

Azvalor Lux SICAV

Investment Company with Variable Capital under Luxembourg law

Annual report, including audited financial statements,
as at December 31, 2023

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No subscription can be received on the basis of these financial statements. Subscriptions are only valid if made on the basis of the current prospectus accompanied by the Key Investor Information Documents ("KIIDs"), the Key Information Documents ("KIDs"), the latest annual report, including audited financial statements, and the most recent unaudited semi-annual report, if published thereafter.

Azvalor Lux SICAV

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Azvalor Lux SICAV

Organisation of the SICAV

REGISTERED OFFICE 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

BOARD OF DIRECTORS

Chairman Mr Jérôme TORDO, Cypanga S.A.S., 9-11, rue du Dr Lancereaux, F-75008 Paris, France

Members Mr Fernando BERNAD MARRASE, Azvalor Asset Management S.A., SGIIC, paseo de la Castellana, 110, E-28046 Madrid, Spain

Mr Sergio FERNÁNDEZ-PACHECO RUIZ-VILLAR, Azvalor Asset Management S.A., SGIIC, paseo de la Castellana, 110, E-28046 Madrid, Spain

Mr Beltran PARAGES REVERTERA, Azvalor Asset Management S.A., SGIIC, paseo de la Castellana, 110, E-28046 Madrid, Spain

Mr Laurent PICHONNIER, Global Finance Consult S.à r.l., 13, rue des bains, L-1212 Luxembourg, Grand Duchy of Luxembourg

MANAGEMENT COMPANY

Waystone Management Company (Lux) S.A., 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman Ms Rachel Elizabeth WHEELER, Waystone CEO Global Management Company Solutions, WAYSTONE GOVERNANCE (UK) LIMITED, 2nd Floor, 20-22 Bedford Row, London WC1R 4EB, United Kingdom

Mr Géry DAENINCK, Director, Independent Management Consultant, Belgium (until May 25, 2023)

Mr Timothy MADIGAN, Chairman, Waystone Management Company (Lux), 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg (since July 5, 2023)

Mr John Li HOW CHEONG, Independent Management Consultant Grand Duchy of Luxembourg (until May 25, 2023)

Mr Martin Peter VOGEL, Waystone Global Head of Strategy, Waystone Management Company (Lux) S.A., 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg

Member Mr Denis HARTY, Chief Executive Officer, Luxembourg Management Company Solutions in EFS, 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg (since May 26, 2023)

Azvalor Lux SICAV

Organisation of the SICAV (continued)

CONDUCTING OFFICER OF THE MANAGEMENT COMPANY

Mr Pall EYJOLFSSON, AIF Specialist, Waystone Management Company (Lux) S.A., 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg

Ms. Hyuni VANHAELEN, Waystone Management Company (Lux) S.A., 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg

Mr Denis HARTY, Chief Executive Officer, Luxembourg Management Company Solutions in EFS, 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg (since July 5, 2023)

Mr Thierry LELIEVRE, Head of Portfolio Management, Waystone Management Company (Lux) S.A., 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg

FINANCIAL MANAGER Azvalor Asset Management S.A., SGIIC, paseo de la Castellana, 110, E-28046 Madrid, Spain

DEPOSITARY BANK Bank Pictet & Cie (Europe) AG, *succursale de Luxembourg* (formerly Pictet & Cie (Europe) S.A., until May 25, 2023), 15A, avenue J.-F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

REGISTRAR AND TRANSFER, DOMICILIARY AND ADMINISTRATIVE AGENT

FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

AUDITOR

PricewaterhouseCoopers, *Société coopérative*, 2, rue Gerhard Mercator, L-2182 Luxembourg, Grand Duchy of Luxembourg

General information

The fiscal year of Azvalor Lux SICAV (the "SICAV") begins on January 1 and terminate on December 31 of each year.

Annual report, including audited financial statements, at the end of each fiscal year are established as at December 31 of each year. In addition, unaudited semi-annual reports are established as per the last day of the month of June.

Annual report, including audited financial statements, are published within 4 months following the end of the accounting year and unaudited semi-annual reports are published within 2 months following the end of period to which they refer.

The net asset value ("NAV") and the redemption and issue prices are available at all times at the registered office of the SICAV and from the Depositary Bank.

A copy of the SICAV's articles of association (the "Articles"), the full prospectus, the Key Investor Information Documents ("KIIDs") and financial reports (semi-annual report and annual report, including audited financial statements) can be obtained, free of charge, from the SICAV's registered office and on the website of the Management Company (www.waystone.com).

The following additional documents can be consulted at the SICAV's registered office:

- a) the Depositary Agreements;
- b) the Administrative Agency, Domiciliary, Registrar and Transfer Agency Agreements;
- c) the Management Company Services Agreement between the SICAV and the Management Company.

A detailed schedule of changes in the investments for the year ended December 31, 2023 for the different sub-funds is available free of charge upon request at the registered office of the SICAV.

Information on environmental and/or social characteristics and/or sustainable investments are available under the section Other information to Shareholders (unaudited appendix) of the Annual Report.

Management report

Azvalor Lux SICAV - AZVALOR INTERNATIONAL

The net asset value of Azvalor Lux SICAV - AZVALOR INTERNATIONAL increased by +9.8% for the class I to EUR 1,924.6 from December 31, 2022, to December 31, 2023. The sub-fund's assets amounted to EUR 305,709,415 at the end of the period.

Azvalor Lux SICAV - AZVALOR INTERNATIONAL is a global portfolio that invests in quality businesses purchased at attractive prices. Despite the recent performance of the vehicle, the portfolio still has a significant and high upside potential.

Our analysis is focused on providing a detailed assessment of the value of the companies that make up the portfolio. Stocks are picked up without considering the sector, currency or geographical area. Instead, the resulting weight is determined by the opportunities we find at any given moment. Moreover, although we do not make market forecasts, we do take advantage of short-term distortions between price and value to make long term investments.

The investment philosophy of Azvalor Lux SICAV - AZVALOR INTERNATIONAL is to select undervalued companies taking advantage from stock price movements that do not correspond to a company's long-term fundamentals. Our analysis includes an in-depth study of the company assets and accounting, its products or services, business competitors, and both the means and the ends of the managers in charge of the company. The macroeconomic vision is secondary in this analysis as we understand that nobody has managed to predict it consistently over time. Therefore, it is our duty to remind investors that this vehicle is not suitable for those who consider that macroeconomic analysis is most relevant.

At year-end 2023, Azvalor Lux SICAV - AZVALOR INTERNATIONAL posted a +9.8% positive result.

Conversely, the main international equity indices ended 2023 with double-digit positive results, recovering the losses of 2022. To mention the two most representative, year-end 2023 return for the MSCI World TR - in euros - was +19.4%, bringing the total accumulated return for 2022 and 2023 to +4.3%; similarly, the S&P 500 TR - in euros - obtained a return of +22.3%, reaching a total accumulated return over the years 2022 and 2023 of +6.4%.

Currently, several uncertainties lie on the mind of the "average investor". To take into account the obvious ones, the "Western" world is involved in two open war fronts, one in Eastern Europe, between Russia and Ukraine, and the other in the Middle East, between Israel and Palestine, bringing "war" geopolitics back into the picture; the tension between the US and China is back in the headlines; the central banks' fight against inflation continues, with the most vertical rate hike program of the last 50 years; Europe, for its part, continues to show greater economic weakness than its peer on the other side of the Atlantic, the American economy, which, so far, has shown larger robustness.

