



HESPER FUND

Luxembourg registered company
B 234859

Annual Report for the period from
1 January 2022 to 31 December 2022

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, fax 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

The fund management report on behalf of the Board of Directors of the management company:

Abrupt end to the era of lowest or negative interest rates

Another year of shocks for the capital markets: War, inflation and crashing markets

The year 2022 was unquestionably one of the worst years for investors worldwide in recent decades. A year in which runaway inflation, the war in Ukraine and aggressive central bank tightening reduced the value of global equity markets by one-fifth and the value of global bond markets by 16%. There was nowhere to hide in the space of traditional investments.

2 It was a historic year for central banks, as they raised interest rates at the fastest pace since the 1980s to tame stubborn inflation, which had reached its highest level in four decades. The end of the era of extremely low or negative interest rates was a tough blow to the markets. This is an unprecedented change that is leading us into a very uncertain transitional phase.

The fund performed well for 9 months in this difficult environment, but faltered in the last quarter. HESPER FUND – Global Solutions lost 3.8% in 2022 and ended the year 6.73% below its all-time high of 29 September. The annualised return since inception fell to 5%. However, volatility remained under control at 6.3%, so the risk/return profile remains attractive.

Surviving turmoil

At the beginning of the year, another shock took us by surprise: Russia's invasion of Ukraine. This was a major blow to markets and global stability. Fortunately, HESPER FUND – Global Solutions reacted quickly to the new scenario by dumping European assets and currencies, increasing exposure to dollars and commodities, and shorting equities to some extent. The war triggered inflation worldwide, causing most central banks to raise interest rates.

A momentous year for HESPER FUND – Global Solutions

HESPER FUND – Global Solutions marked its third anniversary in June and inflows accelerated in the second half of the year. These inflows doubled the size of the fund, to almost EUR 82 million by the end of the year. The next target is to reach total assets of more than EUR 100 million to attract major investors as well.

Performance was impacted by the volatile dynamics of UK politics in the autumn

The last few months of the year were difficult for the fund. HESPER FUND – Global Solutions rightly perceived that problems were brewing in the UK, but performed poorly. Liz Truss, the prime minister who replaced Boris Johnson, sought to introduce extremely loose fiscal policy and spoke out against the independence of the BoE during the political campaign. HESPER FUND – Global Solutions sold sterling and government bonds in the expectation that the market would come under pressure. And that is exactly what happened when finance minister Kwasi Kwarteng announced the mini-budget with tax cuts and increased spending. Truss's economic plan crashed UK markets and forced the BoE to intervene.

In a week that resembled a soap opera, Truss was faced with the caprices of the markets and mutinous British MPs. After she sacked her finance minister over the weekend, the new finance minister dropped Truss's entire tax programme. Later, Liz Truss resigned as British Prime Minister after serving only 6 weeks, when her attempt to save the credibility of the UK failed. Our mistake was that we left our positions open and most of the action took place during the weekend.

In the UK, the new government under Rishi Sunak cancelled Liz Truss' tax programme and focused on austerity measures to restore stability to public finances. The pound and government bonds rallied strongly as a sharp about-face restored political stability and fiscal moderation in the UK. HESPER FUND – Global Solutions closed its positions in the midst of a sharp reversal, posting a loss of 3.71% in October. November and December also proved to be weak months for HESPER FUND – Global Solutions as market sentiment changed on hopes of an early swing by the Fed and the strength of the dollar reversed.

Macro scenario of HESPER FUND - GLOBAL SOLUTIONS

Baseline scenario for 2023: We expect a slowdown and a few quarters of negative growth, followed by weak growth.

Inflation is slowly receding and monetary policy remains restrictive. Continued expansionary fiscal policy. Different forecasts for different regions.

Mild recession likely, sharp recession unlikely.

The Fed would need to see “more evidence” of easing inflation and will continue tightening but at a slower pace.

Volatile environment, but better outlook for equities and bonds than in 2022.

Positive: disinflationary environment, less aggressive central banks, reopening of China, improvement in energy situation.

Negative: Continued high core inflation, tight monetary policy, real income pressures and high level of uncertainty.

Exposure to all investments remains low.

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Munsbach, January 2023

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

The 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	Share 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	Share 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	

Geographical breakdown by country of HESPER FUND - GLOBAL SOLUTIONS

Geographical breakdown by country ¹⁾	
United States of America	46.72%
Germany	9.71%
France	8.37%
Switzerland	7.13%
Luxembourg	6.74%
Ireland	5.63%
Spain	3.52%
Netherlands	0.29%
Securities holdings	88.11%
Futures contracts	0.14%
Cash at banks ²⁾	10.61%
Other receivables and payables (net)	1.14%
	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.

6	Breakdown by economic sector ¹⁾	
	Government bonds	49.50%
	Investment fund units	11.80%
	Consumer services	9.67%
	Telecommunications services	5.07%
	Software & services	3.85%
	Hardware and equipment	3.24%
	Wholesale and retail	2.71%
	Raw materials and supplies	1.41%
	Transport	0.57%
	Energy	0.29%
	Securities holdings	88.11%
	Futures contracts	0.14%
	Cash at banks ²⁾	10.61%
	Other receivables and payables (net)	1.14%
		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 (T-10) EUR

Date	Net Sub-fund assets In EUR millions	Outstanding shares	Net inflows In EUR thousands	Share value EUR
31/12/2020	2.05	18,903	1,152.71	108.50
31/12/2021	2.80	23,302	522.66	120.15
31/12/2022	5.20	45,250	2,683.84	114.98

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
31/12/2020	0.10	1,000	-699.33	97.98	106.13 ¹⁾
31/12/2021	0.11	1,000	0.00	113.59	117.72 ²⁾
31/12/2022	0.39	3,417	297.16	114.63	112.88 ³⁾

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Share class (T-6) EUR

Date	Net Sub-fund assets In EUR millions	Outstanding shares	Net inflows In EUR thousands	Share value EUR
31/12/2020	8.68	78,178	-12,000.65	110.98
31/12/2021	10.68	86,503	1,012.24	123.51
31/12/2022	24.75	208,310	15,118.54	118.82

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
31/12/2020	21.83	226,322	21,186.63	96.48	104.51 ¹⁾
31/12/2021	27.58	246,562	2,121.72	111.84	115.91 ²⁾
31/12/2022	33.66	298,689	5,999.59	112.70	110.98 ³⁾

