net sub-fund assets In EUR millions	Outstanding shares	Net inflows In EUR thousands	Share value EUR	Share value CHF
31/12/2021	0.11	1,000	0.00	113.59	117.72 ¹⁾
31/12/2022	0.39	3,417	297.16	114.63	112.88 ²⁾
31/12/2023	0.11	1,001	-273.62	114.77	106.55 ³⁾

¹⁾ Converted at the foreign exchange rate into EUR as at 31 December 2021: 1 EUR = 1.0364 CHF.

²⁾ Converted at the foreign exchange rate into EUR as at 31 December 2022: 1 EUR = 0.9847 CHF.

³⁾ Converted at the foreign exchange rate into EUR as at 31 December 2023: 1 EUR = 0.9284 CHF.

Share class T-6 EUR

Date	Net sub-fund assets In EUR millions	Outstanding shares	Net inflows In EUR thousands	Share value EUR
31/12/2021	10.68	86,503	1,012.24	123.51
31/12/2022	24.75	208,310	15,118.54	118.82
31/12/2023	16.23	142,140	-7,494.87	114.18

Share class T-6 CHF

Date	Net sub-fund assets In EUR millions	Outstanding shares	Net inflows In EUR thousands	Share value EUR	Share value CHF
31/12/2021	27.58	246,562	2,121.72	111.84	115.91 ¹⁾
31/12/2022	33.66	298,689	5,999.59	112.70	110.98 ²⁾
31/12/2023	32.55	288,771	-1,083.08	112.74	104.67 ³⁾

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Performance since launch

Share class T-12 USD ⁶⁾

Date	Net sub-fund assets In EUR millions	Outstanding shares	Net inflows In EUR thousands	Share value EUR	Share value USD
10/10/2022	Launch	-	-	97.84	100.00 ⁴⁾
31/12/2022	0.02	277	25.99	88.31	94.18 ⁵⁾
31/12/2023	-	-	-22.90 ⁷⁾	-	-

Share class A-6 EUR

Date	Net sub-fund assets In EUR millions	Outstanding shares	Net inflows In EUR thousands	Share value EUR
04/11/2022	Launch	-	-	100
31/12/2022	0.03	285	28.50	97.21
31/12/2023	0.00	1	-27.50	92.95

Share class T-6 USD

Date	Net sub-fund assets In EUR millions	Outstanding shares	Net inflows In EUR thousands	Share value EUR	Share value USD
07/10/2022	Launch	-	-	98.40	100.00 ⁸⁾
31/12/2022	0.46	5,190	489.76	88.73	94.63 ⁵⁾
31/12/2023	0.20	2,338	-230.11	83.45	94.63 ⁹⁾

¹⁾ Converted at the foreign exchange rate into EUR as at 31 December 2021: 1 EUR = 1.0364 CHF.

²⁾ Converted at the foreign exchange rate into EUR as at 31 December 2022: 1 EUR = 0.9847 CHF.

³⁾ Converted at the foreign exchange rate into EUR as at 31 December 2023: 1 EUR = 0.9284 CHF.

⁴⁾ Converted at the foreign exchange rate into EUR as at 10 October 2022: 1 EUR = 0.9784 USD.

⁵⁾ Converted at the foreign exchange rate into EUR as at 31 December 2022: 1 EUR = 1.0665 USD.

⁶⁾ The T-12 USD share class was liquidated as of 20 December 2023.

⁷⁾ This item includes cash outflows from the liquidation of the T-12 USD share class.

⁸⁾ Converted at the foreign exchange rate into EUR as at 7 October 2022: 1 EUR = 0.9840 USD.

⁹⁾ Converted at the foreign exchange rate into EUR as at 31 December 2023: 1 EUR = 1.1104 USD.

Composition of net sub-fund assets of HESPER FUND – GLOBAL SOLUTIONS

Composition of net sub-fund assets

as at 31 December 2023

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	EUR
Securities holdings (Securities purchase costs: EUR 52,573,929.45)	51,572,388.86
Cash at banks ¹⁾	7,085,387.65
Unrealised gains on futures contracts	364,611.02
Unrealised gains on forward foreign exchange contracts	2,065,414.00
Interest receivable	371,985.17
Receivables from share sales	651.60
Other assets ²⁾	8,342.59
	61,468,780.89
Options	-64,635.00
Share redemptions payable	-189,936.27
Other liabilities and equity ³⁾	-67,329.25
	-321,900.52
Net sub-fund assets	61,146,880.37

¹⁾ See notes to the Report.

²⁾ This item includes capitalised formation costs.

³⁾ This item mainly comprises fund management fees and audit expenses.

Allocation among share classes

Share class (A-12 EUR)	
Pro rata net sub-fund assets	4,445,125.62 EUR
Outstanding shares	45,184.124
Share value	98.38 EUR
Share class (A-12 CHF)	
Pro rata net sub-fund assets	138,293.41 EUR
Outstanding shares	1,346.630
Share value	102.70 EUR
Share value	95.35 CHF ¹⁾
Share class (T-12 EUR)	
Pro rata net sub-fund assets	4,743,322.28 EUR
Outstanding shares	48,297.111
Share value	98.21 EUR
Share class (T-10 EUR)	
Pro rata net sub-fund assets	2,407,783.08 EUR
Outstanding shares	21,879.477
Share value	110.05 EUR
Share class (T-12 CHF)	
Pro rata net sub-fund assets	317,479.09 EUR
Outstanding shares	2,986.967
Share value	106.29 EUR
Share value	98.68 CHF ¹⁾
Share class (A-6 EUR)	
Pro rata net sub-fund assets	92.95 EUR
Outstanding shares	1.000
Share value	92.95 EUR
Share class (A-6 CHF)	
Pro rata net sub-fund assets	114,889.15 EUR
Outstanding shares	1,001.000
Share value	114.77 EUR
Share value	106.55 CHF ¹⁾
Share class (T-6 EUR)	
Pro rata net sub-fund assets	16,229,804.82 EUR
Outstanding shares	142,140.094
Share value	114.18 EUR
Share class (T-6 CHF)	
Pro rata net sub-fund assets	32,554,982.51 EUR
Outstanding shares	288,771.159
Share value	112.74 EUR
Share value	104.67 CHF ¹⁾
Share class (T-6 USD)	
Pro rata net sub-fund assets	195,107.46 EUR
Outstanding shares	2,338.010
Share value	83.45 EUR
Share value	92.66 USD ²⁾

¹⁾ Converted at the foreign exchange rate into EUR as at 31 December 2023: 1 EUR = 0.9284 CHF.

²⁾ Converted at the foreign exchange rate into EUR as at 31 December 2023: 1 EUR = 1.1104 USD.

Change to net sub-fund assets

in the period under review from 1 January 2023 to 31 December 2023

	Total EUR	Share class (A-12 EUR) EUR	Share class (A-12 CHF) EUR	Share class (T-12 EUR) EUR
Total net sub-fund assets at the beginning of the period under review	81,956,723.70	6,141,570.47	181,365.00	9,336,922.59
Ordinary net income	645,953.43	26,315.38	782.32	28,080.12
Income and expense equalisation	81,653.07	5,130.90	507.66	17,118.91
Inflow of funds from sale of shares	6,683,067.72	998,036.25	55,795.25	1,582,743.44
Outflow of funds from redemption of shares	-25,349,897.21	-2,397,961.48	-94,661.57	-5,697,541.77
Outflow of funds from liquidation of share class T-12 USD	-85.09	0.00	0.00	0.00
Realised gains	9,252,135.64	626,146.36	31,876.21	859,589.42
Realised losses	-15,499,943.99	-1,173,522.46	-47,457.59	-1,660,794.64
Net change in unrealised gains	2,263,282.59	133,822.07	7,429.57	159,112.71
Net change in unrealised losses	1,113,990.51	85,588.13	2,656.56	118,091.50
Total net sub-fund assets at the end of the period under review	61,146,880.37	4,445,125.62	138,293.41	4,743,322.28

	Share class (T-10 EUR) EUR	Share class (T-12 CHF) EUR	Share class (T-12 USD)* EUR	Share class (A-6 EUR) EUR
Total net sub-fund assets at the beginning of the period under review	5,202,894.74	1,775,357.09	24,462.02	27,704.83
Ordinary net income	19,077.22	1,795.72	0.58	1.08
Income and expense equalisation	6,076.39	4,679.41	160.13	7.04
Inflow of funds from sale of shares	680,879.90	105,913.04	82.98	96.83
Outflow of funds from redemption of shares	-3,269,418.93	-1,498,529.31	-22,985.59	-27,596.55
Outflow of funds from liquidation of share class T-12 USD*	0.00	0.00	-85.09	0.00
Realised gains	386,282.03	169,774.21	2,469.75	359.27
Realised losses	-756,701.41	-267,182.58	-4,621.80	-695.80
Net change in unrealised gains	78,521.47	3,987.34	144.91	-8.49
Net change in unrealised losses	60,171.67	21,684.17	372.11	224.74
Total net sub-fund assets at the end of the period under review	2,407,783.08	317,479.09	0.00	92.95

	Share class (A-6 CHF) EUR	Share class (T-6 EUR) EUR	Share class (T-6 CHF) EUR	Share class (T-6 USD) EUR
Total net sub-fund assets at the beginning of the period under review	391,683.10	24,752,400.71	33,661,836.86	460,526.29
Ordinary net income	1,315.83	193,456.96	372,782.05	2,346.17
Income and expense equalisation	49.96	44,758.01	2,262.83	901.83
Inflow of funds from sale of shares	0.00	2,473,713.65	490,957.33	294,849.05
Outflow of funds from redemption of shares	-273,618.99	-9,968,587.19	-1,574,035.46	-524,960.37
Outflow of funds from liquidation of share class T-12 USD	0.00	0.00	0.00	0.00
Realised gains	18,055.21	2,239,175.19	4,875,545.23	42,862.76
Realised losses	-30,250.15	-4,313,267.89	-7,156,175.61	-89,274.06
Net change in unrealised gains	5,961.38	474,655.05	1,396,343.07	3,313.51
Net change in unrealised losses	1,692.81	333,500.33	485,466.21	4,542.28
Total net sub-fund assets at the end of the period under review	114,889.15	16,229,804.82	32,554,982.51	195,107.46

* The T-12 USD share class was liquidated as of 20 December 2023.