Management report (continued)

Uncertainty is part of human life. In this regard, we recall the words of Ludwig von Mises: "Change and transformation are essential features of life. Each state of affairs is transient, each age is an age of transition. In human life there is never calm and repose. Life is a process, not a perseverance in a status quo. Yet the human mind has always been deluded by the image of an unchangeable existence." Ludwig von Mises, *The Anti-Capitalistic Mentality*. Taking a brief look at the markets of the last two decades, we can see how risks similar to those described above have been part of our work as investors. Again, and mentioning only a few: the world has suffered a multitude of terrorist attacks, such as 9/11 or 3/11; several wars in the Middle East; in 2008 started the second largest economic recession in history; the crisis of one of the world's major currencies, the Euro, over the past decade; Brexit in 2016; or more recently, the health crisis linked to the Covid-19 pandemic. It seems clear, then, that as investors (and as humans!) we must always face an uncertain future.

The stock market, trying to discount the future, reflects this uncertainty in its results, with positive and negative years. However, it is of greater interest to know that the distribution of equity returns reflects this uncertainty, in its nonlinear nature. In this regard, taking as a reference the last 150 years of results of the American stock market - the S&P 500 - we conclude that to generate a real compounded annual growth rate of 6% - 7%, the following historical data has been recorded (Source: VisualCapitalist/TradingView - 150 Years of S&P 500 Returns):

S&P 500 Annual Return	Number of Years	Share of Years
+40% to +50% or more	3	2.0%
+30% to +40%	9	5.4%
+20% to +30%	21	14.1%
+10% to +20%	33	22.1%
+0% to +10%	30	20.1%
-0% to -10%	25	16.8%
-10% to -20%	18	12.1%
-20% to -30%	7	4.7%
-30% to -40%	3	2.0%
-40% to -50% or more	1	0.7%

At the extremes, we find years with a higher than +50% rate of growth, as well as at least one -50% drop. Additionally, 36.3% of the years (since 1874!) have recorded negative results; and equally, only 20.1% of these years have closed the year between the 0% to +10% range, this return being the closest to the 6% to 7% real annualized return range over the very long term offered by this index. Finally, during the rest of the years, i.e. 43.6% of them, the return stands above double digits. So, investing in the S&P 500, we find that 36% of the time we suffer years of losses, 44% of the time we are happy with double-digit results, and only 20% of the time we find a return similar to that which we would obtain on a long-term annualized basis in the most representative index of the American stock market.

From these peaks and troughs, we can draw two conclusions: 1. the distribution of equity returns is nonlinear, 2. accepting this uncertainty, which is reflected in the "uncomfortable" distribution of returns, is essential in order to successfully invest in equities. Only by being aware of these two facts, and accepting their nature, can we invest in equities by conceiving volatility as an opportunity rather than as a risk factor to shy away from. On an emotional level, this volatility is the price to pay for stock market returns.

Past performance is not an indicator of current or future returns.

Management report (continued)

On this basis, uncertainty and volatility must always be conceived as investment opportunities. Thus, by focusing myopically on this uncertainty in the short term, the market offers us enormous investment opportunities that, in the long term and once this uncertainty has disappeared, are transformed into returns. By understanding this unchanging nature of the market, we can turn short-term volatility into a long-term opportunity; short-term discomfort thus becomes a long-term positive outcome.

It is therefore essential to take advantage of volatility as a source of opportunity, and to understand volatility as the source of our future profitability.

This approach is fully in line with Azvalor's investment process, which involves acquiring companies below their intrinsic value after a thorough analysis of their fundamentals. Thus, over the course of 2023, the market has given us the opportunity to buy many of the businesses in which we had already invested successfully recently. Translating this into an academic analogy, after successfully passing a test, we must re-examine ourselves on the same subject matter. Similarly, many of the businesses that have been off our radar for years, as they were trading at too expensive prices, are coming back onto our radar. Thanks to the uncertainty of the "average investor" about the immediate future, it is possible for us to acquire companies at prices below their intrinsic value, keeping our focus on the long term.

Thus, the estimated upside potential of our strategies is currently at a very attractive point in time.

Taking it all into consideration, we conclude that patience, apart from being one of the most important virtues in life, gains even more importance when it comes to investing in the stock market. As Warren Buffett has stated us on countless occasions: "The stock market is a device for transferring money from the impatient to the patient. "

Throughout the year the main additions to the portfolio have been Electrobras, LSL Property Services and Mobico among others. On the other hand, Public Power Corporation, Vale and Bayer, among others, have been sold.

Regarding performance contribution, New Gold, Arch Resources and Barrick Gold have been the top performers. On the other hand, Petrofac, Geopark and Bayer have been the worst performers in this period.

The main positions at the end of the period are Barrick Gold, Tullow Oil and Noble Corp 'A'.

The sectorial weight at the end of the period is mainly Materials (38.5%) and Energy (31%).

The geographical exposure of the vehicle through companies' share prices is 27.1% to the USA, 25.8% to the United Kingdom and 16.3% to Canada. It is important to clarify that, despite the listing country of these companies, in most cases their businesses have a global exposure.

The main currencies which the vehicle is exposed to are the Dollar 34.3%, the Pound Sterling 25.9%, and the Euro 24.2%

Management report (continued)

The portfolio is the result of a selection of companies, most of which have good assets as well as strong balance sheets, and where there is "skin in the game", either because they are captained or supervised by an owner or because there is a healthy incentive system. This adds security to the main point which is their undervaluation. Most of them have been bought after suffering sharp market falls, and our analysis indicates that these were due to circumstantial, not structural, causes.

The cash percentage at the end of December is 4.4% of the sub-fund's assets.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

Management report (continued)

Azvalor Lux SICAV - AZVALOR BLUE CHIPS

The net asset value of Azvalor Lux SICAV - AZVALOR BLUE CHIPS increased by +9.8% for the class I to EUR 1,747.9 from December 31, 2022, to December 31, 2023. The sub-fund's assets amounted to EUR 8,268,242.85 at the end of the period.

Azvalor Lux SICAV - AZVALOR BLUE CHIPS is a feeder sub-fund and, as such, will always invest at least 99% of its assets in units of the Master Fund Azvalor Lux SICAV - AZVALOR BLUE CHIPS FI.

Our analysis is focused on providing a detailed assessment of the value of the companies that make up the portfolio. Stocks are picked up without considering the sector, currency or geographical area. Instead, the resulting weight is determined by the opportunities we find at any given moment. Moreover, although we do not make market forecasts, we do take advantage of short-term distortions between price and value to make long term investments.

The investment philosophy of Azvalor Lux SICAV - AZVALOR BLUE CHIPS is to select undervalued companies taking advantage from stock price movements that do not correspond to a company's long-term fundamentals. Our analysis includes an in-depth study of the company assets and accounting, its products or services, business competitors, and both the means and the ends of the managers in charge of the company. The macroeconomic vision is secondary in this analysis as we understand that nobody has managed to predict it consistently over time. Therefore, it is our duty to remind investors that this vehicle is not suitable for those who consider that macroeconomic analysis is most relevant.

At year-end 2023, Azvalor Lux SICAV - AZVALOR BLUE CHIPS posted a +9.8% positive result.

Conversely, the main international equity indices ended 2023 with double-digit positive results, recovering the losses of 2022. To mention the two most representative, year-end 2023 return for the MSCI World TR - in euros - was +19.4%, bringing the total accumulated return for 2022 and 2023 to +4.3%; similarly, the S&P 500 TR - in euros - obtained a return of +22.3%, reaching a total accumulated return over the years 2022 and 2023 of +6.4%.