Performance since launch

Share class (A-12) EUR

Date	Net Sub-fund assets In EUR millions	Outstanding shares	Net inflows In EUR thousands	Share value EUR
11/02/2021	Launch	-	-	100.00
31/12/2021	0.41	3,801	388.67	107.70
31/12/2022	6.14	59,631	5,983.24	102.99

¹⁾ Converted at the foreign exchange rate into EUR as of 31 December 2020: EUR 1 = CHF 1.0832

²⁾ Converted at the foreign exchange rate into EUR as of 31 December 2021: EUR 1 = CHF 1.0364

³⁾ Converted at the foreign exchange rate into EUR as of 31 December 2022: EUR 1 = CHF 0.9847

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
11/02/2021	Launch	-	-	92.60	100.00 ¹⁾
31/12/2021	0.01	100	9.26	103.50	107.27 ²⁾
31/12/2022	0.18	1,756	177.64	103.26	101.68 ³⁾

Share class (T-12) EUR

Date	Net Sub-fund assets In EUR millions	Outstanding shares	Net inflows In EUR thousands	Share value EUR
11/02/2021	Launch	-	-	100.00
31/12/2021	0.01	100	10.00	107.52
31/12/2022	9.34	90,810	9,685.00	102.82

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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
29/01/2021	Launch	-	-	92.86	100.00 ⁴⁾
31/12/2021	0.02	220	20.43	106.08	109.94 ²⁾
31/12/2022	1.78	16,614	1,780.03	106.86	105.23 ³⁾

Share class (T-12) USD

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 ⁵⁾
31/12/2022	0.02	277	25.99	88.31	94.18 ⁶⁾

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	-	-	100.00
31/12/2022	0.03	285	28.50	97.21

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 ⁷⁾
31/12/2022	0.46	5,190	489.76	88.73	94.63 ⁶⁾

¹⁾ Converted at the foreign exchange rate into EUR as of 11 February 2021: EUR 1 = CHF 1.0799

²⁾ Converted at the foreign exchange rate into EUR as of 31 December 2021: EUR 1 = CHF 1.0364

³⁾ Converted at the foreign exchange rate into EUR as of 31 December 2022: EUR 1 = CHF 0.9847

⁴⁾ Converted at the foreign exchange rate into EUR as of 29 January 2021: EUR 1 = CHF 1.0769

⁵⁾ Converted at the foreign exchange rate into EUR as of 10 October 2022: EUR 1 = USD 0.9784

⁶⁾ Converted at the foreign exchange rate into EUR as of 31 December 2022: EUR 1 = USD 1.0665

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

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

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Composition of net sub-fund assets

as of 31 December 2022

	EUR
Securities holdings (securities acquisition costs: EUR 74,578,335.20)	72,208,763.21
Cash at banks ¹⁾	8,695,008.09
Unrealised gains on futures contracts	114,536.48
Unrealised gains on forward foreign exchange contracts	321,339.91
Interest receivable	356,381.29
Receivables from share sales	347,649.35
Other assets ²⁾	13,019.24
	82,056,697.57
Share redemptions payable	-13,228.31
Other liabilities and equity ³⁾	-86,745.56
	-99,973.87
Net sub-fund assets	81,956,723.70

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	EUR 6,141,570.47
Outstanding shares	59,630.778
Share value	EUR 102.99

Share class (A-12) CHF	
Pro rata net sub-fund assets	EUR 181,365.00
Outstanding shares	1,756.314
Share value	EUR 103.26
Share value	CHF 101.68 ¹⁾

Share class (T-12) EUR	
Pro rata net sub-fund assets	EUR 9,336,922.59
Outstanding shares	90,809.978
Share value	EUR 102.82

Share class (T-10) EUR	
Pro rata net sub-fund assets	EUR 5,202,894.74
Outstanding shares	45,250.469
Share value	EUR 114.98

Share class (T-12) CHF	
Pro rata net sub-fund assets	EUR 1,775,357.09
Outstanding shares	16,613.583
Share value	EUR 106.86
Share value	CHF 105.23 ¹⁾

Share class (T-12) USD	
Pro rata net sub-fund assets	EUR 24,462.02
Outstanding shares	277.000
Share value	EUR 88.31
Share value	USD 94.18 ²⁾

Share class (A-6) EUR	
Pro rata net sub-fund assets	EUR 27,704.83
Outstanding shares	285.000
Share value	EUR 97.21

Share class (A-6) CHF	
Pro rata net sub-fund assets	EUR 391,683.10
Outstanding shares	3,417.000
Share value	EUR 114.63
Share value	CHF 112.88 ¹⁾

Share class (T-6) EUR	
Pro rata net sub-fund assets	EUR 24,752,400.71
Outstanding shares	208,310.328
Share value	EUR 118.82

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

²⁾ Converted at the foreign exchange rate into EUR as of 31 December 2022: EUR 1 = USD 1.0665

Share class (T-6) CHF	
Pro rata net sub-fund assets	EUR 33,661,836.86
Outstanding shares	298,688.766
Share value	EUR 112.70
Share value	CHF 110.98 ¹⁾

Share class (T-6) USD	
Pro rata net sub-fund assets	EUR 460,526.29
Outstanding shares	5,190.090
Share value	EUR 88.73
Share value	USD 94.63 ²⁾

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

²⁾ Converted at the foreign exchange rate into EUR as of 31 December 2022: EUR 1 = USD 1.0665

Change in net sub-fund assets

in the period under review from 1 January 2022 to 31 December 2022

	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	41,626,528.41	409,404.87	10,350.01	10,751.83
Ordinary net expenditure	-156,920.70	-39,926.46	-1,131.57	-61,043.66
Income and expense equalisation	128,021.73	28,101.89	999.73	46,282.61
Inflow of funds from sale of shares	51,678,040.76	6,133,683.92	177,637.57	9,799,146.86
Outflow of funds from redemption of shares	-9,408,755.83	-150,447.90	0.00	-114,143.12
Realised gains	18,883,979.02	707,683.25	11,741.60	867,822.82
Realised losses	-15,055,285.43	-709,105.90	-13,729.95	-869,011.20
Net change in unrealised gains	-2,766,466.65	-129,042.07	-2,867.97	-234,406.12
Net change in unrealised losses	-2,972,417.61	-108,781.13	-1,634.42	-108,477.43
Total net sub-fund assets at the end of the period under review	81,956,723.70	6,141,570.47	181,365.00	9,336,922.59