Statement of operations of HESPER FUND – GLOBAL SOLUTIONS

Statement of operations

in the period under review from 1 January 2023 to 31 December 2023

	Total EUR	Share class (A-12 EUR) EUR	Share class (A-12 CHF) EUR	Share class (T-12 EUR) EUR
Income				
Interest on bonds	1,376,905.02	107,396.99	4,241.23	155,197.78
Bank interest	311,765.96	24,083.74	973.32	33,971.95
Income equalisation	-263,321.36	-25,757.52	-2,033.17	-76,353.58
Total income	1,425,349.62	105,723.21	3,181.38	112,816.15
Expense				
Interest expense	-47,023.29	-3,628.85	-148.70	-5,086.67
Management fee / fund management fee / investment advisory fee, if applicable	-654,435.36	-76,441.79	-2,984.78	-110,134.29
Taxe d'abonnement	-34,875.30	-2,713.87	-105.69	-3,909.23
Publication and audit expenses	-41,443.70	-3,224.03	-126.82	-4,738.26
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-9,474.28	-759.80	-28.51	-1,107.00
Registrar and transfer agent fee	-2,264.50	-175.69	-6.74	-254.23
Government fees	-11,860.87	-919.09	-33.95	-1,378.69
Formation costs	-4,676.65	-363.38	-14.22	-520.25
Other expenses ¹⁾	-155,010.53	-11,807.95	-475.16	-16,842.08
Expense equalisation	181,668.29	20,626.62	1,525.51	59,234.67
Total expense	-779,396.19	-79,407.83	-2,399.06	-84,736.03
Ordinary net income	645,953.43	26,315.38	782.32	28,080.12
Total transaction costs in the financial year ²⁾	116,413.36			
Total expense ratio in percent ²⁾		1.71	1.71	1.71
Ongoing charges in percent ²⁾		1.81	1.81	1.81
Swiss total expense ratio in percent before performance fee ²⁾ (for the period from 1 January 2023 to 31 December 2023)		1.71	1.71	1.71
Swiss total expense ratio in percent including performance fee ²⁾ (for the period from 1 January 2023 to 31 December 2023)		1.71	1.71	1.71
Swiss performance fee in percent ²⁾ (for the period from 1 January 2023 to 31 December 2023)		-	-	-

¹⁾ This item mainly comprises general management costs and custody fees.

²⁾ See notes to the Report.

Statement of operations

in the period under review from 1 January 2023 to 31 December 2023

	Share class (T-10 EUR) EUR	Share class (T-12 CHF) EUR	Share class (T-12 USD) * EUR	Share class (A-6 EUR) EUR
Income				
Interest on bonds	69,080.15	24,754.82	399.10	39.73
Bank interest	14,738.60	4,517.65	88.28	6.05
Income equalisation	-26,603.33	-21,970.48	-485.54	-44.42
Total income	57,215.42	7,301.99	1.84	1.36
Expense				
Interest expense	-2,130.41	-680.39	-13.45	-0.81
Management fee / fund management fee	-43,166.66	-17,453.48	-239.41	-22.28
Taxe d'abonnement	-1,801.53	-621.03	-9.86	-1.48
Publication and audit expenses	-2,188.38	-791.92	-11.96	-2.40
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-540.88	-201.60	-2.95	-0.01
Registrar and transfer agent fee	-118.62	-41.35	-0.64	-0.18
Government fees	-688.68	-241.58	-3.20	-3.38
Formation costs	-237.13	-80.26	-0.54	-0.06
Other expenses ¹⁾	-7,792.85	-2,685.73	-44.66	-7.06
Expense equalisation	20,526.94	17,291.07	325.41	37.38
Total expense	-38,138.20	-5,506.27	-1.26	-0.28
Ordinary net income	19,077.22	1,795.72	0.58	1.08
Total expense ratio in percent ²⁾	1.52	1.72	1.47 ³⁾	1.19
Ongoing charges in percent ²⁾	1.62	1.84	1.62 ³⁾	1.30
Swiss total expense ratio in percent before performance fee ²⁾ (for the period from 1 January 2023 to 31 December 2023)	1.52	1.72	1.52 ⁴⁾	1.19
Swiss total expense ratio in percent including performance fee ²⁾ (for the period from 1 January 2023 to 31 December 2023)	1.52	1.72	1.52 ⁴⁾	1.19
Swiss performance fee in percent ²⁾ (for the period from 1 January 2023 to 31 December 2023)	-	-	-	-

¹⁾ This item mainly comprises general management costs and custody fees.²⁾ See notes to the Report.³⁾ For the period from 1 January 2023 to 20 December 2023.⁴⁾ For the period from 21 December 2022 to 20 December 2023.

* The T-12 USD share class was liquidated as of 20 December 2023.

Statement of operations

in the period under review from 1 January 2023 to 31 December 2023

	Share class (A-6 CHF) EUR	Share class (T-6 EUR) EUR	Share class (T-6 CHF) EUR	Share class (T-6 USD) EUR
Income				
Interest on bonds	2,282.64	395,293.01	612,178.00	6,041.57
Bank interest	543.04	88,854.90	142,656.64	1,331.79
Income equalisation	-190.43	-99,178.47	-8,043.92	-2,660.50
Total income	2,635.25	384,969.44	746,790.72	4,712.86
Expense				
Interest expense	-81.74	-13,303.33	-21,765.47	-183.47
Management fee / fund management fee	-938.23	-158,364.97	-242,069.98	-2,619.49
Taxe d'abonnement	-59.94	-10,085.16	-15,400.39	-167.12
Publication and audit expenses	-64.50	-12,016.14	-18,081.97	-197.32
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-13.86	-2,745.02	-4,023.59	-51.06
Registrar and transfer agent fee	-4.58	-656.44	-994.88	-11.15
Government fees	-19.24	-3,522.48	-4,972.23	-78.35
Formation costs	-7.93	-1,347.16	-2,083.77	-21.95
Other expenses ¹⁾	-269.87	-43,892.24	-70,397.48	-795.45
Expense equalisation	140.47	54,420.46	5,781.09	1,758.67
Total expense	-1,319.42	-191,512.48	-374,008.67	-2,366.69
Ordinary net income	1,315.83	193,456.96	372,782.05	2,346.17
Total expense ratio in percent ²⁾	1.11	1.11	1.12	1.13
Ongoing charges in percent ²⁾	1.21	1.21	1.21	1.24
Swiss total expense ratio in percent before performance fee ²⁾ (for the period from 1 January 2023 to 31 December 2023)	1.11	1.11	1.12	1.13
Swiss total expense ratio in percent including performance fee ²⁾ (for the period from 1 January 2023 to 31 December 2023)	1.11	1.11	1.12	1.13
Swiss performance fee in percent ²⁾ (for the period from 1 January 2023 to 31 December 2023)	-	-	-	-

¹⁾ This item mainly comprises general management costs and custody fees.

²⁾ See notes to the Report.

Performance in percent *

As of 31/12/2023

Fund	ISIN WKN	Share class currency	6 months	1 year	3 years	10 years
HESPER FUND – GLOBAL SOLUTIONS A-12 CHF since 12/02/2021	LU1931796905 A2PEED	CHF	-0.86%	-6.24%	-4.65% **	---
HESPER FUND – GLOBAL SOLUTIONS A-12 EUR since 12/02/2021	LU1931795501 A2PEEC	EUR	0.28%	-4.48%	-1.62% **	---
HESPER FUND – GLOBAL SOLUTIONS A-6 CHF since 27/12/2019	LU1931803297 A2PED7	CHF	-0.54%	-5.60%	0.40%	---
HESPER FUND – GLOBAL SOLUTIONS A-6 EUR since 07/11/2022	LU1931802216 A2PED6	EUR	0.63%	-4.38%	-7.05% **	---
HESPER FUND – GLOBAL SOLUTIONS T-10 EUR since 31/07/2019	LU1931800350 A2PEEF	EUR	0.38%	-4.29%	1.43%	---
HESPER FUND – GLOBAL SOLUTIONS T-12 CHF since 01/02/2021	LU1931801754 A2PEEG	CHF	-0.82%	-6.22%	-1.32% **	---
HESPER FUND – GLOBAL SOLUTIONS T-12 EUR since 12/02/2021	LU2275633894 A2QK9X	EUR	0.28%	-4.48%	-1.79% **	---
HESPER FUND – GLOBAL SOLUTIONS T-6 CHF since 07/02/2020	LU1931808338 A2PEEA	CHF	-0.54%	-5.69%	0.16%	---
HESPER FUND – GLOBAL SOLUTIONS T-6 EUR since 14/06/2019	LU1931806399 A2PED9	EUR	0.58%	-3.91%	2.89%	---
HESPER FUND – GLOBAL SOLUTIONS T-6 USD since 10/10/2022	LU1931810235 A2PEEB	USD	1.50%	-2.08%	-7.34% **	---

* On the basis of published unit values (BVI method and AMAS Guidelines on the Calculation and Publication of Performance of Collective Investment Schemes of 16 May 2008 (version of 5 August 2021)).

** Since launch.

Past performance is no indicator of current or future performance. The performance data do not include commissions and charges incurred in the issue and redemption of units.

Change in number of shares in circulation

	Share class (A-12 EUR) Number	Share class (A-12 CHF) Number	Share class (T-12 EUR) Number	Share class (T-10 EUR) Number
Shares in circulation at the beginning of the period under review	59,630.778	1,756.314	90,809.978	45,250.469
Shares issued	9,916.432	540.316	15,676.571	6,046.870
Shares redeemed	-24,363.086	-950.000	-58,189.438	-29,417.862
Shares redeemed in share class T-12 USD	0.000	0.000	0.000	0.000
Shares in circulation at the end of the period under review	45,184.124	1,346.630	48,297.111	21,879.477

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	Share class (T-12 CHF) Number	Share class (T-12 USD)* Number	Share class (A-6 EUR) Number	Share class (A-6 CHF) Number
Shares in circulation at the beginning of the period under review	16,613.583	277.000	285.000	3,417.000
Shares issued	1,008.217	1.000	1.000	0.000
Shares redeemed	-14,634.833	-277.000	-285.000	-2,416.000
Shares redeemed in share class T-12 USD	0.000	-1.000	0.000	0.000
Shares in circulation at the end of the period under review	2,986.967	0.000	1.000	1,001.000

	Share class (T-6 EUR) Number	Share class (T-6 CHF) Number	Share class (T-6 USD) Number
Shares in circulation at the beginning of the period under review	208,310.328	298,688.766	5,190.090
Shares issued	21,146.198	4,468.309	3,383.639
Shares redeemed	-87,316.432	-14,385.916	-6,235.719
Shares redeemed in share class T-12 USD	0.000	0.000	0.000
Shares in circulation at the end of the period under review	142,140.094	288,771.159	2,338.010

* The T-12 USD share class was liquidated as of 20 December 2023.