Currently, several uncertainties lie on the mind of the "average investor". To take into account the obvious ones, the "Western" world is involved in two open war fronts, one in Eastern Europe, between Russia and Ukraine, and the other in the Middle East, between Israel and Palestine, bringing "war" geopolitics back into the picture; the tension between the US and China is back in the headlines; the central banks' fight against inflation continues, with the most vertical rate hike program of the last 50 years; Europe, for its part, continues to show greater economic weakness than its peer on the other side of the Atlantic, the American economy, which, so far, has shown larger robustness.

Management report (continued)

Uncertainty is part of human life. In this regard, we recall the words of Ludwig von Mises: "Change and transformation are essential features of life. Each state of affairs is transient, each age is an age of transition. In human life there is never calm and repose. Life is a process, not a perseverance in a status quo. Yet the human mind has always been deluded by the image of an unchangeable existence." Ludwig von Mises, *The Anti-Capitalistic Mentality*. Taking a brief look at the markets of the last two decades, we can see how risks similar to those described above have been part of our work as investors. Again, and mentioning only a few: the world has suffered a multitude of terrorist attacks, such as 9/11 or 3/11; several wars in the Middle East; in 2008 started the second largest economic recession in history; the crisis of one of the world's major currencies, the Euro, over the past decade; Brexit in 2016; or more recently, the health crisis linked to the Covid-19 pandemic. It seems clear, then, that as investors (and as humans!) we must always face an uncertain future.

The stock market, trying to discount the future, reflects this uncertainty in its results, with positive and negative years. However, it is of greater interest to know that the distribution of equity returns reflects this uncertainty, in its nonlinear nature. In this regard, taking as a reference the last 150 years of results of the American stock market - the S&P 500 - we conclude that to generate a real compounded annual growth rate of 6% - 7%, the following historical data has been recorded (Source: VisualCapitalist/TradingView - 150 Years of S&P 500 Returns):

S&P 500 Annual Return	Number of Years	Share of Years
+40% to +50% or more	3	2.0%
+30% to +40%	9	5.4%
+20% to +30%	21	14.1%
+10% to +20%	33	22.1%
+0% to +10%	30	20.1%
-0% to -10%	25	16.8%
-10% to -20%	18	12.1%
-20% to -30%	7	4.7%
-30% to -40%	3	2.0%
-40% to -50% or more	1	0.7%

At the extremes, we find years with a higher than +50% rate of growth, as well as at least one -50% drop. Additionally, 36.3% of the years (since 1874!) have recorded negative results; and equally, only 20.1% of these years have closed the year between the 0% to +10% range, this return being the closest to the 6% to 7% real annualized return range over the very long term offered by this index. Finally, during the rest of the years, i.e. 43.6% of them, the return stands above double digits. So, investing in the S&P 500, we find that 36% of the time we suffer years of losses, 44% of the time we are happy with double-digit results, and only 20% of the time we find a return similar to that which we would obtain on a long-term annualized basis in the most representative index of the American stock market.

From these peaks and troughs, we can draw two conclusions: 1. the distribution of equity returns is nonlinear, 2. accepting this uncertainty, which is reflected in the "uncomfortable" distribution of returns, is essential in order to successfully invest in equities. Only by being aware of these two facts, and accepting their nature, can we invest in equities by conceiving volatility as an opportunity rather than as a risk factor to shy away from. On an emotional level, this volatility is the price to pay for stock market returns.

Past performance is not an indicator of current or future returns.

Management report (continued)

On this basis, uncertainty and volatility must always be conceived as investment opportunities. Thus, by focusing myopically on this uncertainty in the short term, the market offers us enormous investment opportunities that, in the long term and once this uncertainty has disappeared, are transformed into returns. By understanding this unchanging nature of the market, we can turn short-term volatility into a long-term opportunity; short-term discomfort thus becomes a long-term positive outcome.

It is therefore essential to take advantage of volatility as a source of opportunity, and to understand volatility as the source of our future profitability.

This approach is fully in line with Azvalor's investment process, which involves acquiring companies below their intrinsic value after a thorough analysis of their fundamentals. Thus, over the course of 2023, the market has given us the opportunity to buy many of the businesses in which we had already invested successfully recently. Translating this into an academic analogy, after successfully passing a test, we must re-examine ourselves on the same subject matter. Similarly, many of the businesses that have been off our radar for years, as they were trading at too expensive prices, are coming back onto our radar. Thanks to the uncertainty of the "average investor" about the immediate future, it is possible for us to acquire companies at prices below their intrinsic value, keeping our focus on the long term.

Thus, the estimated upside potential of our strategies is currently at a very attractive point in time.

Taking it all into consideration, we conclude that patience, apart from being one of the most important virtues in life, gains even more importance when it comes to investing in the stock market. As Warren Buffett has stated us on countless occasions: "The stock market is a device for transferring money from the impatient to the patient. "

Regarding performance contribution of the master fund, Noble, Vallourec and Endeavour are the top performers. On the other hand, Fresnillo, Glencore and Petrofac have been the worst performers in this period.

The main positions at the end of the period of the master fund are Barrick Gold, Noble and Tullow Oil.

Throughout the year the main additions to the portfolio have been Petrofac, Vallourec, Whitehaven Coal and Catalana Occidente among others. On the other hand, Aurizon Holdings, Cameco and PPC Power have been completely sold among others.

The portfolio is the result of a selection of companies, most of which have good assets as well as strong balance sheets, and where there is "skin in the game", either because they are captained or supervised by an owner or because there is a healthy incentive system. This adds security to the main point which is their undervaluation. Most of them have been bought after suffering sharp market falls, and our analysis indicates that these were due to circumstantial, not structural, causes.

The sectorial weight as of the end of the year is mainly Materials (36.8%) and Energy (35.2%).

The main geographical exposure of the vehicle through companies' share prices is 28.7% to the US, 21.7% to the United Kingdom and 19.8% to Canada. It is important to clarify that, despite the listing country of these companies, in most cases their businesses have a global exposure.

Past performance is not an indicator of current or future returns.

Management report (continued)

The main currencies which the master fund is exposed to are the US Dollar 39%, the Pound Sterling 21.7%, and the Euro 19.5%.

The cash percentage at the end of the period is 1% of the sub-fund's assets.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

Management report (continued)

Azvalor Lux SICAV - ALTUM FAITH - CONSISTENT EQUITY

The net asset value of Azvalor Lux SICAV - AZVALOR ALTUM FAITH-CONSISTENT EQUITY increased by +9.9% for the class I to EUR 1,590.4 from December 31, 2022, to December 31, 2023. The sub-fund's assets amounted to EUR 26,809,092 at end of December.

The analysis is focused on providing a detailed assessment of the value of the companies that make up the portfolio. Stocks are picked up without considering the sector, currency or geographical area. Instead, in the specific case of Altum Faith-consistent Equity Fund, the resulting portfolio is determined taking into consideration two aspects at the same level: on the one hand, defining whether the security represents an investment opportunity. On the other hand, whether the underlying company complies with Altum's Investment Guidelines, based on Catholic principles. In any case long term investments are made by taking advantage of short-term distortions between price and value.

The investment philosophy of Azvalor Lux SICAV - AZVALOR ALTUM FAITH CONSISTENT EQUITY is to select undervalued companies taking advantage from stock price movements that do not correspond to a company's long-term fundamentals. Our analysis includes an in-depth study of the company assets and accounting, its products or services, business competitors, and both the means and the ends of the managers in charge of the company. The macroeconomic vision is secondary in this analysis as we understand that nobody has managed to predict it consistently over time. Therefore, it is our duty to remind investors that this vehicle is not suitable for those who consider that macroeconomic analysis is most relevant.

At year-end 2023, Azvalor Lux SICAV - AZVALOR ALTUM FAITH posted a +9.9% positive result.