	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	2,799,707.07	23,336.72	0.00	0.00
Ordinary net expenditure	-30,210.89	-11,114.00	-11.66	12.56
Income and expense equalisation	17,023.21	10,917.31	9.68	0.00
Inflow of funds from sale of shares	5,648,826.48	1,780,026.78	25,991.40	28,500.00
Outflow of funds from redemption of shares	-2,964,986.63	0.00	0.00	0.00
Realised gains	828,795.74	26,291.32	845.10	954.14
Realised losses	-800,825.28	-50,710.54	-1,567.46	-1,388.78
Net change in unrealised gains	-155,671.95	6,825.52	-473.97	-352.09
Net change in unrealised losses	-139,763.01	-10,216.02	-331.07	-21.00
Total net sub-fund assets at the end of the period under review	5,202,894.74	1,775,357.09	24,462.02	27,704.83

	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	113,594.25	10,684,255.49	27,575,128.17	0.00
Ordinary net expenditure	-146.72	-8,322.52	-5,229.29	203.51
Income and expense equalisation	479.98	17,286.99	6,957.55	-37.22
Inflow of funds from sale of shares	297,158.22	21,099,080.45	6,198,231.32	489,757.76
Outflow of funds from redemption of shares	0.00	-5,980,541.37	-198,636.81	0.00
Realised gains	68,589.85	5,113,842.79	11,241,889.48	15,522.93
Realised losses	-66,848.37	-4,461,235.88	-8,047,338.67	-33,523.40
Net change in unrealised gains	-11,979.78	-804,030.00	-1,425,871.03	-8,597.19
Net change in unrealised losses	-9,164.33	-907,935.24	-1,683,293.86	-2,800.10
Total net sub-fund assets at the end of the period under review	391,683.10	24,752,400.71	33,661,836.86	460,526.29

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	3,801.492	100.000	100.000	23,301.953
Shares issued	57,236.082	1,656.314	91,801.325	47,011.994
Shares redeemed	-1,406.796	0.000	-1,091.347	-25,063.478
Shares in circulation at the end of the period under review	59,630.778	1,756.314	90,809.978	45,250.469

	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	220.000	0.000	0.000	1,000.000
Shares issued	16,393.583	277.000	285.000	2,417.000
Shares redeemed	0.000	0.000	0.000	0.000
Shares in circulation at the end of the period under review	16,613.583	277.000	285.000	3,417.000

	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	86,503.000	246,561.615	0.000
Shares issued	170,261.476	53,834.151	5,190.090
Shares redeemed	-48,454.148	-1,707.000	0.000
Shares in circulation at the end of the period under review	208,310.328	298,688.766	5,190.090

Statement of operations of HESPER FUND – GLOBAL SOLUTIONS

Statement of operations

in the period under review from 1 January 2022 to 31 December 2022

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	Total EUR	Share class (A-12) EUR EUR	Share class (A-12) CHF EUR	Share class (T-12) EUR EUR
Income				
Income from investment units	77,718.41	3,914.07	55.70	3,852.59
Interest on bonds	547,066.47	25,196.91	382.52	30,649.65
Bank interest	38,727.15	3,680.06	77.72	4,896.99
Income equalisation	243,599.24	35,999.41	1,499.96	65,229.62
Total income	907,111.27	68,790.45	2,015.90	104,628.85
Expense				
Interest expense	-7,173.34	-459.43	-7.60	-660.82
Management fee / fund management fee	-496,567.17	-36,383.08	-519.61	-44,046.54
Taxe d'abonnement	-31,980.64	-1,461.00	-20.70	-1,759.36
Publication and audit expenses	-23,291.51	-1,145.15	-17.22	-1,386.47
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-6,506.66	-275.94	-2.31	-289.38
Registrar and transfer agent fee	-1,991.50	-103.09	-1.77	-130.62
Government fees	-13,017.58	-259.10	-4.00	-196.59
Formation costs	-4,689.50	-190.29	-2.26	-226.41
Other expenses ¹⁾	-107,193.10	-4,338.53	-72.31	-5,464.09
Expense equalisation	-371,620.97	-64,101.30	-2,499.69	-111,512.23
Total expense	-1,064,031.97	-108,716.91	-3,147.47	-165,672.51
Ordinary net expenditure	-156,920.70	-39,926.46	-1,131.57	-61,043.66
Total transaction costs in the financial year ²⁾	78,146.95			
Total expense ratio in percent ²⁾		1.63	1.65	1.64
Ongoing charges in percent ²⁾		1.72	1.74	1.73
Swiss total expense ratio in percent before performance fee ²⁾ (for the period from 1 January 2022 to 31 December 2022)		1.63	1.65	1.64
Swiss total expense ratio in percent including performance fee ²⁾ (for the period from 1 January 2022 to 31 December 2022)		1.63	1.65	1.64
Swiss performance fee in percent ²⁾ (for the period from 1 January 2022 to 31 December 2022)		-	-	-

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 2022 to 31 December 2022

	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				
Income from investment units	4,249.84	160.58	1.86	2.11
Interest on bonds	29,040.08	1,477.69	28.83	44.69
Bank interest	2,977.95	324.98	7.76	11.18
Income equalisation	21,993.26	17,600.34	35.50	0.00
Total income	58,261.13	19,563.59	73.95	57.98
Expense				
Interest expense	-432.30	-15.95	-0.60	-1.66
Management fee / fund management fee	-35,421.53	-1,790.90	-30.97	-31.00
Taxe d'abonnement	-1,655.48	-72.51	-1.40	-2.33
Publication and audit expenses	-1,225.12	-81.50	-1.63	-1.49
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-240.42	-3.14	-0.01	-0.02
Registrar and transfer agent fee	-111.89	-2.72	-0.16	-0.27
Government fees	-794.58	-10.24	-0.07	-0.27
Formation costs	-234.94	-8.85	-0.04	-0.09
Other expenses ¹⁾	-9,339.29	-174.13	-5.55	-8.29
Expense equalisation	-39,016.47	-28,517.65	-45.18	0.00
Total expense	-88,472.02	-30,677.59	-85.61	-45.42
Ordinary net expenditure	-30,210.89	-11,114.00	-11.66	12.56
Total expense ratio in percent ²⁾	1.59	1.61	0.33 ³⁾	0.16 ⁴⁾
Ongoing charges in percent ²⁾	1.67	1.71	-	-
Swiss total expense ratio in percent before performance fee ²⁾ (for the period from 1 January 2022 to 31 December 2022)	1.59	1.61	1.35 ⁵⁾	1.04 ⁵⁾
Swiss total expense ratio in percent including performance fee ²⁾ (for the period from 1 January 2022 to 31 December 2022)	1.59	1.61	1.35 ⁵⁾	1.04 ⁵⁾
Swiss performance fee in percent ²⁾ (for the period from 1 January 2022 to 31 December 2022)	-	-	-	-

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

²⁾ See notes to the Report.