Statement of net assets of HESPER FUND – GLOBAL SOLUTIONS as at 31 December 2023

Statement of net assets as at 31 December 2023

ISIN	Securities		Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NAV ¹⁾
Bonds								
Listed securities								
BRL								
BRSTNCNTF170	10.000%	Brazil v.14(2025)	2,100,000	0	2,100,000	1,048.1970	4,096,653.20	6.70
							4,096,653.20	6.70
CHF								
CH0353945394	3.000%	gategroup Fin Reg.S. v.17(2027)	0	0	700,000	69.5000	524,019.82	0.86
							524,019.82	0.86
EUR								
DE0001102358	1.500%	Federal Republic of Germany Reg.S. v.14(2024)	2,000,000	0	2,000,000	99.2600	1,985,200.00	3.25
DE0001102366	1.000%	Federal Republic of Germany Reg.S. v.14(2024)	0	0	2,000,000	98.5620	1,971,240.00	3.22
FR0011619436	2.250%	France Reg.S. v.13(2024)	3,000,000	0	3,000,000	99.4720	2,984,160.00	4.88
FR0013344751	0.000%	France Reg.S. v.18(2024)	0	0	500,000	99.1900	495,950.00	0.81
FR0014001N46	0.000%	France Reg.S. v.20(2024)	4,100,000	2,100,000	2,000,000	99.4870	1,989,740.00	3.25
ES0000012H33	0.000%	Spain v.21(2024)	0	0	3,000,000	98.5320	2,955,960.00	4.83
							12,382,250.00	20.24
USD								
US71647NAA72	5.625%	Petrobras Global Finance v.13(2043)	200,000	0	500,000	91.1900	410,617.80	0.67
US912909AD03	6.650%	United States Steel Corporation v.07(2037)	0	0	800,000	104.5030	752,903.46	1.23
US91282CBE03	0.125%	United States of America v.21(2024)	15,500,000	6,500,000	9,000,000	99.8301	8,091,414.82	13.23
US91282CFX48	4.500%	United States of America v.22(2024)	2,000,000	0	2,000,000	99.6406	1,794,679.85	2.94
US91282CEK36	2.500%	United States of America v.22(2024)	1,000,000	0	3,500,000	99.0664	3,122,590.25	5.11
US91282CFN65	4.250%	United States of America v.22(2024)	5,000,000	0	5,000,000	99.4980	4,480,279.49	7.33
US91282CFQ96	4.375%	United States of America v.22(2024)	2,800,000	0	2,800,000	99.5352	2,509,892.26	4.10
US91282CHN48	4.750%	United States of America v.23(2025)	2,000,000	0	2,000,000	100.4277	1,808,856.88	2.96
US92343VCQ59	4.400%	Verizon Communications Inc. v.14(2034)	0	1,000,000	2,000,000	96.6670	1,741,120.32	2.85
							24,712,355.13	40.42
Listed securities							41,715,278.15	68.22

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Statement of net assets as at 31 December 2023

ISIN	Securities	Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NAV ¹⁾
Securities admitted to or included on organised markets							
USD							
US023135CE44	3.000% Amazon.com Inc. v.22(2025)	0	0	1,500,000	97.9060	1,322,577.45	2.16
US037833BG48	3.200% Apple Inc. v.15(2025)	1,000,000	0	2,000,000	98.0120	1,765,345.82	2.89
US037833BZ29	2.450% Apple Inc. v.16(2026)	0	0	2,000,000	95.4010	1,718,317.72	2.81
US30251GBE61	6.125% FMG Resources [August 2006] Pty Ltd. 144A Green Bond v.22(2032)	500,000	0	500,000	100.7430	453,633.83	0.74
US594918BR43	2.400% Microsoft Corporation v.16(2026)	0	0	3,600,000	95.3490	3,091,286.02	5.06
US912909AU28	6.875% United States Steel Corporation v.21(2029)	0	0	500,000	102.6100	462,040.71	0.76
18 US92343VGJ70	2.550% Verizon Communications Inc. v.21(2031)	0	657,000	1,343,000	86.3110	1,043,909.16	1.71
						9,857,110.71	16.13
Securities admitted to or included on organised markets						9,857,110.71	16.13
Bonds						51,572,388.86	84.35
Securities holdings						51,572,388.86	84.35
Options							
Short positions ²⁾							
EUR							
	Call on EUR/ZAR February 2024/21.00	0	5,000,000	-5,000,000		-64,635.00	-0.11
						-64,635.00	-0.11
Short positions ²⁾						-64,635.00	-0.11
Options						-64,635.00	-0.11
Futures contracts							
Long positions							
CHF							
	Swiss Market Index Future March 2024	75	0	75		-114,088.75	-0.19
						-114,088.75	-0.19
EUR							
	Euro Stoxx 50 Price Index Future March 2024	44	0	44		16,185.00	0.03
						16,185.00	0.03
USD							
	Dow Jones Industrial Average Index Future March 2024	70	0	70		386,666.97	0.63
	S&P 500 Index Future March 2024	60	14	46		467,418.80	0.76
						854,085.77	1.39
Long positions						756,182.02	1.23
Short positions							
EUR							
	EUX 10YR Euro-BTP Future March 2024	53	70	-17		-115,090.00	-0.19
						-115,090.00	-0.19
GBP							
	LIF 10YR Long Gilt Future March 2024	43	70	-27		-198,278.61	-0.32
						-198,278.61	-0.32

¹⁾ NAV = net asset value. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

²⁾ The total amount of the commitments of the written options in force as at the reporting date, valued at the strike price, is EUR 64,650.00.

Statement of net assets as at 31 December 2023

ISIN	Securities	Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NAV ¹⁾
USD							
	CBT 10YR US T-Bond Future March 2024	15	45	-30		-78,202.39	-0.13
						-78,202.39	-0.13
	Short positions					-391,571.00	-0.64
	Futures contracts					364,611.02	0.59
	Cash at banks - Current account ²⁾					7,085,387.65	11.59
	Other receivables and payables (net)					2,189,127.84	3.58
	Net sub-fund assets in EUR					61,146,880.37	100.00

¹⁾ NAV = net asset value. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

²⁾ See notes to the Report.

Currency forwards

The following forward foreign exchange contracts were open as at 31 December 2023:

Currency	Counterparty		Currency amount	Price EUR	% share of NAV ¹⁾
CHF/EUR	DZ PRIVATBANK S.A.	Currency purchases	30,968,700.00	33,701,816.19	55.12
JPY/EUR	J.P. Morgan SE	Currency purchases	310,420,040.00	1,987,530.94	3.25
USD/EUR	DZ PRIVATBANK S.A.	Currency purchases	216,900.00	193,940.02	0.32
USD/EUR	J.P. Morgan SE	Currency purchases	3,700,000.00	3,329,736.62	5.45
EUR/CHF	DZ PRIVATBANK S.A.	Currency sales	136,000.00	148,002.56	0.24
EUR/USD	J.P. Morgan SE	Currency sales	30,000,000.00	27,005,568.55	44.17

Bilateral forward foreign exchange contracts

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As at 31/12/2023, the following open bilateral forward foreign exchange contracts were outstanding:

Currency	Counterparty		Currency amount currency of purchase	Currency amount currency of sale	Price EUR	% share of NAV ¹⁾
NOK/GBP	DZ PRIVATBANK S.A.	Bilateral currency transactions	82,267,590.00	6,000,000.00	7,309,698.01	11.95
NOK/GBP	J.P. Morgan SE	Bilateral currency transactions	267,651,638.00	20,000,000.00	23,781,572.38	38.89
USD/GBP	J.P. Morgan SE	Bilateral currency transactions	23,227,423.40	18,500,000.00	20,916,016.14	34.21

Futures contracts

		Holdings	Commitments EUR	% share of NAV ¹⁾
Long positions				
CHF				
Swiss Market Index Future March 2024	75		8,900,797.07	14.56
			8,900,797.07	14.56
EUR				
Euro Stoxx 50 Price Index Future March 2024	44		1,999,800.00	3.27
			1,999,800.00	3.27
USD				
Dow Jones Industrial Average Index Future March 2024	70		11,986,806.56	19.60
S&P 500 Index Future March 2024	46		10,009,163.36	16.37
			21,995,969.92	35.97
Long positions			32,896,566.99	53.80
Short positions				
EUR				
EUX 10YR Euro-BTP Future March 2024	-17		-2,044,590.00	-3.34
			-2,044,590.00	-3.34
GBP				
LIF 10YR Long Gilt Future March 2024	-27		-3,210,559.01	-5.25
			-3,210,559.01	-5.25
USD				
CBT 10YR US T-Bond Future March 2024	-30		-3,049,998.87	-4.99
			-3,049,998.87	-4.99
Short positions			-8,305,147.88	-13.58
Futures contracts			24,591,419.11	40.22

¹⁾ NAV = net asset value. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

Exchange rates

For the valuation of assets in a foreign currency, the following exchange rate for 31 December 2023 was used for conversion into euro.

Brazilian Real	BRL	1	5.3732
Pound Sterling	GBP	1	0.8694
Hong Kong Dollar	HKD	1	8.6759
Japanese Yen	JPY	1	156.4332
Canadian Dollar	CAD	1	1.4641
Norwegian Krone	NOK	1	11.2588
Russian Ruble	RUB	1	99.1032
Swiss Franc	CHF	1	0.9284
US Dollar	USD	1	1.1104

HESPER FUND

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Notes to the Annual Report as at 31 December 2023

1.) General

The investment company HESPER FUND, SICAV is a public limited company with variable capital (*société d'investissement à capital variable*), incorporated under the laws of the Grand Duchy of Luxembourg, with its registered office at 4, Rue Thomas Edison, L-1445 Strassen. It was established in the form of an umbrella fund on 14 May 2019 for an indefinite period of time. Its Articles of Association were published for the first time on 5 June 2019 in the *Recueil électronique des sociétés et associations* ("RESA"), the information platform of the Trade and Companies Register in Luxembourg. The investment company is registered with the Luxembourg Trade and Companies Register (R.C.S. Luxembourg) under the registration number B-234859. The last amendment to the Management Regulations was made on 1 January 2021 and published in the RESA.

The Board of Directors of the investment company has entrusted ETHENEA Independent Investors S.A. ("management company"), a public limited company incorporated under the laws of the Grand Duchy of Luxembourg with its registered office at 16, rue Gabriel Lippmann, L-5365 Munsbach, with the investment management, administration and distribution of the shares of the investment company. It was established on 10 September 2010 for an indefinite period. Its Articles of Association were published on 15 September 2010 in the *Mémorial*. The most recent amendment to the management company's Articles of Association entered into force on 1 January 2015 and were published in the *Mémorial* on 13 February 2015. The management company is registered with the Luxembourg Trade and Companies Register under the registration number R.C.S. Luxembourg B-155427

Since the Hesper Fund, SICAV consists of a single sub-fund, HESPER FUND – GLOBAL SOLUTIONS, as at 31 December 2022, the composition of net sub-fund assets, change in net sub-fund assets and the statement of operations of HESPER FUND – GLOBAL SOLUTIONS are also the consolidated statements of the HESPER FUND:

2.) Main accounting and valuation principles; share value calculation

Responsibility for preparing these financial statements in accordance with the applicable Luxembourg statutory provisions and regulations relating to the preparation and presentation of financial statements lies with the Board of Directors of the investment company.