Conversely, the main international equity indices ended 2023 with double-digit positive results, recovering the losses of 2022. To mention the two most representative, year-end 2023 return for the MSCI World TR - in euros - was +19.4%, bringing the total accumulated return for 2022 and 2023 to +4.3%; similarly, the S&P 500 TR - in euros - obtained a return of +22.3%, reaching a total accumulated return over the years 2022 and 2023 of +6.4%.

Currently, several uncertainties lie on the mind of the "average investor". To take into account the obvious ones, the "Western" world is involved in two open war fronts, one in Eastern Europe, between Russia and Ukraine, and the other in the Middle East, between Israel and Palestine, bringing "war" geopolitics back into the picture; the tension between the US and China is back in the headlines; the central banks' fight against inflation continues, with the most vertical rate hike program of the last 50 years; Europe, for its part, continues to show greater economic weakness than its peer on the other side of the Atlantic, the American economy, which, so far, has shown larger robustness.

Uncertainty is part of human life. In this regard, we recall the words of Ludwig von Mises: "Change and transformation are essential features of life. Each state of affairs is transient, each age is an age of transition. In human life there is never calm and repose. Life is a process, not a perseverance in a status quo. Yet the human mind has always been deluded by the image of an unchangeable existence." Ludwig von Mises, *The Anti-Capitalistic Mentality*. Taking a brief look at the markets of the last two decades, we can see how risks similar to those described above have been part of our work as investors. Again, and mentioning only a few: the world has suffered a multitude of terrorist attacks, such as 9/11 or 3/11; several wars in the Middle East; in 2008 started the second largest economic recession in history; the crisis of one of the world's major currencies, the Euro, over the past decade; Brexit in 2016; or more recently, the health crisis linked to the Covid-19 pandemic. It seems clear, then, that as investors (and as humans!) we must always face an uncertain future.

Past performance is not an indicator of current or future returns.

Management report (continued)

The stock market, trying to discount the future, reflects this uncertainty in its results, with positive and negative years. However, it is of greater interest to know that the distribution of equity returns reflects this uncertainty, in its nonlinear nature. In this regard, taking as a reference the last 150 years of results of the American stock market - the S&P 500 - we conclude that to generate a real compounded annual growth rate of 6% - 7%, the following historical data has been recorded (Source: VisualCapitalist/TradingView - 150 Years of S&P 500 Returns):

S&P 500 Annual Return	Number of Years	Share of Years
+40% to +50% or more	3	2.0%
+30% to +40%	9	5.4%
+20% to +30%	21	14.1%
+10% to +20%	33	22.1%
+0% to +10%	30	20.1%
-0% to -10%	25	16.8%
-10% to -20%	18	12.1%
-20% to -30%	7	4.7%
-30% to -40%	3	2.0%
-40% to -50% or more	1	0.7%

At the extremes, we find years with a higher than +50% rate of growth, as well as at least one -50% drop. Additionally, 36.3% of the years (since 1874!) have recorded negative results; and equally, only 20.1% of these years have closed the year between the 0% to +10% range, this return being the closest to the 6% to 7% real annualized return range over the very long term offered by this index. Finally, during the rest of the years, i.e. 43.6% of them, the return stands above double digits. So, investing in the S&P 500, we find that 36% of the time we suffer years of losses, 44% of the time we are happy with double-digit results, and only 20% of the time we find a return similar to that which we would obtain on a long-term annualized basis in the most representative index of the American stock market.

From these peaks and troughs, we can draw two conclusions: 1. the distribution of equity returns is nonlinear, 2. accepting this uncertainty, which is reflected in the "uncomfortable" distribution of returns, is essential in order to successfully invest in equities. Only by being aware of these two facts, and accepting their nature, can we invest in equities by conceiving volatility as an opportunity rather than as a risk factor to shy away from. On an emotional level, this volatility is the price to pay for stock market returns.

On this basis, uncertainty and volatility must always be conceived as investment opportunities. Thus, by focusing myopically on this uncertainty in the short term, the market offers us enormous investment opportunities that, in the long term and once this uncertainty has disappeared, are transformed into returns. By understanding this unchanging nature of the market, we can turn short-term volatility into a long-term opportunity; short-term discomfort thus becomes a long-term positive outcome.

It is therefore essential to take advantage of volatility as a source of opportunity, and to understand volatility as the source of our future profitability.

Past performance is not an indicator of current or future returns.

Management report (continued)

This approach is fully in line with Azvalor's investment process, which involves acquiring companies below their intrinsic value after a thorough analysis of their fundamentals. Thus, over the course of 2023, the market has given us the opportunity to buy many of the businesses in which we had already invested successfully recently. Translating this into an academic analogy, after successfully passing a test, we must re-examine ourselves on the same subject matter. Similarly, many of the businesses that have been off our radar for years, as they were trading at too expensive prices, are coming back onto our radar. Thanks to the uncertainty of the "average investor" about the immediate future, it is possible for us to acquire companies at prices below their intrinsic value, keeping our focus on the long term.

Thus, the estimated upside potential of our strategies is currently at a very attractive point in time.

Taking it all into consideration, we conclude that patience, apart from being one of the most important virtues in life, gains even more importance when it comes to investing in the stock market. As Warren Buffett has stated us on countless occasions: "The stock market is a device for transferring money from the impatient to the patient. "

As per the ethical guidelines of the fund based on Altum's investment advisory, we did not have to sell any position due to any unexpected incompliances of any of the holdings. However, during 2023, there were six companies that did not receive the approval from Altum Faithful Investing, among them: Bayer, British American Tobacco and Suzano. These companies are involved in activities or practices that enter in conflict with the Altum Investment Guidelines.

Regarding performance contribution, New Gold, Elecnor and Vicat have been the top performers. On the other hand, Petrofac, Geopark and Ama have been the worst performers in this period.

The main positions at the end of the period are Sprott Physical Silver Trust, Tullow Oil and Noble Corp 'A'.

Throughout the year, the main additions to the portfolio have been Sonaecom, LSL Property Services and Fresnillo among others. On the other hand, Aimia, Compañía de Minas Buenaventura and Loma Negra have been completely settled among others.

The portfolio is the result of a selection of companies, most of which have good assets as well as strong balance sheets, and where there is "skin in the game", either because they are captained or supervised by an owner or because there is a healthy incentive system. This adds security to the main point which is their undervaluation. Most of them have been bought after suffering sharp market falls, and our analysis indicates that these were due to circumstantial, not structural, causes.

Currently, a large part of the portfolio is invested in companies related to certain commodities. The sectorial weight at the end of the period is mainly Energy (33.5%) and Materials (30.1%).

The main geographical exposure of the vehicle through companies' share prices is 28.9% to the US, 27.1% to the United Kingdom and 9.6% to Spain. It is important to clarify that, despite the listing country of these companies, in most cases their businesses have a global exposure.

The main currencies which the vehicle is exposed to are the Euro 29.9% the US Dollar 28.9%, and the Pound Sterling 27.2%.

Past performance is not an indicator of current or future returns.

Management report (continued)

The cash percentage the end of June is 7.6% of the sub-fund's assets.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

Management report (continued)

Azvalor Lux SICAV - AZVALOR MANAGERS

The net asset value of Azvalor Lux SICAV - AZVALOR MANAGERS has increased by 15.5% for the class I, to EUR 15.8, from December 31, 2022, to December 31, 2023. The sub-fund's assets amounted to EUR 4,226,874 at the end of the period.

Azvalor Lux SICAV - AZVALOR MANAGERS is a feeder sub-fund and will as such at all times invest at least 98.7% of its assets in units of the Master Fund AZVALOR MANAGERS FI. The cash percentage at the end of the period is 1.3% of the sub-fund's assets.