³⁾ For the period from 11 October 2022 to 31 December 2022.

⁴⁾ For the period from 7 November 2022 to 31 December 2022.

⁵⁾ (for the period from 1 January 2022 to 31 December 2022).

Statement of operations

in the period under review from 1 January 2022 to 31 December 2022

	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				
Income from investment units	362.55	23,923.58	41,160.48	35.05
Interest on bonds	2,090.89	166,771.92	290,772.45	610.84
Bank interest	274.64	12,536.59	13,775.07	164.21
Income equalisation	1,591.74	73,242.95	25,777.32	629.14
Total income	4,319.82	276,475.04	371,485.32	1,439.24
Expense				
Interest expense	-34.59	-2,265.15	-3,280.71	-14.53
Management fee / fund management fee	-1,688.52	-136,918.39	-239,308.00	-428.63
Taxe d'abonnement	-121.49	-9,793.08	-17,063.06	-30.23
Publication and audit expenses	-89.56	-7,161.22	-12,153.66	-28.49
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-20.58	-2,008.31	-3,666.21	-0.34
Registrar and transfer agent fee	-8.46	-613.51	-1,016.34	-2.67
Government fees	-39.74	-3,739.75	-7,968.70	-4.54
Formation costs	-16.37	-1,422.54	-2,584.43	-3.28
Other expenses ¹⁾	-375.51	-30,345.67	-56,938.63	-131.10
Expense equalisation	-2,071.72	-90,529.94	-32,734.87	-591.92
Total expense	-4,466.54	-284,797.56	-376,714.61	-1,235.73
Ordinary net expenditure	-146.72	-8,322.52	-5,229.29	203.51
Total expense ratio in percent ²⁾	1.05	1.06	1.08	0.25 ⁴⁾
Ongoing charges in percent ²⁾	1.13	1.15	1.17	-
Swiss total expense ratio in percent before performance fee ²⁾ (for the period from 1 January 2022 to 31 December 2022)	1.05	1.06	1.08	0.81 ³⁾
Swiss total expense ratio in percent including performance fee ²⁾ (for the period from 1 January 2022 to 31 December 2022)	1.05	1.06	1.08	0.81 ³⁾
Swiss performance fee in percent ²⁾ (for the period from 1 January 2022 to 31 December 2022)	-	-	-	-

¹⁾ This item mainly comprises custody fees and general management costs.²⁾ See notes to the Report.³⁾ For the period from 1 January 2022 to 31 December 2022.⁴⁾ For the period from 10 October 2022 to 31 December 2022.

Performance in percent *

As of 31 December 2022

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	-5.30%	-5.21%	1.36% **	---
HESPER FUND - GLOBAL SOLUTIONS (A-12) EUR since 12/02/2021	LU1931795501 A2PEEC	EUR	-4.69%	-4.37%	2.68% **	---
HESPER FUND - GLOBAL SOLUTIONS (A-6) CHF since 27/12/2019	LU1931803297 A2PED7	CHF	-4.53%	-4.11%	12.45%	---
HESPER FUND - GLOBAL SOLUTIONS (A-6) EUR since 07/11/2022	LU1931802216 A2PED6	EUR	-2.79 **	---	---	---
HESPER FUND - GLOBAL SOLUTIONS (T-10) EUR since 31/07/2019	LU1931800350 A2PEEF	EUR	-4.73%	-4.30%	12.68%	---
HESPER FUND - GLOBAL SOLUTIONS (T-12) CHF since 01/02/2021	LU1931801754 A2PEEG	CHF	-4.40%	-4.28%	5.97% **	---
HESPER FUND - GLOBAL SOLUTIONS (T-12) USD since 11/10/2022	LU1931801911 A2PEEH	USD	-5.82% **	---	---	---
HESPER FUND - GLOBAL SOLUTIONS (T-12) EUR since 12/02/2021	LU2275633894 A2QK9X	EUR	-4.70%	-4.37%	2.50% **	---
HESPER FUND - GLOBAL SOLUTIONS (T-6) CHF since 07/02/2020	LU1931808338 A2PEEA	CHF	-4.68%	-4.25%	10.64% **	---
HESPER FUND - GLOBAL SOLUTIONS (T-6) EUR since 14/06/2019	LU1931806399 A2PED9	EUR	-4.41%	-3.80%	14.29%	---
HESPER FUND - GLOBAL SOLUTIONS (T-6) USD since 10/10/2022	LU1931810235 A2PEEB	USD	-5.37% **	---	---	---

* On the basis of published unit values (BVI method); the result complies with the Guidelines on the "Calculation and Publication of Performance Data of Collective Investment Schemes" issued by the Asset Management Association Switzerland on 16 May 2008 (version dated 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.

Statement of net assets of HESPER FUND - GLOBAL SOLUTIONS as of 31 December 2022

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Statement of net assets as of 31 December 2022

ISIN	Securities		Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NFA ¹⁾
Bonds								
Securities traded on an exchange								
CHF								
CH0353945394	3.000%	gategroup Fin Reg.S. v.17(2027)	0	0	700,000	66.0000	469,178.43	0.57
CH0127181177	1.250%	Switzerland Reg.S. v.12(2024)	300,000	0	300,000	100.0950	304,950.75	0.37
CH0440081393	0.000%	Switzerland Reg.S. v.19(2034)	8,000,000	1,500,000	6,500,000	83.9260	5,539,951.26	6.76
							6,314,080.44	7.70
EUR								
DE0001102325	2.000%	Federal Republic of Germany Reg.S. v.13(2023)	6,000,000	0	6,000,000	100.0610	6,003,660.00	7.33
DE0001102366	1.000%	Federal Republic of Germany Reg.S. v.14(2024)	2,000,000	0	2,000,000	97.6950	1,953,900.00	2.38
FR0013283686	0.000%	France Reg.S. v.17(2023)	6,400,000	0	6,400,000	99.5760	6,372,864.00	7.78
FR0013344751	0.000%	France Reg.S. v.18(2024)	500,000	0	500,000	96.7230	483,615.00	0.59
ES0000012H33	0.000%	Spain v.21(2024)	3,000,000	0	3,000,000	96.1910	2,885,730.00	3.52
							17,699,769.00	21.60
USD								
US71647NAA72	5.625%	Petrobras Global Finance BV v.13(2043)	0	0	300,000	84.0750	236,497.89	0.29
US912909AD03	6.650%	United States Steel Corporation v.07(2037)	0	700,000	800,000	92.3910	693,040.79	0.85
US9128284D91	2.500%	United States of America v.18(2023)	1,000,000	0	1,000,000	99.5371	933,306.23	1.14
US9128283U26	2.375%	United States of America v.18(2023)	2,000,000	0	2,000,000	99.8418	1,872,326.24	2.28
US91282CBU45	0.125%	United States of America v.21(2023)	2,800,000	0	2,800,000	98.9375	2,597,515.24	3.17
US91282CEK36	2.500%	United States of America v.22(2024)	2,500,000	0	2,500,000	97.2207	2,278,966.32	2.78
US91282CFF32	2.750%	United States of America v.22(2032)	10,900,000	0	10,900,000	91.3984	9,341,237.45	11.40
US92343VCQ59	4.400%	Verizon Communications Inc. v.14(2034)	2,500,000	0	3,000,000	92.5120	2,602,306.61	3.18
							20,555,196.77	25.09
Securities traded on an exchange							44,569,046.21	54.39