1. The net assets of the investment company are denominated in euro ("reference currency").
 2. The value of a fund share ("net asset value per share") is stated in the currency ("fund currency") as specified in the annex to the Sales Prospectus, unless a currency other than the fund currency is specified for any other share classes in the respective annex to the Sales Prospectus ("share class currency").
 3. The net asset value per share is calculated by the management company or its delegate under the supervision of the depositary on each day that is a bank working day in Luxembourg, with the exception of 24 and 31 December of each year ("valuation day"), and rounded to two decimal places. The Board of Directors may stipulate a different arrangement for the respective sub-fund, taking into account that the net asset value per share must be calculated at least twice a month.
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4. To calculate the net asset value per share, the value of the assets in the respective sub-fund less any liabilities of the respective sub-fund (“net sub-fund assets”) is calculated on each valuation day, divided by the number of shares in the respective sub-fund in circulation on the valuation day. However, the investment company may decide to determine the net asset value per share on 24 and 31 December of any given year, without this constituting a calculation of the net asset value per share on a valuation day as specified in sentence 1 above of this point 4. Consequently, shareholders may not request the issue, redemption and/or conversion of shares on the basis of a net asset value per share determined on 24 December and/or 31 December of any year.
5. To the extent that information regarding the position of the net assets of the Company needs to be provided in annual reports, semi-annual reports or other financial statistics in accordance with legal requirements or the rules in the Articles of Association, the fund assets are translated into the reference currency. The net sub-fund assets are calculated on the basis of the following principles:

- a) Securities, money market instruments, derivative financial instruments (derivatives) and other assets which are officially listed on a stock exchange are valued at the last available price of the trading day preceding the valuation day which ensures a reliable valuation. The management company may determine for the individual sub-fund that securities, money market instruments, derivative financial instruments (derivatives) and other assets which are officially listed on a stock exchange are valued at the last available closing price of the trading day which ensures a reliable valuation. This is mentioned in the annex to the respective sub-fund’s Sales Prospectus.

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Where securities, money market instruments, derivatives and other assets are officially listed on several stock exchanges, the exchange with the highest liquidity is used.

- b) Securities, money market instruments, derivatives and other assets not officially listed on a stock exchange (or whose exchange prices are not considered representative because of a lack of liquidity, for example) but which are traded on a regulated market are valued at a price that may be no lower than the bid price and no higher than the offer price of the trading day preceding the valuation day and that the management company considers in good faith to be the best possible price at which the securities, money market instruments, derivatives and other assets may be sold.

The management company can determine for the respective sub-fund that securities, money market instruments, derivatives and other assets not officially listed on a stock exchange (or whose exchange prices are not considered representative because of a lack of liquidity, for example) but which are traded on a regulated market are valued at a price that may be no lower than the bid price and no higher than the offer price of the trading day preceding the valuation day and that the management company considers in good faith to be the best possible price at which the securities, money market instruments, derivatives and other assets may be sold. This is mentioned in the annex to the respective sub-fund’s Sales Prospectus.

- c) OTC derivatives are valued on a daily basis using a verifiable method to be specified by the management company.
- d) Units of UCITS or UCIs shall be valued at the last redemption price determined before the valuation day, or at the last available price which ensures a reliable valuation. If redemption has been suspended for investment fund units or a redemption price has not been specified, these units are valued in the same way as all other assets at the relevant market value as determined by the management company in good faith using generally accepted and verifiable valuation rules.
- e) If the applicable prices are not in line with the market, if the financial instruments referred to in b) are not traded on a regulated market and if no prices have been determined for financial instruments other than those referred to in letters a) to d), these financial instruments shall be valued in the same way as the other legally permissible assets at the applicable market value as determined by the management company in good faith and in accordance with generally recognised and verifiable valuation rules (e.g. suitable valuation models taking into account current market conditions).
- f) Cash and cash equivalents are valued at their nominal value plus interest.
- g) Receivables, such as deferred interest and liabilities, are generally valued at their nominal value.
- h) The market value of securities, money market instruments, derivative financial instruments (derivatives) and other assets that are denominated in a currency other than the fund currency is converted into the fund currency on the basis of the exchange rate determined at the WM/Reuters fixing at 5:00 p.m. (4:00 p.m. London time) on the trading day preceding the valuation day. Profits and losses from foreign exchange transactions are added or deducted as appropriate.

The management company can determine for the respective sub-fund that securities, money market instruments, derivatives and other assets denominated in a currency other than the respective sub-fund currency are converted into the relevant sub-fund currency on the basis of the exchange rate determined on the valuation day. Profits and losses from foreign exchange transactions are added or deducted as appropriate. This is mentioned in the annex to the respective sub-fund’s Sales Prospectus.

Net sub-fund assets are reduced by any distributions paid to shareholders in the sub-fund concerned.

6. The net asset value per share is calculated in accordance with the aforementioned criteria. However, if share classes have been created within the respective sub-fund, the net asset value per share is calculated separately for each share class within the respective sub-fund in accordance with the aforementioned criteria.
7. In connection with listed derivatives, the fund is required to cover risks by providing collateral in the form of cash at banks or securities. The collateral provided in the form of cash at banks amounts to:

ESMA - Initial Margin/Variation Margin for the financial year ending 31 December 2023:

Fund name	Counterparty	Initial margin	Variation margin
HESPER FUND – GLOBAL SOLUTIONS	DZ PRIVATBANK S.A.	0.00 EUR CHF	40,670.00 CHF
HESPER FUND – GLOBAL SOLUTIONS	DZ PRIVATBANK S.A.	670,570.80 EUR	100,085.00 EUR
HESPER FUND – GLOBAL SOLUTIONS	DZ PRIVATBANK S.A.	103,140.00 GBP	169,413.41 GBP
HESPER FUND – GLOBAL SOLUTIONS	DZ PRIVATBANK S.A.	1,194,550.00 USD	-802,772.16 USD

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3.) Taxation

Taxation of the investment company

The Company's assets are not subject to any taxation on its income and profits in the Grand Duchy of Luxembourg. The assets of the Company are only subject to the tax d'abonnement in the Grand Duchy of Luxembourg at the current rate of 0.05% p.a. A reduced tax d'abonnement at the rate of 0.01% p.a. is applicable to (i) sub-funds of the share classes, the shares of which are issued exclusively to institutional shareholders pursuant to Article 174 of the Law of 17 December 2010, (ii) sub-funds, the exclusive purpose of which is to invest in money market instruments, term deposits at credit institutions, or both. The tax d'abonnement is calculated and paid quarterly on the Company's net assets reported at the end of each quarter. The rate of the tax d'abonnement for the respective sub-fund or share classes is mentioned in the respective annex to the Sales Prospectus. An exemption from the tax d'abonnement is applicable, inter alia, if the sub-fund assets are invested in other Luxembourg investment funds that are already subject to the tax d'abonnement.

Income earned by the sub-fund (in particular interest and dividends) may be subject to withholding tax or other taxes in the countries in which the fund assets are invested. The fund may also be liable to tax on realised or unrealised capital gains on its investments in the source country. Neither the depositary nor the management company is required to collect tax certificates.

Taxation of shareholder income from shares in the investment company

Shareholders that are or were not tax resident in the Grand Duchy of Luxembourg, and have a permanent establishment or permanent representative there, are not subject to any Luxembourg income tax in relation to their income from or gains from disposals of their fund shares.

Natural persons who are tax residents in the Grand Duchy of Luxembourg are subject to Luxembourg's progressive income tax.

Companies that are tax resident in the Grand Duchy of Luxembourg are liable to pay corporation tax on income from fund units.

It is recommended that shareholders and prospective shareholders ensure they are informed about laws and regulations applicable to the taxation of assets of the Company and to the subscription, purchase, ownership, redemption or transfer of shares and obtain advice from an independent third party, in particular from a tax advisor.

4.) Appropriation of income

Further information on the appropriation of income are provided in the Sales Prospectus.

5.) Total Expense Ratio (TER)

In calculating the total expense ratio (TER), the following calculation method was applied:

$$\text{TER} = \frac{\text{Total cost in sub-fund currency}}{\text{Average sub-fund volume (Basis: daily NAV*)}} \times 100$$

* NAV = net asset value.

The TER indicates the level of expenses charged to the fund assets of the respective sub-fund. In addition to management and depositary fees and the tax d'abonnement, all other costs are included, with the exception of transaction costs incurred by the respective sub-fund. It shows the total amount of these respective costs as a percentage of the average sub-fund volume in a financial year. (Any performance fees are shown separately in direct relation to the TER.)

The calculation of a synthetic TER is waived if the sub-fund invests in target funds.

6.) Information relating to charges and expenditure

Information on management and depositary fees may be found in the current Sales Prospectus.

7.) Transaction costs

Transaction costs include all costs which were accounted for and/or settled separately on account of the respective sub-fund in the financial year and are directly connected with a purchase or sale of securities, money market instruments, derivatives or other assets. These costs essentially include commissions, settlement fees and taxes.

8.) Ongoing charges

Ongoing charges is a figure calculated pursuant to Article 10(2)(b) of Commission Regulation (EU) No 583/2010 of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament.

The ongoing charges indicate the level of expenses charged to the fund assets in the past financial year. In addition to management and depositary fees and the *taxe d'abonnement*, all other costs are included, with the exception of applicable performance fees. The figure shows the total amount of these charges as a percentage of the average fund volume in the financial year. In the case of investment funds which invest more than 20% of their assets in other fund products / target funds, the charges for the target funds are also included – any retrocession receipts (trailer fees) for these products are offset against the charges.

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9.) Income and expense equalisation

An income equalisation amount and expense equalisation amount are set against ordinary income and expense. This includes net income arising during the period under review which the purchaser of units pays for as part of the issue price and the seller of units receives as part of the redemption price.

10.) Fund current accounts (cash at banks and/or liabilities to banks)

All of the fund's current accounts (including those in different currencies) that actually and legally form only part of a single current account are designated as a single current account in connection with net fund assets.

Current accounts in foreign currencies, if applicable, are converted into the currency of the fund. Interest is calculated on the basis of the terms of the relevant individual account.

11.) Statement of changes in the securities portfolio

A statement detailing all purchases and disposals made during the financial year is available free of charge on request at the registered office of the management company.