The objective of the fund is to find the best investment opportunities worldwide through investment delegation to specialist Managers. These external managers are selected by Azvalor Asset Management's investment team, that applies an exhaustive, qualitative manager research process, looking for those that comply with a strict set of requirements:

- Independent and employee-owned investment boutique.
- "Skin in the game": managers that personally invest in the strategies they manage.
- Stable, vocational and hard-working investment team.
- Specialised in a particular strategy.
- Strong stewardship mindset towards investors' interests.
- Reasonable asset base and capacity conscious.
- Lengthy experience and excellent long-term track record.
- Investment process focused on fundamentally-driven stock selection, unconstrained relative to benchmark, long-term horizon through low turnover, and concentrated portfolios.
- Robust operational and compliance process.

Azvalor Managers FI is not a fund of funds, but a multimanager fund. Delegating the management through separate account agreements allows Azvalor to select any manager, anywhere in the world, while we avoid a double layer of management fees. Moreover, it makes portfolio management much more efficient and transparent.

The purpose of the fund is to build a long-only portfolio of global stocks, that represent the best ideas from a number of top-quality Managers, who take advantage of short- and mid-term distortions between price and value, to make long term investments. The sub-fund's investment objective is to achieve significant capital appreciation and is targeted at long-term oriented investors (recommended investment horizon is, at least, 7 years). The sub-fund does not invest in derivative instruments.

The Managers that are part of the sub-fund are:

- Donald Smith & Co.

Past performance is not an indicator of current or future returns.

Management report (continued)

- Moerus Capital Management.
- Goehring & Rozencwajg Associates.
- 3G Capital Management
- Southern Sun Asset Management

All the Managers invest their personal wealth in the strategies they manage, and Azvalor's partners and portfolio managers are as a group the largest investor in the fund. Hence, all interests are aligned.

As per the Master fund, the main portfolio holdings are Siriuspoint, Aimia y Sprott Physical Uranium.

Throughout the year the main additions to the portfolio have been Hudbay Minerals, International Petroleum and Cool Co among others. On the other hand, International Game Technology, Itau Corpbanca and Gold Fields have been completely sold among others.

At the end of the period of 2023, the geographical exposure of the vehicle is mainly USA (53.6%), Canada (11.5 %), United Kingdom (4.7%), and Hong Kong (3%). It is important to clarify that, despite the exchange listing location of these companies, in many cases their businesses are global, and the geographic breakdown is a result of bottom-up stock picking, and not a predefined top-down allocation decision. Likewise, the main sector exposures are materials (19.4%), energy (19%), financials (11.2%), and industrials (9.5%).

The currency risk exposure is 0-100% of the total portfolio. The main currencies which the vehicle is currently exposed to are the US Dollar 57.5%, the Euro 21.3% and the Canadian Dollar 9%.

Regarding performance contribution, M/I Homes, Greatview Aseptic Packaging and Eldorado Gold have been the top contributors from the end of December 2022 to December 2023. On the other hand, AMA Group, Pao Acucar and Cromwell Property have been the top detractors during this period.

The cash percentage at the end of December is 1.3% of the sub-fund's assets.

The investments underlying this sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

Azvalor Managers' performance reached +7.8% in the second half of the year, bringing its total return during 2023 to +15.5%. The cumulative return since inception is +51.6%.

Management report (continued)

The main highlight in 2023 was the addition of two new Managers - 3G Capital and SouthernSun Asset Management - selected from among hundreds of managers analysed by Azvalor's investment team. Both firms are independent management boutiques which have successfully applied a robust investment process for decades, with double-digit annualized returns and outperforming their indices by a significant margin. We believe they will add a lot of value to the fund and will contribute to generating good returns in the coming years. These additions, together with the exit of Mittleman Investment Management (firm with which we ceased our sub-delegation relationship during the year), bring up to five the number of Managers involved in the management of this fund as of the end of 2023.

Another development in the fund is a good number of companies in the portfolio that have been taken over during 2023. In total, 8 companies in Azvalor Managers have received a takeover bid by a third party during the year, across several countries and sectors: Copper Mountain Mining, PDC Energy, Pioneer Natural Resources, Almacenes Exito, Textainer Group, Tietto Minerals, DP Eurasia NV and Hawaiian Airlines. This makes a total of 18 companies that have been in this situation just in the last three years. We believe this is a natural consequence of the fund's underlying investment philosophy: invest in robust companies at very interesting prices, selected through deep fundamental research and a long-term investment horizon. As of December 31, 2023 the portfolio trades at a Price/Earnings Ratio of 8x, a Price/Book Ratio of 0.99 and a Free-Cash Flow Yield of 18% (a 65% discount relative to the market), which we believe leaves the funds in a good position to outperform the market in coming years.

The portfolio has almost zero overlap with market indices; i.e. active share relative to the market is around 99%. Approximately 70% of the portfolio is invested in Small-cap and micro-cap companies.

March 2024

Approved by the Board of Directors of the SICAV



Audit report

To the Shareholders of
Azvalor Lux SICAV

Our opinion

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

What we have audited

The Fund's financial statements comprise:

- the statement of net assets as at 31 December 2023;
- the statement of operations and changes in net assets for the year then ended;
- the statement of investments and other net assets as at 31 December 2023; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

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



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

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

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

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

Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements

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

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

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



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

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 26 April 2024

Bertrand Jaboulay

Statement of net assets as at December 31, 2023

	COMBINED	Azvalor Lux SICAV - AZVALOR INTERNATIONAL	Azvalor Lux SICAV - AZVALOR BLUE CHIPS
	EUR	EUR	EUR
ASSETS			
Investments in securities at acquisition cost (note 2.e)	337,069,873.89	301,864,345.67	6,362,294.40
Net unrealised gain/loss on investments	-7,475,866.44	-9,458,875.46	1,832,025.09
Investments in securities at market value (note 2.c)	329,594,007.45	292,405,470.21	8,194,319.49
Cash at banks (note 2.c)	15,601,390.68	13,427,626.59	79,344.98
Dividends receivable, net	649,956.16	634,229.87	0.00
	345,845,354.29	306,467,326.67	8,273,664.47
LIABILITIES			
Financial manager fees payable (note 4)	524,062.17	480,258.77	658.34
Taxe d'abonnement payable (note 3)	21,813.53	19,676.57	564.60
Other fees payable (note 8)	285,854.38	257,976.67	4,198.68
	831,730.08	757,912.01	5,421.62
TOTAL NET ASSETS AS AT DECEMBER 31, 2023	345,013,624.21	305,709,414.66	8,268,242.85
TOTAL NET ASSETS AS AT DECEMBER 31, 2022	311,356,152.60	279,362,855.91	4,312,842.60
TOTAL NET ASSETS AS AT DECEMBER 31, 2021	197,779,462.51	179,238,341.12	2,468,026.06

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

Azvalor Lux SICAV

Statement of net assets as at December 31, 2023 (continued)

Azvalor Lux SICAV - ALTUM FAITH - CONSISTENT EQUITY	Azvalor Lux SICAV - AZVALOR MANAGERS
EUR	EUR
25,345,889.39	3,497,344.43
-526,139.00	677,122.93
24,819,750.39	4,174,467.36
2,041,328.92	53,090.19
15,726.29	0.00
26,876,805.60	4,227,557.55
43,072.03	73.03
1,465.41	106.95
23,175.88	503.15
67,713.32	683.13
26,809,092.28	4,226,874.42
23,663,799.61	4,016,654.48
11,656,641.45	4,416,453.88

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

Statement of operations and changes in net assets for the year ended December 31, 2023