¹⁾ NFA = Net sub-fund assets. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

Statement of net assets as of 31 December 2022

ISIN	Securities	Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NFA ¹⁾
Securities admitted to or included on organised markets							
USD							
US023135CE44	3.000% Amazon.com Inc. v.22(2025)	1,500,000	0	1,500,000	96.8010	1,361,476.79	1.66
US023135CH74	3.600% Amazon.com Inc. v.22(2032)	1,000,000	0	1,000,000	92.1240	863,797.47	1.05
US037833BG48	3.200% Apple Inc. v.15(2025)	1,000,000	0	1,000,000	96.8590	908,195.03	1.11
US037833BZ29	2.450% Apple Inc. v.16(2026)	2,000,000	0	2,000,000	93.0420	1,744,810.13	2.13
US594918BR43	2.400% Microsoft Corporation v.16(2026)	3,600,000	0	3,600,000	93.4960	3,155,983.12	3.85
US912909AU28	6.875% United States Steel Corporation v.21(2029)	500,000	0	500,000	97.4180	456,718.24	0.56
US92343VGJ70	2.550% Verizon Communications Inc. v.21(2031)	0	0	2,000,000	82.7360	1,551,542.43	1.89
						10,042,523.21	12.25
Securities admitted to or included on organised markets						10,042,523.21	12.25
Bonds						54,611,569.42	66.64
Investment fund units ²⁾							
Ireland							
IE00B53L4350	CS ETF IE on Dow Jones Industrial AverageSM	6,000	3,300	8,700	386.6000	3,153,699.02	3.85
IE00B5BMR087	iShares Core S&P 500 UCITS ETF	15,200	23,700	3,900	398.3100	1,456,548.52	1.78
						4,610,247.54	5.63
Luxembourg							
LU1781541849	Lyxor MSCI EM Asia UCITS ETF	270,000	100,000	170,000	9.1170	1,549,890.00	1.89
LU0977261329	UBS Lux Fund Solutions - MSCI CHF Switzerland 20/35 UCITS ETF	0	16,500	143,500	24.0950	3,511,356.25	4.28
						5,061,246.25	6.17
Investment fund units ²⁾						9,671,493.79	11.80
Certificates							
Securities traded on an exchange							
United States of America							
DE000A0S9GB0	Dte. Börse Commodities GmbH/ Gold Ounce 999 Cert. v.07(2199)	139,000	44,000	145,000	54.6600	7,925,700.00	9.67
						7,925,700.00	9.67
Securities traded on an exchange						7,925,700.00	9.67
Certificates						7,925,700.00	9.67
Securities holdings						72,208,763.21	88.11
Futures contracts							
Long positions							
EUR							
LIF 3MO Euribor Future December 2023		480	360	120		-355,387.50	-0.43
						-355,387.50	-0.43
Long positions						-355,387.50	-0.43

¹⁾ NFA = Net sub-fund assets. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

²⁾ Information on subscription and redemption fees as well as the maximum amount of the management fee for target fund units may be obtained on application from the registered office of the management company and from the depositary and paying agents free of charge.

Statement of net assets as of 31 December 2022

ISIN	Securities	Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NFA ¹⁾
Short positions							
EUR							
	EUX 10YR Euro-BTP Future March 2023	0	60	-60		280,830.00	0.34
	EUX 10YR Euro-Bund Future March 2023	30	60	-30		35,160.00	0.04
						315,990.00	0.38
GBP							
	LIF 10YR Long Gilt Future March 2023	0	60	-60		153,933.98	0.19
						153,933.98	0.19
	Short positions					469,923.98	0.57
	Futures contracts					114,536.48	0.14
	Cash at banks - Current account ²⁾					8,695,008.09	10.61
	Other receivables and payables (net)					938,415.92	1.14
	Net sub-fund assets in EUR					81,956,723.70	100.00

¹⁾ NFA = Net sub-fund assets. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

²⁾ See notes to the Report.

Forward foreign exchange contracts

The following forward foreign exchange contracts were open as of 31 December 2022:

Currency	Counterparty		Currency amount	Price EUR	% share of NFA ¹⁾
CHF/EUR	DZ PRIVATBANK S.A.	Currency purchases	35,688,650.00	36,518,421.58	44.56
USD/EUR	DZ PRIVATBANK S.A.	Currency purchases	520,350.00	482,322.26	0.59
EUR/CHF	DZ PRIVATBANK S.A.	Currency sales	10,324,150.00	10,500,917.08	12.81
EUR/USD	DZ PRIVATBANK S.A.	Currency sales	37,928,650.00	35,383,525.04	43.17

Bilateral forward foreign exchange contracts

As at 31/12/2022, 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 NFA ¹⁾
CHF/GBP	DZ PRIVATBANK S.A.	Bilateral currency transactions	15,104,110.40	13,500,000.00	15,370,268.69	18.75
GBP/CHF	DZ PRIVATBANK S.A.	Bilateral currency transactions	8,500,000.00	9,675,140.80	9,589,186.04	11.70

Futures contracts

	Holdings	Commitments EUR	% share of NFA ¹⁾
Long positions			
EUR			
LIF 3MO Euribor Future December 2023	120	28,935,000.00	35.31
		28,935,000.00	35.31
Long positions			
		28,935,000.00	35.31
Short positions			
EUR			
EUX 10YR Euro-BTP Future March 2023	-60	-6,602,400.00	-8.06
EUX 10YR Euro-Bund Future March 2023	-30	-4,019,700.00	-4.90
		-10,622,100.00	-12.96
GBP			
LIF 10YR Long Gilt Future March 2023	-60	-6,768,482.93	-8.26
		-6,768,482.93	-8.26
Short positions			
		-17,390,582.93	-21.22
Futures contracts			
		11,544,417.07	14.09

¹⁾ NFA = Net sub-fund assets. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

Foreign exchange rates

For the valuation of assets in a foreign currency, the following exchange rate for 31 December 2022* was used for conversion into euro.