12.) Risk management (unaudited)

The management company applies a risk management procedure which enables it to monitor and measure at all times the risk contained in the investment positions and their contribution to the overall risk profile of the investment portfolio of the funds managed by the management company. In accordance with the Law of 17 December 2010 and the applicable regulatory requirements of the Commission de Surveillance du Secteur Financier ("CSSF"), the management company reports regularly to the CSSF on the risk management process adopted. The management company shall ensure, as part of the risk management process, using appropriate and reasonable methods, that the total risk associated with derivatives of the funds under management does not exceed the total net value of their portfolios. The management company uses the following methods for this purpose:

Commitment approach

Under the Commitment Approach, positions in derivative financial instruments are converted into their underlying equivalent using the delta method. This takes account of netting and hedging effects between derivative financial instruments and their underlyings. Equivalent to underlyings, their total value must not exceed the total net value of the fund portfolio.

VaR approach:

The Value-at-Risk (VaR) figure is a statistical concept and is used as a standard measure of risk in the financial sector. The VaR indicates the potential loss on a portfolio during a given period (the holding period) which has a given probability (the confidence level) of not being exceeded.

- Relative VaR approach:

In the relative VaR approach, the VaR for the fund must not exceed the VaR for a reference portfolio by a factor contingent on the level of the fund's risk profile. The maximum factor permitted by the supervisory authorities is 200%. The benchmark portfolio provides a correct representation of the fund's investment policy.

- Absolute VaR approach:

In the absolute VaR approach, the VaR for the fund (99% confidence level, 20-day holding period) must not exceed a portion of the fund's assets contingent on the level of the fund's risk profile. The maximum limited permitted by the supervisory authorities is 20% of the fund's assets.

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For funds which use the VaR approaches to ascertain the total risk, the Management Company estimates the expected degree of leverage effect. The extent of this leverage effect may deviate from the actual value depending on prevailing market conditions, falling below or exceeding it. Investor attention is drawn to the fact that no conclusions can be drawn from this information with respect to the risk entailed in the Fund. Furthermore, the expected leverage published is explicitly not to be understood as an investment limit. The method used to determine the overall risk and, if applicable the publication of the reference portfolio and the expected degree of leverage, as well as the calculation method, are stated in the fund-specific appendix.

Sub-fund:**Risk management procedure applied**

HESPER FUND – Global Solutions

absolute VaR

In the period from 1 January 2023 to 31 December 2023, the absolute VaR approach was used to monitor and measure the total risk associated with derivatives. An absolute value of 20% was used for the internal limit.

The utilization of the internal upper limit (VaR limit) ranged between 8.29% (minimum) and 31.18% (maximum) during the corresponding period, with an average of 19.38%. The VaR was calculated using a (parametric) variance-covariance approach, applying the calculation standard of a one-sided confidence interval of 99%, a holding period of 20 days and a (historical) observation period of 252 trading days.

The leverage had the following values in the period from 1 January 2023 to 31 December 2023:

Lowest leverage:	68.41%
Maximum leverage:	299.71%
Median leverage:	167.06% (150.91%)
Calculation method:	Nominal value method (total of nominal values of all derivatives)

It should be noted that the leverage does not take into account hedging or netting of opposing positions. Derivatives, which were used to hedge asset positions and thus served to reduce risk at overall fund level, also led to an increase in leverage. In addition, during the past financial year, the fund increasingly made use of interest rate futures, whose volatility is relatively low compared to other asset classes, and which therefore required the use of correspondingly high contract numbers to achieve a significant effect at the fund level.

The leverage determined on this basis is therefore mainly an indicator of the use of derivatives, but not necessarily of the risk resulting from derivatives.

13.) Portfolio turnover rate (TOR)

Asset managers are required to disclose certain information on the basis of Shareholder Rights Directive II (SRD II). This document contains the portfolio turnover ratios (TORs) for the same period as the annual reports of the listed funds as part of specific fund disclosures.

The turnover figures are calculated using the following method adopted by the CSSF:

Turnover = ((Total 1 - Total 2) / M)*100 Where: Total 1 = Total of all securities transactions (purchases and sales) made during the period; Total 2 = Total of all new investments and redemptions made during the period; M = Average net assets of the fund.

The TOR for the HESPER FUND – Global Solutions fund for the period from 1 January 2023 to 31 December 2023 is 275.81%.

14.) Significant events during the period under review

The Sales Prospectus was updated with effect from 1 January 2023. The following amendments entered into force:

The following amendments were made:

- Implementation of the requirements of Level 2 of the Sustainable Finance Disclosure Regulation 2019/2088 (SFDR).
- Deletion of Tageblatt as an additional publication medium for unit prices.
- Alignments to template and editorial adjustments.

Russia/Ukraine conflict

European exchanges in particular recorded significant price losses as a result of the measures adopted worldwide in response to the invasion of Ukraine by Russian troops at the end of February 2022. The financial markets and the global economy are facing a medium-term future that will be primarily defined by uncertainty.

It is impossible to anticipate the impact on the assets of the Fund and its sub-fund resulting from the ongoing conflict in Ukraine.

At the time this report was drawn up, the management company was of the opinion that there were no indications that would suggest that the Fund and its sub-funds could not continue as a going concern, nor were there any valuation or liquidity problems for the Fund.

There were no other noteworthy changes or significant events in the period under review.

15.) Significant events after the period under review

The Sales Prospectus was updated with effect from 1 January 2024. The following amendments entered into force:

The following amendments were made:

- Change of Fund Manager.
- Adjustment of the prospectus to the current template of the RTS Annex in accordance with the requirements of Delegated Regulation (EU) 2023/363.
- Alignments to template and editorial adjustments.

There were no other noteworthy changes or significant events after the period under review.

16.) Performance fee

The management company receives a performance fee of up to 10% of the unit price performance exceeding a defined minimum performance (hurdle rate), provided that the unit price at the end of the financial year is higher than the highest unit price at the end of the previous financial years or higher than the initial unit price at the end of the first financial year (high watermark principle).

The defined minimum performance (hurdle rate) amounts to 1% p.a., prorated on a straight-line basis on each calculation day to the respective past days within the calculation period.

High watermark principle: at launch of the fund, the high watermark is identical to the initial unit value. If the unit value on the last valuation day of a subsequent financial year is higher than the previous high watermark, the high watermark shall be set to the calculated unit value on the last valuation day of that financial year. In all other cases, the high watermark remains unchanged.

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The unit value performance (“unit value performance”) is calculated on each valuation day by comparing the current unit value with the highest unit value of the end of the previous financial years (high watermark). If there are different unit classes in the fund, the unit value per unit class is used as the basis for the calculation.

In order to determine the unit value performance, any interim distribution payments paid will be taken into account accordingly, i.e. they will be added to the current unit value reduced by the amount of the distribution.

The performance fee is calculated on each valuation day, starting at the beginning of each financial year, on the basis of the aforementioned unit value performance, the average number of units in circulation during the financial year and the highest unit value of the previous financial year ends (high watermark).

On the valuation days on which the unit value outperforms (outperforms) the defined minimum performance (hurdle rate) (out-performance) and at the same time the current unit value exceeds the high watermark, the accrued total amount changes in accordance with the method described above. On the valuation days on which the performance of the unit value is lower than the defined minimum performance (hurdle rate) or the current unit value exceeds the high watermark, the accrued total amount is reversed. The data of the previous valuation day (same day at the end of the financial year) is used as the basis for calculation.

The amount calculated on the last valuation day of the accounting period may be withdrawn from the fund at the expense of the unit class concerned at the end of the financial year, if there is a performance fee that can be paid out.

If the unit value performance in a financial year is lower than the agreed minimum performance (hurdle rate), this agreed minimum performance is not cumulative with the minimum performance of the following year.

This compensation is subject to VAT.

For the financial year ended 31 December 2023, the actual performance fee accrued and the corresponding performance fee percentage (calculated on the basis of the respective average net assets of the sub-funds) for the respective sub-funds are as follows:

Fund name	ISIN	Performance fee	
		in EUR	in %
HESPER FUND – GLOBAL SOLUTIONS A-12 EUR	LU1931795501	0.00	0.00
HESPER FUND – GLOBAL SOLUTIONS A-12 CHF	LU1931796905	0.00	0.00
HESPER FUND – GLOBAL SOLUTIONS T-12 EUR	LU2275633894	0.00	0.00
HESPER FUND – GLOBAL SOLUTIONS T-10 EUR	LU1931800350	0.00	0.00
HESPER FUND – GLOBAL SOLUTIONS T-12 CHF	LU1931801754	0.00	0.00
HESPER FUND – GLOBAL SOLUTIONS T-12 USD *	LU1931801911	0.00	0.00
HESPER FUND – GLOBAL SOLUTIONS A-6 EUR	LU1931802216	0.00	0.00
HESPER FUND – GLOBAL SOLUTIONS A-6 CHF	LU1931803297	0.00	0.00
HESPER FUND – GLOBAL SOLUTIONS T-6 EUR	LU1931806399	0.00	0.00
HESPER FUND – GLOBAL SOLUTIONS T-6 CHF	LU1931808338	0.00	0.00
HESPER FUND – GLOBAL SOLUTIONS T-6 USD	LU1931810235	0.00	0.00

* The T-12 USD share class was liquidated as of 20 December 2023.

Report of the Réviseur d'Entreprises agréé

To the shareholders of
Hesper Fund, SICAV
4, rue Thomas Edison
L-1455 Strassen
Luxembourg

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Audit opinion

We have audited the annual financial statements of Hesper Fund, SICAV (the “Fund”), consisting of the composition of net sub-fund assets and the statement of net assets as at 31 December 2023, as well as the statement of operations and the changes in net sub-fund assets for the financial year ending on that date; and notes, along with a summary of key accounting methods.

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 its financial performance and its changes in net sub-assets for the year ended on that date in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for the audit opinion

We have carried out our audit in accordance with the Law concerning the audit profession (“Law of 23 July 2016”) and international standards on auditing (“ISAs”) accepted for Luxembourg by the Commission de Surveillance du Secteur Financier (“CSSF”). Our responsibility under the Law of 23 July 2016 and the ISA Standards as they have been adopted in Luxembourg by the CSSF is further described in the section “Responsibility of the Réviseur d’entreprises agréé for the audit of the financial statements”. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the “IESBA Code”) accepted for Luxembourg by the CSSF, together with professional conduct requirements to be upheld within the framework of the audit of the annual financial statements and have fulfilled all other professional obligations in accordance with these conduct requirements. We are of the opinion that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinion.