	COMBINED	Azvalor Lux SICAV - AZVALOR INTERNATIONAL	Azvalor Lux SICAV - AZVALOR BLUE CHIPS
	EUR	EUR	EUR
NET ASSETS AT THE BEGINNING OF THE YEAR	311,356,152.60	279,362,855.91	4,312,842.60
INCOME			
Dividends, net (note 2.g)	6,253,545.41	5,775,718.22	0.00
Interest on bonds, net (note 2.g)	792,192.28	688,191.96	0.00
	<u>7,045,737.69</u>	<u>6,463,910.18</u>	<u>0.00</u>
EXPENSES			
Amortisation of formation expenses (note 2.i)	749.67	0.00	0.00
Financial manager fees (note 4)	6,136,469.90	5,609,717.06	3,729.56
Depository fees, bank charges and interest (note 5)	132,931.91	119,633.59	2,251.67
Professional fees, audit fees and other expenses	514,319.58	439,840.71	17,893.37
Administration fees (note 6)	196,020.25	176,459.83	3,331.52
"Taxe d'abonnement" (note 3)	84,433.32	76,516.83	1,264.27
Transaction fees (note 2.h)	445,357.46	392,324.80	220.00
	<u>7,510,282.09</u>	<u>6,814,492.82</u>	<u>28,690.39</u>
NET INVESTMENT INCOME/LOSS	-464,544.40	-350,582.64	-28,690.39
Net realised gain on sales of investments (note 2.d)	28,032,053.19	24,258,210.34	97,192.82
Net realised gain/loss on foreign exchange	-8,022.95	-8,029.54	0.00
NET REALISED GAIN/LOSS	27,559,485.84	23,899,598.16	68,502.43
Change in net unrealised appreciation/depreciation:			
- on investments	1,214,992.53	1,486,839.15	478,372.17
INCREASE/DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS	28,774,478.37	25,386,437.31	546,874.60
Proceeds from subscriptions of shares	118,518,934.69	105,492,628.86	4,016,276.85
Cost of shares redeemed	-113,635,941.45	-104,532,507.42	-607,751.20
NET ASSETS AT THE END OF THE YEAR	345,013,624.21	305,709,414.66	8,268,242.85

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

Azvalor Lux SICAV

Statement of operations and changes in net assets for the year ended December 31, 2023 (continued)

Azvalor Lux SICAV - ALTUM FAITH - CONSISTENT EQUITY	Azvalor Lux SICAV - AZVALOR MANAGERS
EUR	EUR
23,663,799.61	4,016,654.48
477,827.19	0.00
104,000.32	0.00
581,827.51	0.00
749.67	0.00
522,035.54	987.74
11,020.96	25.69
51,232.47	5,353.03
16,228.90	0.00
6,264.70	387.52
52,642.66	170.00
660,174.90	6,923.98
-78,347.39	-6,923.98
3,509,433.91	167,216.12
6.59	0.00
3,431,093.11	160,292.14
-1,207,800.21	457,581.42
2,223,292.90	617,873.56
7,820,408.83	1,189,620.15
-6,898,409.06	-1,597,273.77
26,809,092.28	4,226,874.42

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

Azvalor Lux SICAV

Statistics

Sub-fund Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
		31.12.2023	31.12.2023	31.12.2022	31.12.2021
Azvalor Lux SICAV - AZVALOR INTERNATIONAL					
I	EUR	96,798.82	1,924.60	1,752.66	1,303.55
R	EUR	618,629.72	185.87	170.00	126.98
Z	EUR	216,588,385.23	0.0204	0.0185	0.0136
Azvalor Lux SICAV - AZVALOR BLUE CHIPS					
I	EUR	2,695.19	1,747.85	1,591.33	1,207.15
R	EUR	12,447.66	133.44	122.03	-
S	EUR	1,832,461.96	1.03	-	-
Azvalor Lux SICAV - ALTUM FAITH - CONSISTENT EQUITY					
I	EUR	11,924.31	1,590.34	1,447.72	1,016.86
R	EUR	50,556.80	155.18	141.88	100.10
Azvalor Lux SICAV - AZVALOR MANAGERS					
I	EUR	268,102.68	15.77	13.65	13.74

Azvalor Lux SICAV - AZVALOR INTERNATIONAL

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>ARGENTINA</i>				
CENTRAL PUERTO -ADR SPONS.-	USD	124,915.00	1,029,037.34	0.34
			1,029,037.34	0.34
<i>AUSTRALIA</i>				
AMA GROUP	AUD	16,143,779.00	698,048.64	0.23
WHITEHAVEN COAL	AUD	212,656.00	977,311.51	0.32
			1,675,360.15	0.55
<i>BELGIUM</i>				
DECEUNINCK	EUR	101,016.00	229,811.40	0.08
KINEPOLIS GROUP	EUR	3,878.00	173,346.60	0.06
			403,158.00	0.14
<i>BERMUDA</i>				
BORR DRILLING 'S'	NOK	1,223,443.00	8,196,569.44	2.68
GEO PARK	USD	352,846.00	2,737,418.33	0.90
PETRA DIAMONDS	GBP	6,694,945.00	5,408,316.37	1.77
			16,342,304.14	5.35
<i>BRAZIL</i>				
ELETROBRAS	BRL	151,846.00	1,200,686.98	0.39
ELETROBRAS -ADR SPONS.-	USD	449,216.00	3,505,400.40	1.15
SUZANO	BRL	1,133,299.00	11,749,164.33	3.84
			16,455,251.71	5.38
<i>CANADA</i>				
AGNICO EAGLE MINES	USD	96,046.00	4,769,041.09	1.56
BARRICK GOLD	USD	1,354,151.00	22,175,877.39	7.25
EPSILON ENERGY	USD	339,364.00	1,560,646.82	0.51
MANDALAY RESSOURCES	CAD	1,807,717.00	2,271,139.84	0.74
NEW GOLD INC	USD	8,752,821.00	11,568,473.42	3.78
PAN AMERICAN SILVER	USD	352,261.00	5,207,459.47	1.70
PRAIRIESKY ROYALTY	CAD	669,833.00	10,668,831.79	3.49
			58,221,469.82	19.03
<i>FRANCE</i>				
BIC	EUR	6,391.00	401,674.35	0.13
VALLOUREC	EUR	621,072.00	8,710,534.80	2.85
VICAT	EUR	61,140.00	2,008,449.00	0.66
			11,120,658.15	3.64
<i>IRELAND</i>				
C&C GROUP	GBP	22,304.00	39,278.44	0.01
			39,278.44	0.01