Pound Sterling	GBP	1	0.8846
China Renminbi Offshore	CNH	1	7.4481
Hong Kong Dollar	HKD	1	8.3122
Canadian Dollar	CAD	1	1.4469
Mexican Peso	MXN	1	20.6036
Norwegian Krone	NOK	1	10.5423
Russian Ruble	RUB	1	77.8545
Swiss Franc	CHF	1	0.9847
US Dollar	USD	1	1.0665

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* The last valuation day in the 2022 financial year was 30 December 2022. As a result, the foreign exchange rates as of 30 December 2022 were used for the translation of the assets into foreign currency.

HESPER FUND

Notes to the Annual Report as of 31 December 2022

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.
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.

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 or receiving collateral in the form of bank deposits or securities. The collateral provided/received in the form of bank deposits amounts to:

ESMA - Initial Margin/Variation Margin for the financial year ending 31 December 2022:

Fund name	Counterparty	Initial margin	Variation margin
HESPER FUND – GLOBAL SOLUTIONS	DZ PRIVATBANK S.A.	EUR 579,537.10	EUR 7,297.50
HESPER FUND – GLOBAL SOLUTIONS	DZ PRIVATBANK S.A.	GPB 301,012.00	GPB 85,170.00

3.) Taxation

Taxation of the investment company

The assets of the Company are not liable to tax on its income or 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 payable quarterly on the net assets of the Company as 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.

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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:

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

* NFA = net sub-fund assets

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 tax 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.

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.

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 2022 to 31 December 2022, 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 6.96% (minimum) and 24.52% (maximum) during the corresponding period, with an average of 14.83%. 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 2022 to 31 December 2022:

Lowest leverage:	75.99%
Highest leverage:	575.76%
Median leverage:	310.22% (285.31%)
Calculation method:	Nominal value method (total of nominal values of all derivatives)

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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 = $((\text{Total 1} - \text{Total 2}) / M) * 100$ 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 2022 to 31 December 2022 is 172.15.

14.) Significant events during the period under review

The Sales Prospectus was updated with effect from 1 January 2022. The following amendments entered into force:

- Conversion of the fee structure: The depositary and central administration fees, which were previously reported and charged separately, will be eliminated and paid out of the management fee in future. For this purpose, the management fee will be adjusted by 0.10% to 0.15%. In addition, the minimum fee of the management company will be waived. The fund management fee payable to the external fund manager will continue to be disclosed separately.
- Implementation of the Taxonomy Regulation
- Implementation of the ESMA Guidelines on performance fees
- Alignments to template

The Sales Prospectus was revised with effect from 1 May 2022. Principal Adverse Impacts (“PAIs”) will be considered for the fund in the future.

Information regarding the COVID-19 pandemic

For protection against the coronavirus and ensure its business operations even in a crisis scenario, the Management Company, ETHENEA Independent Investors S.A. (“Company”), has adopted several measures pertaining to its employees and external service providers.

In addition to comprehensive hygiene measures in the premises and restrictions on business trips and events, additional precautions have been put in place to ensure that the management company can guarantee the reliable and smooth running of its business processes in the event of a suspected case of coronavirus infection within the company’s workforce. By expanding the range of technical options for mobile working, the company has created the conditions for employees to be divided between several workplaces. This significantly reduces the potential risk of transmission of the coronavirus within the management company. The highest priority is given to the safety and health of employees, customers and business partners. Since April 2020, company employees have had a consistently high rate of mobile working.

In view of the further decline in the number of infections and the extensive reopening of public life, the measures described above were gradually phased out in mid-2022. This increased use of digital exchange formats will continue for the time being.

However, the management company continues to closely monitor the containment measures and the economic impact of the virus.

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 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 share prices
- 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.

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 share classes in the fund, the unit value per share 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 share 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.

These fees are exclusive of any value added tax.

For the financial year ended 31 December 2022, 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

17.) Classification under the SFDR Regulation (EU 2019/2088) (unaudited)

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

In compliance with the ESG strategy of the fund manager, ESG criteria, in particular sustainability risks, are taken into consideration for the fund in the investment decision process.

ETHENEA Independent Investors S.A. (management company and fund manager of the fund) has signed the UN PRI (United Nations-supported Principles for Responsible Investment).

The investment universe includes global equities and corporate bonds, which have been subject to a systematic selection process. This selection process also takes into consideration ESG aspects based on our own analyses and supported by external research services. The fund invests exclusively in corporate securities that apply best practice in corporate governance and do not fall under the general exclusion criteria.

In addition, the fund management of the Management Company makes use of external research from one or more sustainability rating agencies. Their findings are taken into consideration as one component in the fund manager's investment decision process.

For the assessment of the suitability of investments for the fund assets, the individual ESG criteria are accordingly taken into account in addition to the traditional parameters for risk and return expectations.

Detailed information on the principles of responsible investment of the Management Company and the appointment of sustainability rating agencies used can be found on www.ethenea.com under "ABOUT ETHENEA".

The Fund Manager considers the principal adverse impacts of investment decisions on sustainability factors within the meaning of Article 4(1)(a) of Regulation (EU) 2019/2088.

Information on the extent, if any, that a consideration of the principal adverse impacts on sustainability factors is made for the sub-fund is presented in the relevant Annex. For more information, please visit the fund manager's website at www.ethenea.com.

18.) Information on the remuneration policy (unaudited)

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 2021, the total remuneration of the 20 employees of ETHENEA Independent Investors S.A. for the year was EUR 2,481,720.00. 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.

Total remuneration is divided into:

Total amount of the shares held in the past financial year as at 31 December 2021 employee remuneration paid:	EUR 2,481,720.00
Of which fixed remuneration:	EUR 2,041,720.00
Of which variable remuneration:	EUR 440,000.00
Remuneration paid directly from the fund:	EUR 0.00
Number of employees of the outsourcing company:	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.