Additional information

The Fund’s Board of Directors is responsible for the additional information. The additional information includes the information contained in the Annual Report, but not the financial statements or our report as Réviseur d’entreprises agréé on these financial statements.

30 Our audit results for the financial statements do not cover the additional information, and we make no guarantee whatsoever regarding this information.

In auditing the financial statements, our responsibility is to read the additional information and to assess whether there is a significant discrepancy between it and the financial statements or the findings obtained from the audit, or whether the additional information appears otherwise misrepresented. If, based on the work we have performed, we conclude that any other information contains a material misstatement, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Board of Directors of the Fund

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the annual financial statements in accordance with the legal provisions and regulations applying in Luxembourg to the preparation and presentation of annual financial statements, and for the internal controls which the Board of Directors of the Fund deems necessary in order to ensure that annual financial statements are prepared which are free of material misstatement – whether due to error or fraud.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the ability of the Fund to continue as a going concern and, as applicable, to disclose matters related to the going concern assumption as a matter of accounting policy unless the Board of Directors of the Fund intends to liquidate the Fund, to cease operations, or has no realistic alternative but to do so.

Responsibility of the Réviseur d'entreprises agréé for the audit of the annual financial statements

The aim of our audit is to obtain reasonable assurance that the annual financial statements as a whole are free of material misstatement – whether due to error or fraud – and prepare a Report of the Réviseur d'entreprises agréé containing our audit opinion. Reasonable assurance corresponds to 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 the ISAs adopted for Luxembourg by the CSSF will always identify a material misstatement, if any. Misstatements can arise from error or fraud 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.

In accordance with the Law of 23 July 2016 and the ISAs as adopted for Luxembourg by the CSSF, we have carried out our audit in accordance with our professional judgement and have maintained a critical perspective. Furthermore:

- We identify and assess the risk of material misstatements in the annual financial statements 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 will not be identified is higher for fraud than for errors, as fraud may involve collusion, forgery, intentional omissions, misleading statements or the override of internal controls.
- We 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.
- We 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.
- We reach a conclusion on the appropriateness of the application of the going concern accounting principle by the Board of Directors of the Fund, as well as on the basis of the audit evidence obtained as to whether a material uncertainty exists in connection with events or circumstances that could create serious doubt about the Fund's ability to continue with its activities. If we conclude that there is material uncertainty, we are required to draw attention in the report of the Réviseur d'entreprises agréé to the related notes to the financial statements or, if the disclosures are inadequate, to modify our opinion. These conclusions are based on the audit evidence obtained up to the date of the report of the Réviseur d'entreprises agréé. Future or events or circumstances may result in the Fund no longer being able to continue with its business activities.
- We assess the overall presentation, structure and contents of the annual financial statements, including the notes, and assess whether this gives a reasonable presentation of underlying transactions and events.

Among other things, we communicate with the persons responsible for monitoring the planned audit scope and period as well as key audit findings, including material weaknesses in the internal control system, which we identify during the audit.

Luxembourg, 15 March 2024

Ernst & Young
Société anonyme
Cabinet de révision agréé

Nadia Faber

ADDITIONAL NOTES (UNAUDITED)

32 1.) SFDR Regulation (EU 2019/2088) Classification

Article 8 of Regulation (EU) 2019/2088 and Article 6 of Regulation (EU) 2020/852 (EU Taxonomy) apply to this Fund.

For more information in relation to the promotion of environmental and/or social characteristics and, where applicable, the sustainable investment objectives of the Fund Manager in accordance with Article 8 of Regulation (EU) 2019/2088 and Article 6 of Regulation (EU) 2020/852 (EU Taxonomy) for these sub-funds, please refer to the respective Annex below. (Annex in accordance with Disclosure and Taxonomy Regulation).

2.) Information on the remuneration policy

The Management Company of ETHENEA Independent Investors S.A. applies a remuneration policy that complies with the legal requirements. The remuneration system is designed to be compatible with sound and effective risk management, neither encouraging the assumption of risks that are inconsistent with the risk profiles, management regulations or articles of association of the undertakings for collective investment in transferable securities (hereinafter “UCITS”) under management, nor preventing ETHENEA Independent Investors S.A. from duly acting in the best interests of the UCITS.

Employee remuneration consists of an appropriate fixed annual salary and variable performance and results-based remuneration.

As of 31 December 2022, the total remuneration of the 20 employees of ETHENEA Independent Investors S.A. for the year was EUR 2,744,615,30.00. The aforementioned remuneration pertains to all of the UCITS managed by ETHENEA Independent Investors S.A. All employees are involved in total management activities for all funds; therefore, distribution based on fund is not possible.

The total remuneration is broken down into:

Total amount of the shares held in the past financial year as at 31 December 2022

Employee remuneration paid:	2,744,615.30 EUR
Of which fixed remuneration:	2,352,815.30 EUR
Of which variable remuneration:	391,800.00 EUR
Remuneration paid directly from the Fund:	0.00 EUR
Headcount:	20

More detailed information on the current remuneration policy can be obtained free of charge on the website of the Management Company, www.ethenea.com, in the legal notices section. A hard-copy version will be provided to investors free of charge upon request.

3.) Transparency of securities financing transactions and their reuse

By definition, ETHENEA Independent Investors S.A., as a management company of undertakings for collective investment in transferable securities (UCITS), comes within the scope of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (“SFTR”).

No securities financing transactions or total return swaps within the meaning of this Regulation were used in the financial year of the investment fund. Thus, no disclosures pursuant to Article 13 of this Regulation are to be made to investors in the Annual Report. More detailed information on the fund’s investment strategy and the financial instruments it uses can be found in the current prospectus, and can be obtained free of charge from the website of the management company at www.ethenea.com.

4.) Information for Swiss investors

a.) General

The Sales Prospectus, including the Key Information Document and the annual and semi-annual reports, as well as the statement of the sub-fund’s additions and disposals during the reporting period, are available free of charge by post or e-mail from the representative in Switzerland.

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b.) Securities numbers:

HESPER FUND – GLOBAL SOLUTIONS A-12 EUR	47598691
HESPER FUND – GLOBAL SOLUTIONS A-12 CHF	47598718
HESPER FUND – GLOBAL SOLUTIONS T-12 EUR	59018522
HESPER FUND – GLOBAL SOLUTIONS T-10 EUR	47598721
HESPER FUND – GLOBAL SOLUTIONS T-12 CHF	47598724
HESPER FUND – GLOBAL SOLUTIONS T-12 USD *	47598729
HESPER FUND – GLOBAL SOLUTIONS A-6 EUR	47598733
HESPER FUND – GLOBAL SOLUTIONS A-6 CHF	47598735
HESPER FUND – GLOBAL SOLUTIONS T-6 EUR	47599067
HESPER FUND – GLOBAL SOLUTIONS T-6 CHF	47599508
HESPER FUND – GLOBAL SOLUTIONS T-6 USD	47599544

* The T-12 USD share class was liquidated as of 20 December 2023.

c.) Total Expense Ratio (TER) in accordance with the guidelines of the Asset Management Association Switzerland dated 16 May 2008 (version dated 5 August 2021):

Commissions and costs incurred in the management of the collective investment scheme must be disclosed using the internationally recognised measure known as the “Total Expense Ratio (TER)”. This figure expresses the total of those commissions and costs which are incurred by the assets of the collective investment scheme on an ongoing basis (operating expense) retrospectively as a percentage of net assets and is to be calculated using the following formula:

$$\text{TER \%} = \frac{\text{Total operating expense in UA}^*}{\text{Average net assets in UA}^*} \times 100$$

*UA = Units in the currency of account of the collective investment scheme

For newly established funds, the TER is to be calculated for the first time using the statement of operations published in the first annual or semi-annual report.

Operating expense may be converted to a 12-month period. The median of month-end values over the period under review is used to calculate the average value for fund assets.

$$\text{Annualised operating expense in UA}^* = \frac{\text{Operating expense in n months}}{N} \times 12$$

*UA = Units in the currency of account of the collective investment scheme

In accordance with the guidelines of the Asset Management Association Switzerland dated 16 May 2008 (version dated 5 August 2021), the following TER was calculated as a percentage for the period from 1 January 2023 to 31 December 2023:

Share class	With performance fee	Without performance fee
HESPER FUND – GLOBAL SOLUTIONS A-12 EUR	1.71	1.71
HESPER FUND – GLOBAL SOLUTIONS A-12 CHF	1.71	1.71
HESPER FUND – GLOBAL SOLUTIONS T-12 EUR	1.71	1.71
HESPER FUND – GLOBAL SOLUTIONS T-10 EUR	1.52	1.52
HESPER FUND – GLOBAL SOLUTIONS T-12 CHF	1.72	1.72
HESPER FUND – GLOBAL SOLUTIONS T-12 USD	1.52 ¹⁾	1.52 ¹⁾
HESPER FUND – GLOBAL SOLUTIONS A-6 EUR	1.19	1.19
HESPER FUND – GLOBAL SOLUTIONS A-6 CHF	1.11	1.11
HESPER FUND – GLOBAL SOLUTIONS T-6 EUR	1.11	1.11
HESPER FUND – GLOBAL SOLUTIONS T-6 CHF	1.12	1.12
HESPER FUND – GLOBAL SOLUTIONS T-6 USD	1.13	1.13

¹⁾ For the period from 21 December 2022 to 20 December 2023.

d.) Information for investors

Payments may be made from the fund management fee to distributors and asset managers in return for distribution of the investment fund (trailer fees). Reimbursements may be granted from the management fee to institutional investors which hold the fund units for third-party beneficial owners.

e.) Amendments to the Prospectus in the financial year

Published amendments to the Sales Prospectus in the financial year are made available for download at www.swissfunddata.ch.

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

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: **HESPER FUND – GLOBAL SOLUTIONS**

Legal entity identifier: **529900ZQCD50O331SM04**

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="radio"/> Yes	<input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> Sustainable investments with an environmental objective were made: % <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> Sustainable investments with a social objective were made: %	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it had 0.00% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

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

In its bond and equity investments, the Sub-fund favours companies that already have low exposure to material ESG risks or that actively manage and so reduce the ESG risks inevitably associated with their business activities. The analyses of the external rating agency Sustainalytics are used to assess the ESG risks that are relevant for the individual companies and to evaluate the active management of ESG risks within the companies. The ESG Risk Score calculated by Sustainalytics assesses three factors that are crucial for a risk assessment:

- Governance
- Material ESG risks at sector level and the individual measures taken by the company to counter them
- Idiosyncratic risks (controversies that companies are involved in)

The corporate governance assessment is an important feature for assessing the financial and ESG risks associated with an investment. The analysis of the environmental and social characteristics focuses on material risks for the sector. Besides social factors, resource consumption is always a risk factor in the manufacturing sector. Consequently, the analysis incorporates ecological features, for example:

- greenhouse gas emissions and greenhouse gas intensity,
- protection of natural resources, especially water,
- limiting of soil sealing,
- protection of biodiversity.