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

Azvalor Lux SICAV - AZVALOR INTERNATIONAL

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>JERSEY</i>				
GLENCORE	GBP	1,542,070.00	8,401,466.96	2.75
PETROFAC	GBP	8,359,944.00	3,608,211.66	1.18
			12,009,678.62	3.93
<i>LUXEMBOURG</i>				
TENARIS	EUR	245,149.00	3,859,871.01	1.26
			3,859,871.01	1.26
<i>MEXICO</i>				
FRESNILLO	GBP	543,644.00	3,729,155.00	1.22
			3,729,155.00	1.22
<i>NETHERLANDS</i>				
KONINKLIJKE VOPAK	EUR	1,789.00	54,457.16	0.02
			54,457.16	0.02
<i>PERU</i>				
MINAS BUENAVENTURA ADR -SPONS.-	USD	46,160.00	636,833.52	0.21
			636,833.52	0.21
<i>POLAND</i>				
EUROCASH	PLN	695,339.00	2,665,295.22	0.87
			2,665,295.22	0.87
<i>PORTUGAL</i>				
SONAECOM SGPS	EUR	1,780,494.00	4,985,383.20	1.63
			4,985,383.20	1.63
<i>SPAIN</i>				
ELECNOR	EUR	9,007.00	176,086.85	0.06
GRIFOLS PFD 'B'	EUR	328,058.00	3,461,011.90	1.13
GRUPO CATALANA OCCIDENTE	EUR	117,687.00	3,636,528.30	1.19
LINEA DIRECTA ASEGURADORA	EUR	1,669,500.00	1,420,744.50	0.46
MIQUEL Y COSTAS Y MIQUEL	EUR	104,008.00	1,225,214.24	0.40
PROSEGUR CASH	EUR	5,722,079.00	3,072,756.42	1.01
TECNICAS REUNIDAS	EUR	1,148,622.00	9,590,993.70	3.14
			22,583,335.91	7.39
<i>UNITED KINGDOM</i>				
ANGLO AMERICAN	GBP	146,000.00	3,320,231.53	1.09
ASHMORE GROUP	GBP	1,486,634.00	3,822,401.32	1.25
BRITISH AMERICAN TOBACCO	GBP	287,880.00	7,626,158.48	2.49
CAPITA GROUP	GBP	1,660,000.00	421,451.69	0.14
ENDEAVOUR MINING	CAD	709,718.00	14,505,309.44	4.74
FERREXPO	GBP	608,110.00	633,353.82	0.21
FORTERRA	GBP	793,816.00	1,619,642.43	0.53
FOXTONS GROUP	GBP	3,645,398.00	1,935,173.10	0.63
FULLER SMITH & TURNER 'A'	GBP	192,884.00	1,451,312.16	0.47

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

Azvalor Lux SICAV - AZVALOR INTERNATIONAL

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

Description	Currency	Quantity/Nominal	Market value (note 2)	% of net assets
GSK	GBP	47,029.00	787,065.15	0.26
HORIZONTE MINERALS	GBP	1,019,093.00	129,367.01	0.04
IBSTOCK	GBP	504,462.00	881,978.76	0.29
IMPERIAL TOBACCO GROUP	GBP	207,845.00	4,333,058.80	1.42
JUPITER FUND MANAGEMENT	GBP	115,342.00	124,322.98	0.04
LSL PROPERTY SERVICES	GBP	650,539.00	1,936,912.84	0.63
MOBICO GROUP	GBP	1,627,894.00	1,589,327.94	0.52
NOBLE CORP 'A'	USD	337,932.00	14,732,991.80	4.82
SIG	GBP	15,451,817.00	5,955,840.49	1.95
TULLOW OIL	GBP	34,557,874.00	15,521,614.16	5.08
VISTRY GROUP	GBP	2,366.00	25,051.74	0.01
WETHERSPOON (JD)	GBP	465,683.00	4,355,724.86	1.42
			85,708,290.50	28.03
<i>UNITED STATES</i>				
ARCH COAL 'A'	USD	88,888.00	13,352,708.57	4.37
NATIONAL OILWELL VARCO	USD	783,084.00	14,376,443.15	4.70
			27,729,151.72	9.07
TOTAL I.			269,247,969.61	88.07
II. MONEY MARKET INSTRUMENTS				
<i>GERMANY</i>				
TBI GERMANY 20/03/24 -SR-	EUR	4,500,000.00	4,465,996.65	1.46
TBI GERMANY 21/02/24 -SR-	EUR	7,000,000.00	6,965,760.20	2.28
			11,431,756.85	3.74
TOTAL II.			11,431,756.85	3.74
III. UNITS OF INVESTMENT FUNDS				
<i>CANADA</i>				
SPROTT PHYSICAL SILVER TRUST	USD	565,258.00	4,134,597.41	1.35
			4,134,597.41	1.35
<i>SPAIN</i>				
AZVALOR VALUE SELECTION EUR	EUR	85,847.00	6,136,573.63	2.01
			6,136,573.63	2.01
<i>UNITED KINGDOM</i>				
ABERFORTH SMALLER COMPANIES TRUST	GBP	91,468.00	1,454,572.71	0.48
			1,454,572.71	0.48
TOTAL III.			11,725,743.75	3.84

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

Azvalor Lux SICAV - AZVALOR INTERNATIONAL

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

Description	Market value (note 2)	% of net assets
TOTAL INVESTMENTS	292,405,470.21	95.65
CASH AT BANKS	13,427,626.59	4.39
OTHER NET LIABILITIES	-123,682.14	-0.04
TOTAL NET ASSETS	305,709,414.66	100.00

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

Azvalor Lux SICAV - AZVALOR INTERNATIONAL

Geographical and industrial classification of investments as at December 31, 2023

Geographical classification

(in % of net assets)	
United Kingdom	28.51
Canada	20.38
Spain	9.40
United States	9.07
Brazil	5.38
Bermuda	5.35
Jersey	3.93
Germany	3.74
France	3.64
Portugal	1.63
Luxembourg	1.26
Mexico	1.22
Poland	0.87
Australia	0.55
Argentina	0.34
Peru	0.21
Belgium	0.14
Netherlands	0.02
Ireland	0.01
	95.65

Industrial classification

(in % of net assets)	
Precious metals and stones	18.45
Oil	14.60
Mining and steelworks	14.21
Construction of machines and appliances	8.90
Paper and forest products	4.24
Tobacco and alcohol	3.92
Units of investment funds	3.84
Metals and minings	3.84
Money market instruments	3.74
Construction and building materials	2.99
Oil and gas	2.59
Gastronomy	1.95
Public utilities	1.88
Insurance	1.65
Internet, software and IT services	1.63
Transport and freight	1.55
Holding and finance companies	1.29
Biotechnology	1.13
Retail and supermarkets	0.87
Utilities	0.67
Real Estate Shares	0.63
Miscellaneous	0.63
Pharmaceuticals and cosmetics	0.26
Miscellaneous consumer goods	0.13
Electronics and electrical equipment	0.06
	95.65

Azvalor Lux SICAV - AZVALOR BLUE CHIPS

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
UNITS OF INVESTMENT FUNDS				
<i>SPAIN</i>				
AZVALOR BLUE CHIPS EUR -ACC.-	EUR	42,431.03	8,194,319.49	99.11
			<u>8,194,319.49</u>	<u>99.11</u>
TOTAL INVESTMENTS			8,194,319.49	99.11
CASH AT BANKS			79,344.98	0.96
OTHER NET LIABILITIES			-5,421.62	-0.07
TOTAL NET ASSETS			8,268,242.85	100.00

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

Azvalor Lux SICAV - AZVALOR BLUE CHIPS

Geographical and industrial classification of investments as at December 31, 2023

Geographical classification

(in % of net assets)

Spain	99.11
	99.11

Industrial classification

(in % of net assets)