19.) Transparency of securities financing transactions and their reuse (unaudited)

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.

20.) Information for Swiss investors (unaudited)

a) General

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

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

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 2022 to 31 December 2022:

Share class	Swiss TER	
	With performance fee	Without performance fee
HESPER FUND – GLOBAL SOLUTIONS – A-12 EUR	1.63	1.63
HESPER FUND – GLOBAL SOLUTIONS – A-12 CHF	1.65	1.65
HESPER FUND – GLOBAL SOLUTIONS – T-12 EUR	1.64	1.64
HESPER FUND – GLOBAL SOLUTIONS – T-10 EUR	1.59	1.59
HESPER FUND – GLOBAL SOLUTIONS – T-12 CHF	1.61	1.61
HESPER FUND – GLOBAL SOLUTIONS – T-12 USD	1.35 ¹⁾	1.35 ¹⁾
HESPER FUND – GLOBAL SOLUTIONS – A-6 EUR	1.04 ²⁾	1.04 ²⁾
HESPER FUND – GLOBAL SOLUTIONS – A-6 CHF	1.05	1.05
HESPER FUND – GLOBAL SOLUTIONS – T-6 EUR	1.06	1.06
HESPER FUND – GLOBAL SOLUTIONS – T-6 CHF	1.08	1.08
HESPER FUND – GLOBAL SOLUTIONS – T-6 USD	0.81 ³⁾	0.81 ³⁾

1) For the period from 10 October 2022 to 31 December 2022.

- 2) For the period from 4 November 2022 to 31 December 2022.
- 3) For the period from 7 October 2022 to 31 December 2022.

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.

Report of the Réviseur d'Entreprises agréé

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

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 of 31 December 2022, 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 2022, 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.

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.

- 34 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.

We communicate with those responsible for governance about the planned audit scope and time frame, as well as significant findings including material weaknesses in the internal control system identified within the framework of the audit.

Luxembourg, 15 March 2023

Ernst & Young
Société anonyme
Cabinet de révision agréé

Nadia Faber

ANNEX IV

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

Product name: HESPER FUND – GLOBAL SOLUTIONS

Legal entity identifier: 529900ZQCD500331SM04

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.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

Yes

Sustainable investments with an environmental objective were made: %

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

Sustainable investments with a social objective were made: %

No

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

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

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,
- 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.

How did the sustainability indicators perform?

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

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 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 fund's ESG risk score was consistently below 30. The average ESG risk score for the reporting period was 21.9. As of 31 December 2022, the ESG risk score was 20.7.

Individual securities with very serious risks (ESG risk score greater than 50) will only be considered for inclusion as an investment in the 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 fund with a correspondingly high ESG risk score during the reporting period.

The 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.

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

n/a

- **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.

- **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.

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 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.

----- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

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

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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 EU 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.

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.



What are the main investments of this financial product?

Average of four reporting dates (31/03/2022; 30/06/2022; 30/09/2022 and 31/12/2022):

The list includes the following investments, which accounted for the largest share of the investments made in the financial product during the reference period 01/01/2022 – 31/12/2022:

Largest investments	Sector	in % of the	Country
iShares Core S&P 500 UCITS ETF	PROVISION OF FINANCIAL AND INSURANCE SERVICES	9.175	Ireland
UBS Lux Fund Solutions - MSCI Switzerland 20/35 UCITS ETF	PROVISION OF FINANCIAL AND INSURANCE SERVICES	5.9225	Luxembourg
Dte. Börse Commodities GmbH/Gold Ounce 999 Cert. v.07(2199)	PROVISION OF FINANCIAL AND INSURANCE SERVICES	4.7325	Germany
Switzerland Reg.S. v.19(2034)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	3.7125	Switzerland
iShares Core EURO STOXX 50 UCITS ETF DE	PROVISION OF FINANCIAL AND INSURANCE SERVICES	3.6725	Germany
Microsoft Corporation v.16(2026)	INFORMATION AND COMMUNICATION	3.615	United States of America
CS ETF IE on Dow Jones Industrial AverageSM	PROVISION OF FINANCIAL AND INSURANCE SERVICES	3.235	Ireland
Spain v.21(2024)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	3.19	Spain
France Reg.S. v.17(2023)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	3.1125	France
United States of America v.22(2032)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	2.85	United States of America
Verizon Communications Inc. v.21(2031)	PROVISION OF PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES	2.685	United States of America
France Reg.S. v.21(2027)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	2.525	France
United States of America v.22(2024)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	2.225	United States of America
Verizon Communications Inc. v.14(2034)	PROVISION OF PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES	2.04	United States of America
Canada v.21(2022)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	1.9075	Canada

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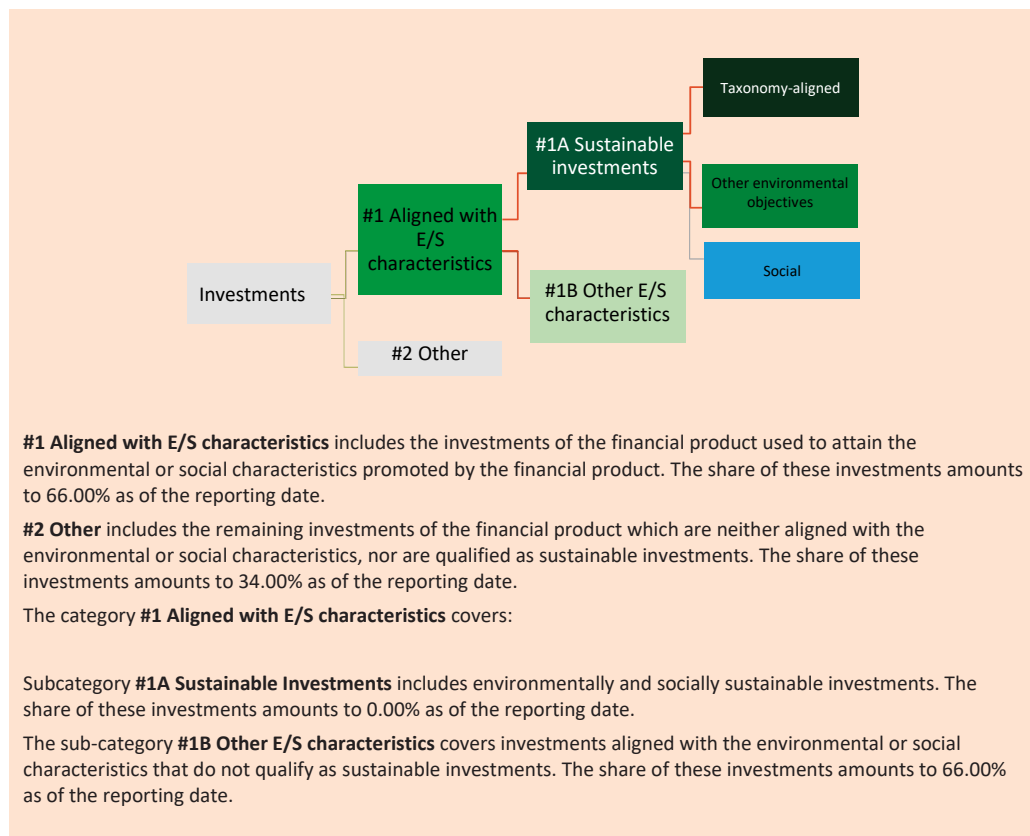
What was the share of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