Service companies have a much lower environmental impact due to their activities, and so they focus on social characteristics, which include, for example:

- Fair working conditions and adequate pay,
- Health and safety at work,
- Prevention of corruption,
- Prevention of fraud,
- Control of product quality.

As such, the Sub-fund focuses on taking into account relevant environmental and social risks, which may vary from company to company. The Fund seeks not only to avoid environmental risks by investing in companies whose environmental risks are already low based on the company's activities, but also to consider companies that use appropriate management policies to limit and reduce the environmental risks associated with their business model. There are also comprehensive exclusions that prohibit the Fund from making a large number of investments that are generally regarded as critical. Specifically, investments in companies with a core activity in the areas of armaments, tobacco, pornography, staple food speculation and/or the production/distribution of coal are prohibited. Additionally, investments in companies are prohibited when serious violations of the principles of the UN Global Compact have been identified and there is no compelling prospect that the violations will be remedied. For sovereign issuers, investments in bonds of countries declared "unfree" in the annual analysis by Freedom House (www.freedomhouse.org) are prohibited.

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

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

The analyses of the external rating agency Sustainalytics are used to assess the ESG risks that are relevant for the individual companies and to evaluate the active management of ESG risks within the companies.

Sustainalytics summarises the results of its analyses in an ESG risk score ranging from 0 to 100, where the risk assumptions are assessed as follows:

less than 10: minor risks

from 10 to 19.99: low risks

from 20 to 29.99: medium risks

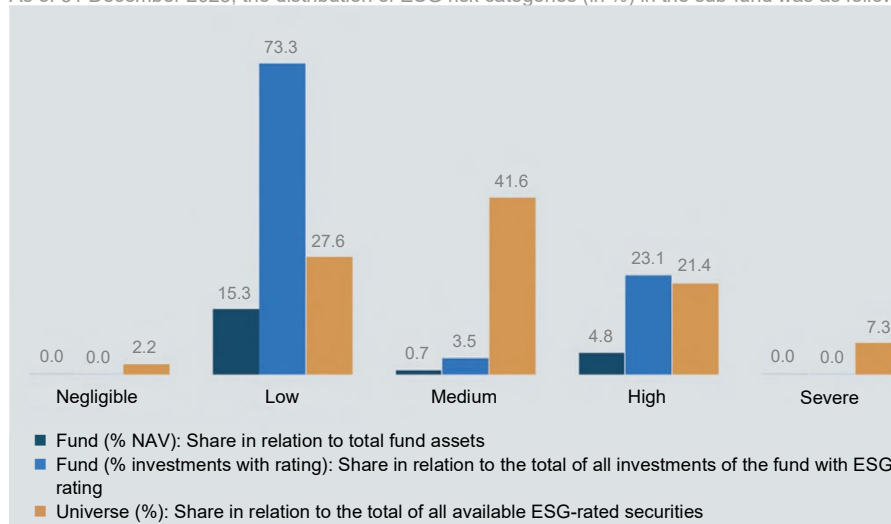
from 30 to 39.99: high risks

greater than 40: serious risks.

Measured against this ESG risk score, the sub-fund is expected to achieve on average at least a medium ESG risk profile (ESG risk score less than 30). This objective was achieved. During the reporting period, the sub-fund's ESG risk score was consistently below 30. The average ESG risk score for the reporting period was 20.9. As of 31 December 2023, the ESG risk score was also 20.9.

Individual securities with very serious risks (ESG risk score greater than 50) will only be considered for inclusion as an investment in the Sub-fund in justified exceptional cases and should be accompanied by an active engagement process to improve the ESG risk profile of the investment. There were no investments in the sub-fund with a correspondingly high ESG risk score during the reporting period.

As of 31 December 2023, the distribution of ESG risk categories (in %) in the sub-fund was as follows:



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The sub-fund excludes investments in companies or products issued by companies that violate the UN conventions on cluster munitions, chemical weapons and other outlawed weapons of mass destruction or that finance such companies/products. Additional product-related exclusions apply if the turnover of a company from the production and/or distribution of certain goods exceeds the revenue volumes listed below: coal (25%), armaments (10%), small arms (10%), adult entertainment (10%), tobacco (5%).

Additionally, investments in companies are prohibited when serious violations of the principles of the UN Global Compact have been identified and there is no compelling prospect that the violations will be remedied.

For sovereign issuers, investments in bonds of countries declared “unfree” in the annual analysis by Freedom House (www.freedomhouse.org) are prohibited.

All listed exclusion criteria were met during the reporting period.

The development of the sustainability indicators was calculated and made available by the outsourced fund management or by the investment advisor used.

● **... and in comparison with previous periods?**

The average ESG risk score for 2022 was 21.9. This was lower than the average for the current reporting period (20.9). In both years, however, the averages were well below the target of 30.

As of 31 December 2022, the ESG risk score was 20.7. This was therefore marginally higher than the figure at the end of the current reporting period (20.9). In both years, however, the figures were well below the target of 30.

All listed exclusion criteria were also met during the previous year (2022).

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

E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

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, anticorruption and antibribery matters.

● **How have the sustainable investments, which were in part made with the financial product, not caused significant harm to any environmental or social sustainable investment objective?**

E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

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

E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

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

E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

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

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



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

A key measure was the consideration of the comprehensive exclusions that permanently prohibit the fund from making a large number of investments that are generally regarded as critical. Specifically, investments in companies or products issued by companies that violate the UN conventions on cluster munitions, chemical weapons and other outlawed weapons of mass destruction or that finance such companies/products were excluded during the reporting period. Additional product-related exclusions apply if the turnover of a company from the production and/or distribution of certain goods exceeded the revenue volumes listed below: coal (25%), armaments (10%), small arms (10%), adult entertainment (10%), tobacco (5%). Additionally, investments in companies were prohibited when serious violations of the principles of the UN Global Compact have been identified and there was no compelling prospect that the violations will be remedied. For sovereign issuers, investments in bonds of countries declared “unfree” in the annual analysis by Freedom House (www.freedomhouse.org) were prohibited. Another significant measure was the fundamental approach in the selection of bond investments for the fund. Here, the focus continued to be on companies that already had low exposure to material ESG risks or that actively managed and consequently reduced the ESG risks inevitably associated with their business activities. The analyses of the external rating agency Sustainalytics were used to assess the ESG risks that are relevant for the individual companies and to evaluate the active management of ESG risks within the companies. The ESG Risk Score calculated by Sustainalytics assesses three factors that are crucial for a risk assessment: corporate governance, sector-level material ESG risks, as well as individual company countermeasures and idiosyncratic risks (controversies involving companies). The corporate governance assessment is an important feature for assessing the financial and ESG risks associated with an investment.



What are the main investments of this financial product?

Average of four reporting dates (31/03/2023; 30/06/2023; 30/09/2023 and 31/12/2023):

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is:
01/01/2023 - 31/12/2023

Largest investments	Sector	% assets	Country
United States of America v.21(2024)	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	7.34	United States of America
Federal Republic of Germany Reg.S. v.13(2023)	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	2.61	Germany
United States of America v.22(2024)	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	2.27	United States of America
Microsoft Corporation v.16(2026)	INFORMATION AND COMMUNICATION	2.25	United States of America
Switzerland Reg.S. v.19(2034)	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	2.24	Switzerland
Spain v.21(2024)	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	2.12	Spain
France Reg.S. v.20(2024)	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	2.07	France
United States of America v.23(2033)	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	1.87	United States of America
United States of America v.22(2024)	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	1.83	United States of America
Brazil v.14(2025)	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	1.68	Brazil
Federal Republic of Germany Reg.S. v.14(2024)	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	1.43	Germany
Federal Republic of Germany Reg.S. v.14(2024)	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	1.42	Germany
Apple Inc. v.15(2025)	TRADE, MAINTENANCE AND REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	1.29	United States of America
Verizon Communications Inc. v.14(2034)	INFORMATION AND COMMUNICATION	1.26	United States of America
Apple Inc. v.16(2026)	TRADE, MAINTENANCE AND REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	1.25	United States of America

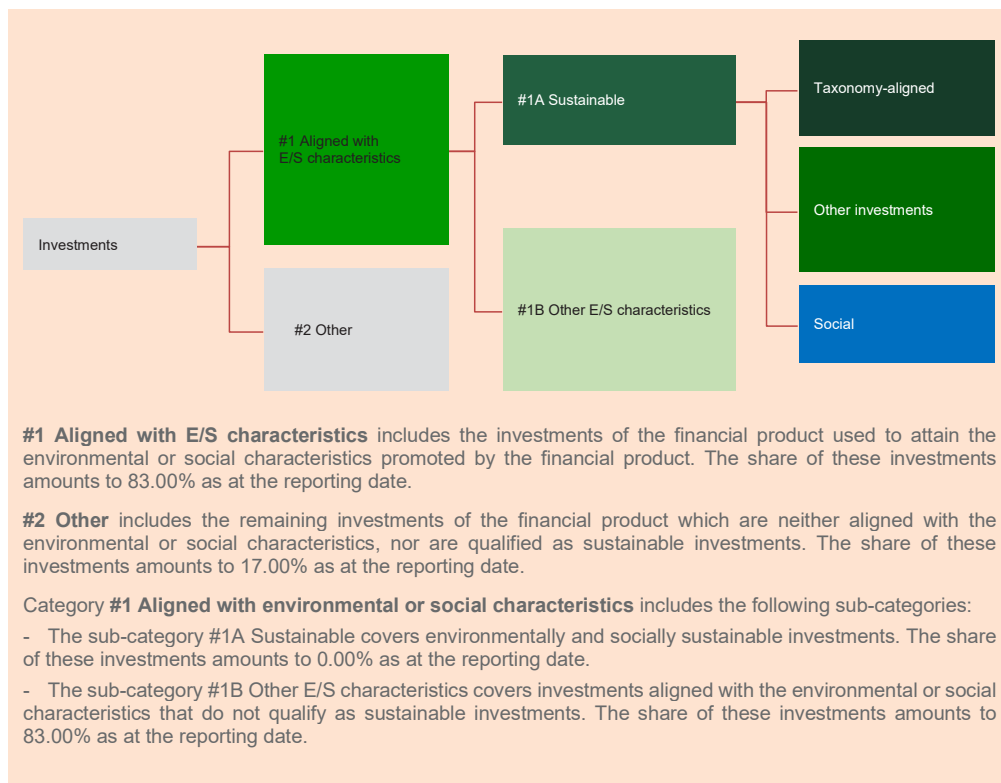


What was the share of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

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● What were the asset allocations?