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

What were the asset allocations?



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

Average of four reporting dates (31/03/2022; 30/06/2022; 30/09/2022 and 31/12/2022):

Sector	in % of Assets
Government bonds	49.50%
Investment fund units	11.80%
Consumer services	9.67%
Telecommunications services	5.07%
Software & services	3.85%
Hardware and equipment	3.24%
Wholesale and retail	2.71%
Raw materials and supplies	1.41%
Transport	0.57%
Energy	0.29%

With a view to EU taxonomy alignment, the criteria for fossil gas include limiting emissions and switching to renewable energy or low-carbon fuels by the end of 2035. These nuclear energy criteria include comprehensive safety and waste management regulations.



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

The main objective of this Fund is to contribute to the pursuit of E/S characteristics. Accordingly, this Fund does not currently commit to investing a minimum proportion of its total assets in environmentally sustainable economic activities as defined in Article 3 of the EU Taxonomy Regulation (2020/852). This also applies to information on investments in economic activities that are classified as enabling or transitional activities under Article 16 or 10(2) of the EU Taxonomy Regulation (2020/852).

● **Does the financial product invest in EU taxonomy-aligned fossil gas and/or nuclear energy activities?**

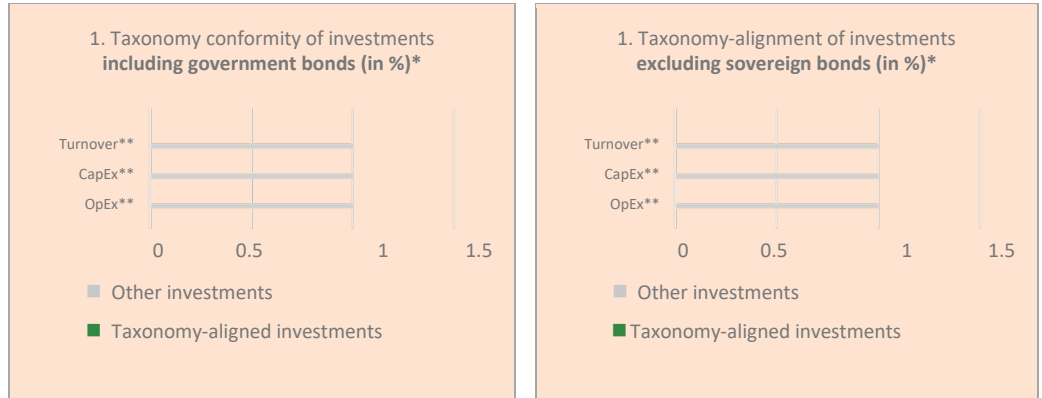
- Yes:**
 - in fossil gas in nuclear energy
- No**

¹ Fossil gas and/or nuclear energy activities are only EU taxonomy aligned if they contribute to mitigating climate change 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.

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

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

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



* For the purpose of these graphs, “sovereign bonds” consist of all sovereign exposures.
 ** The share of taxonomy-aligned investments measured in terms of turnover, CapEx and OpEx cannot be determined on the basis of the data available on the market at the current time. The statement for the fossil gas and nuclear energy sector is omitted in this chart. The investments made in these sectors amount to 0.00% each.

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

Transitional activities: 0%
 Enabling activities: 0%

The share of taxonomy-aligned investments invested in transitional and enabling activities cannot be determined based on the data available on the market at the current time. The assumption is that this data will be available for the next annual financial statement.

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

n/a



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. The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 0%.

What was the share of socially sustainable investments?

E/S characteristics are promoted with the financial product, but no sustainable investments will be made. The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 0%.



What investments were included under “Other Investments”, 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/>).



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

No index is designated as a reference benchmark to determine whether this Fund is aligned with the environmental and/or social characteristics that it promotes.

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

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

No index is designated as a reference benchmark to determine whether this Fund is aligned with the environmental and/or social characteristics that it promotes.

- **How did this financial product perform in relation to the sustainability indicators used to determine the alignment of the reference value with the environmental or social characteristics being promoted?**

No index is designated as a reference benchmark to determine whether this Fund is aligned with the environmental and/or social characteristics that it promotes.

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

No index is designated as a reference benchmark to determine whether this Fund is aligned with the environmental and/or social characteristics that it promotes.

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

No index is designated as a reference benchmark to determine whether this Fund is aligned with the environmental and/or social characteristics that it promotes.

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 ETHENEA Independent Investors S.A.
Management company:	ETHENEA Independent Investors S.A. 16, rue Gabriel Lippmann L-5365 Munsbach
Managing directors of the management company:	Frank Hauprich Thomas Bernard 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 ETHENEA Independent Investors S.A. Nikolaus Rummler IPConcept (Luxembourg) S.A.
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 **ETHENEA Independent Investors (Schweiz) AG**
Sihleggstrasse 17
CH-8832 Wollerau

Paying agent in the Grand Duchy of 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

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Information for investors in the Federal Republic of Germany:

Paying and information agent (until 31 December 2022): **DZ BANK AG**
Deutsche Zentral-Genossenschaftsbank,
Frankfurt am Main
Platz der Republik
D-60265 Frankfurt am Main

Paying and information agent (from 1 January 2023): **DZ PRIVATBANK S.A.**
4, rue Thomas Edison
L-1445 Strassen, 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

Information for investors in France:

Paying agent in France: **DZ PRIVATBANK S.A.**
4, rue Thomas Edison
L-1445 Strassen, Luxembourg

Central administration agent in France: **Société Générale**
29, Boulevard Haussmann
F-75009 Paris

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