● In which economic sectors were the investments made?

Average of four reporting dates (31/03/2023; 30/06/2023; 30/09/2023 and 31/12/2023):

Sector	Sub-sector	% assets
FINANCIAL AND INSURANCE ACTIVITIES	Other financial service activities (other not specified)	0.80
FINANCIAL AND INSURANCE ACTIVITIES	Other activities auxiliary to financial services, except insurance and pension funding	0.32
FINANCIAL AND INSURANCE ACTIVITIES	Activities of trust, estate and agency accounts	0.29
TRADE, MAINTENANCE AND REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	Retail sale of computers, peripheral equipment and software	2.54
TRADE, MAINTENANCE AND REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	Mail order and internet retail trade	1.24
INFORMATION AND COMMUNICATION	Wired telecommunication activities	2.17
INFORMATION AND COMMUNICATION	Software publishing	2.25
MANUFACTURING	Manufacture of other products of first processing of steel	0.86
PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	General public administration	1.68
PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	Public administration	30.34
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	Monetary intermediation	-0.14



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

The share of Taxonomy-aligned investments was calculated on the basis of the total portfolio or the total portfolio excluding government issuers. The measurement of the investments with regard to the previously mentioned asset allocation in “#1 Aligned with E/S characteristics”, “#2 Other investments” and “1A Sustainable investments” was not taken into account.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.
Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

- **Did the financial product invest in EU Taxonomy-aligned fossil gas and/or nuclear energy activities¹?**

Yes:

in fossil gas

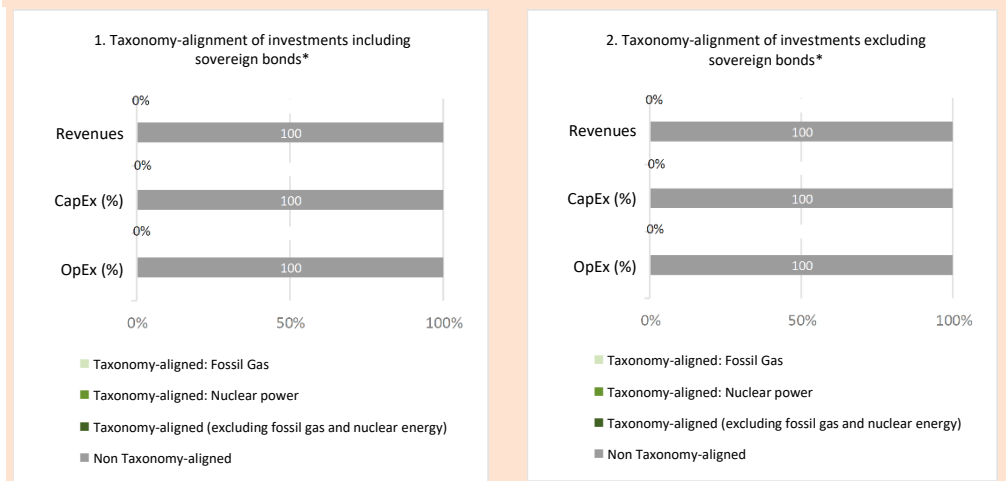
in nuclear energy

No

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the current “environmental friendliness” of investee companies
- **capital expenditure** (CapEx) showing the relevant green investments made by investee companies for a transition to a green economy
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies

The following charts present the minimum percentage of EU Taxonomy-aligned investments in green. 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.



This chart reflects 100.00% of the total investment.

* For the purpose of these graphs, ‘sovereign bonds’ excludes sovereign exposures.

- **What is the share of investments made in transitional and enabling activities?**

Enabling activities: 0%

Transitional activities: 0%

- **How has the share of investments brought into line with the EU Taxonomy evolved compared to previous reference periods?**

No information.

¹ Fossil gas and/or nuclear energy activities are only EU Taxonomy-aligned if they contribute to climate change mitigation and do not significantly affect any EU Taxonomy objective - see explanation in the left margin. The detailed criteria for EU Taxonomy-aligned economic activities in the sector of fossil gas and nuclear energy are set out in Commission Delegated Regulation (EU) 2022/1214.



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 non-EU- Taxonomy-compliant sustainable investments with an environmental objective?

E/S characteristics are promoted with the financial product, but no sustainable investments will be made.



What was the share of socially sustainable investments?

E/S characteristics are promoted with the financial product, but no sustainable investments will be made.



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

This includes hedging instruments, investments used for diversification purposes (for example commodities and other investment funds), investments for which no data is available, and cash.

“#2 Other investments” in particular is used for diversification of the Fund and for liquidity management in order to achieve the investment objectives described in the investment policy.

The sustainability indicators used to measure the achievement of the individual environmental or social characteristics in “#1 Investments focused on environmental or social characteristics” do not apply systematically in “#2 Other investments”. There is no minimum protection for “#2 Other investments”.

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

A key measure was the consideration of the comprehensive exclusions that permanently prohibit the fund from making a large number of investments that are generally regarded as critical. Specifically, investments in companies or products issued by companies that violate the UN conventions on cluster munitions, chemical weapons and other outlawed weapons of mass destruction or that finance such companies/products were excluded during the reporting period. Additional product-related exclusions apply if the turnover of a company from the production and/or distribution of certain goods exceeded the revenue volumes listed below: coal (25%), armaments (10%), small arms (10%), adult entertainment (10%), tobacco (5%). Additionally, investments in companies were prohibited when serious violations of the principles of the UN Global Compact have been identified and there was no compelling prospect that the violations will be remedied. For sovereign issuers, investments in bonds of countries declared “unfree” in the annual analysis by Freedom House (www.freedomhouse.org) were prohibited.

Another significant measure was the fundamental approach in the selection of bond investments for the fund. Here, the focus continued to be on companies that already had low exposure to material ESG risks or that actively managed and consequently reduced the ESG risks inevitably associated with their business activities. The analyses of the external rating agency Sustainalytics were used to assess the ESG risks that are relevant for the individual companies and to evaluate the active management of ESG risks within the companies. The ESG Risk Score calculated by Sustainalytics assesses three factors that are crucial for a risk assessment: corporate governance, sector-level material ESG risks, as well as individual company countermeasures and idiosyncratic risks (controversies involving companies).

The corporate governance assessment is an important feature for assessing the financial and ESG risks associated with an investment. The analysis of the environmental and social characteristics focuses on material risks for the sector. Besides social factors, resource consumption is always a risk factor in the manufacturing sector.

Consequently, the analysis incorporates environmental characteristics, such as greenhouse gas emissions and intensity, the protection of natural resources, especially water, the limiting of soil sealing and the protection of species diversity (biodiversity). Service companies have a much lower environmental impact due to their activities, and so they focus on social characteristics, which include, for example: fair working conditions and adequate remuneration, health and safety at work, prevention of corruption, prevention of fraud and control of product quality.

As such, the fund focused on taking into account relevant environmental and social risks, which may vary from company to company. The Fund was seeking not only to avoid environmental risks by investing in companies whose environmental risks are already low based on the company’s activities, but also to consider companies that use appropriate management policies to limited and reduced the environmental risks associated with their business model.

Another measure was engagement with the fund’s investee companies. In addition to dialogues with company representatives and written statements which called for improved supply chain control to prevent human rights violations, for example, voting rights at general meetings in particular were used as an important communication channel. While dialogues are opportunities to discuss positions, they are not usually formally binding. In contrast, exercising voting rights at a general meeting has just such characteristics. This makes it a powerful tool for influencing the direction of companies. Further details on the implementation of this measure can be found in both the voting policy and the voting report on the website of the management company of the fund (<https://www.ethenea.com/dokumente-zu-esg/>).





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

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

No benchmark was defined within the framework of the sustainability strategy.

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

No benchmark was defined within the framework of the sustainability strategy.

- **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?**

No benchmark was defined within the framework of the sustainability strategy.

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

No benchmark was defined within the framework of the sustainability strategy.

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

No benchmark was defined within the framework of the sustainability strategy.

Administration, distribution and advisory

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Investment company:

Registered office of the company:

HESPER FUND, SICAV

4, rue Thomas Edison
L-1445 Strassen, Luxembourg

Board of Directors of the investment company:

Chairman of the Board of Directors:

Arnoldo Valsangiacomo
ETHENEA Independent Investors S.A.

Directors:

Andrea Siviero
ETHENEA Independent Investors (Schweiz) AG

Frank Hauprich
(until 30 June 2023)
ETHENEA Independent Investors S.A.
(from 1 July 2023)
MainFirst Affiliated Fund Managers S.A. *

Management company:

ETHENEA Independent Investors S.A.

16, rue Gabriel Lippmann
L-5365 Munsbach

Managing directors of the management company:

Frank Hauprich (until 30 June 2023)
Thomas Bernard
Luca Pesarini (from 1 July 2023)
Josiane Jennes

**Board of Directors of the management company
(managing body):**

Chairman of the Board of Directors:

Thomas Bernard
ETHENEA Independent Investors S.A.

Directors:

Skender Kurtovic (until 1 June 2023)
MainFirst Holding AG

Frank Hauprich (from 20 June 2023)
ETHENEA Independent Investors S.A.
(from 1 July 2023)
MainFirst Affiliated Fund Managers S.A. *
Nikolaus Rummler
IPConcept (Luxembourg) S.A.

* With effect from 10 January 2024, the name of the company was changed from MainFirst Affiliated Fund Managers S.A. to MainFirst (Luxembourg) S.à r.l.

Depositary:	DZ PRIVATBANK S.A. 4, rue Thomas Edison L-1445 Strassen, Luxembourg
Registrar and transfer agent and central administration:	DZ PRIVATBANK S.A. 4, rue Thomas Edison L-1445 Strassen, Luxembourg
Fund Manager	(until 31 December 2023) ETHENEA Independent Investors (Schweiz) AG Sihleggstrasse 17 CH-8832 Wollerau (from 1 January 2024) MainFirst Affiliated Fund Managers (Switzerland) AG Freigutstraße 26 CH-8002 Zurich
Institutions in accordance with the provisions of EU Directive 2019/1160 Art. 92 responsible for Luxembourg	DZ PRIVATBANK S.A. 4, rue Thomas Edison L-1445 Strassen, Luxembourg
Auditor of the investment company and the management company:	Ernst & Young S.A. 35E, Avenue John F. Kennedy L-1855 Luxembourg
Information for investors in Switzerland:	
Representative in Switzerland:	IPConcept (Schweiz) AG Münsterhof 12 P.O. Box CH-8022 Zurich
Paying agent in Switzerland:	IPConcept (Schweiz) AG Münsterhof 12 P.O. Box CH-8022 Zurich

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