Units of investment funds	99.11
	99.11

Azvalor Lux SICAV - ALTUM FAITH - CONSISTENT EQUITY

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>AUSTRALIA</i>				
AMA GROUP	AUD	13,507,786.00	584,069.66	2.18
WHITEHAVEN COAL	AUD	37,997.00	174,624.30	0.65
			758,693.96	2.83
<i>BERMUDA</i>				
BORR DRILLING 'S'	NOK	56,533.00	381,100.83	1.42
GEPARK	USD	94,489.00	733,056.12	2.73
			1,114,156.95	4.15
<i>CANADA</i>				
MANDALAY RESSOURCES	CAD	325,801.00	409,322.71	1.53
NEW GOLD INC	USD	700,596.00	925,967.32	3.45
PAN AMERICAN SILVER	USD	46,159.00	682,882.04	2.55
PRAIRIESKY ROYALTY	CAD	78,204.00	1,245,602.00	4.65
			3,263,774.07	12.18
<i>FRANCE</i>				
BONDUELLE	EUR	10,741.00	117,506.54	0.44
VALLOUREC	EUR	53,044.00	743,942.10	2.77
VICAT	EUR	25,898.00	850,749.30	3.17
			1,712,197.94	6.38
<i>GUERNSEY</i>				
BUSHVELD MINERALS	GBP	415,000.00	10,057.37	0.04
			10,057.37	0.04
<i>ITALY</i>				
EQUITA GROUP	EUR	60,241.00	221,686.88	0.83
MARR	EUR	26,076.00	299,352.48	1.12
			521,039.36	1.95
<i>JERSEY</i>				
PETROFAC	GBP	1,896,269.00	818,443.28	3.05
			818,443.28	3.05
<i>MEXICO</i>				
FRESNILLO	GBP	74,200.00	508,978.86	1.90
			508,978.86	1.90
<i>NORWAY</i>				
TGS ASA	NOK	21,605.00	254,595.66	0.95
			254,595.66	0.95

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

Azvalor Lux SICAV - ALTUM FAITH - CONSISTENT EQUITY

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>POLAND</i>				
EUROCASH	PLN	80,572.00	308,839.58	1.15
			308,839.58	1.15
<i>PORTUGAL</i>				
SONAECOM SGPS	EUR	437,512.00	1,225,033.60	4.57
			1,225,033.60	4.57
<i>SOUTH AFRICA</i>				
ANGLO AMERICAN PLATINUM	ZAR	7,364.00	351,407.98	1.31
ANGLO AMERICAN PLATINUM	USD	67,736.00	533,597.49	1.99
			885,005.47	3.30
<i>SPAIN</i>				
ELECNOR	EUR	46,680.00	912,594.00	3.40
MIQUEL Y COSTAS Y MIQUEL	EUR	15,687.00	184,792.86	0.69
PROSEGUR CASH	EUR	697,699.00	374,664.36	1.40
TECNICAS REUNIDAS	EUR	76,514.00	638,891.90	2.38
TUBACEX	EUR	131,844.00	461,454.00	1.72
			2,572,397.12	9.59
<i>UNITED KINGDOM</i>				
ASHMORE GROUP	GBP	209,012.00	537,407.16	2.00
FORTERRA	GBP	270,065.00	551,020.30	2.06
FOXTONS GROUP	GBP	1,447,572.00	768,448.98	2.87
FULLER SMITH & TURNER 'A'	GBP	79,231.00	596,155.79	2.22
HORIZONTE MINERALS	GBP	261,004.00	33,132.70	0.12
IBSTOCK	GBP	88,641.00	154,975.96	0.58
LSL PROPERTY SERVICES	GBP	197,534.00	588,137.13	2.19
NOBLE CORP 'A'	USD	32,575.00	1,420,188.70	5.30
SIG	GBP	3,127,656.00	1,205,542.38	4.50
TULLOW OIL	GBP	3,352,657.00	1,505,840.56	5.62
VISTRY GROUP	GBP	1,564.00	16,559.98	0.06
			7,377,409.64	27.52
<i>UNITED STATES</i>				
ARCH COAL 'A'	USD	4,576.00	687,404.31	2.56
NATIONAL OILWELL VARCO	USD	58,098.00	1,066,606.64	3.98
			1,754,010.95	6.54
TOTAL I.			23,084,633.81	86.10
II. UNITS OF INVESTMENT FUNDS				
<i>CANADA</i>				
SPROTT PHYSICAL SILVER TRUST	USD	237,215.00	1,735,116.58	6.48
			1,735,116.58	6.48
TOTAL II.			1,735,116.58	6.48

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

Azvalor Lux SICAV - ALTUM FAITH - CONSISTENT EQUITY

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

Description	Market value (note 2)	% of net assets
TOTAL INVESTMENTS	24,819,750.39	92.58
CASH AT BANKS	2,041,328.92	7.61
OTHER NET LIABILITIES	-51,987.03	-0.19
TOTAL NET ASSETS	26,809,092.28	100.00

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

Azvalor Lux SICAV - ALTUM FAITH - CONSISTENT EQUITY

Geographical and industrial classification of investments as at December 31, 2023

Geographical classification

(in % of net assets)	
United Kingdom	27.52
Canada	18.66
Spain	9.59
United States	6.54
France	6.38
Portugal	4.57
Bermuda	4.15
South Africa	3.30
Jersey	3.05
Australia	2.83
Italy	1.95
Mexico	1.90
Poland	1.15
Norway	0.95
Guernsey	0.04
	92.58

Industrial classification

(in % of net assets)	
Oil	15.85
Mining and steelworks	14.68
Construction of machines and appliances	8.75
Construction and building materials	8.31
Precious metals and stones	7.75
Units of investment funds	6.48
Oil and gas	5.78
Internet, software and IT services	4.57
Electronics and electrical equipment	3.40
Holding and finance companies	2.87
Miscellaneous	2.87
Gastronomy	2.22
Real Estate Shares	2.19
Utilities	2.06
Food and soft drinks	1.56
Transport and freight	1.40
Retail and supermarkets	1.15
Paper and forest products	0.69
	92.58

Azvalor Lux SICAV - AZVALOR MANAGERS

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
UNITS OF INVESTMENT FUNDS				
<i>SPAIN</i>				
AZVALOR MANAGERS EUR -ACC.-	EUR	27,463.32	4,174,467.36	98.76
			<hr/>	<hr/>
			4,174,467.36	98.76
TOTAL INVESTMENTS			4,174,467.36	98.76
CASH AT BANKS			53,090.19	1.26
OTHER NET LIABILITIES			-683.13	-0.02
TOTAL NET ASSETS			4,226,874.42	100.00

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

Azvalor Lux SICAV - AZVALOR MANAGERS

Geographical and industrial classification of investments as at December 31, 2023

Geographical classification

<hr/>	
(in % of net assets)	
Spain	<hr/>
	98.76
	<hr/>
	98.76

Industrial classification

<hr/>	
(in % of net assets)	
Units of investment funds	<hr/>
	98.76
	<hr/>
	98.76

Notes to the financial statements as at December 31, 2023

NOTE 1

GENERAL

Azvalor Lux SICAV (the "SICAV") was incorporated in Luxembourg as a public limited company in accordance with the terms of the law of August 10, 1915 on commercial companies, as amended. The SICAV has the status of Investment Company with Variable Capital (SICAV) in accordance with part I of the law of December 17, 2010 regarding collective investment undertakings, as amended (the "2010 Law").

The SICAV is registered with the Luxembourg trade and companies register under number B202496.

The SICAV was incorporated on December 9, 2015 for an indefinite period.

The SICAV may be dissolved at any time by decision of the general meeting of shareholders voting as for amendments to the SICAV's Articles of Association.

Waystone Management Company (Lux) S.A., with registered office at 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg was appointed Management Company of the SICAV since the incorporation of the SICAV. It is a Management Company within the meaning of chapter 15 of the 2010 Law.

Azvalor Lux SICAV - AZVALOR BLUE CHIPS is a feeder sub-fund pursuant to article 77(1) of the 2010 Law ("Feeder UCITS") and invests as such at all times at least 85% of its assets in units of the Master Fund (AZVALOR BLUE CHIPS, FI) which qualifies as a "master UCITS" within the meaning of Directive 2009/65/EC.

As of December 31, 2023, Azvalor Lux SICAV - AZVALOR BLUE CHIPS invests EUR 8,194,319.49 in the Master UCITS.

Azvalor Lux SICAV - AZVALOR MANAGERS is a feeder sub-fund pursuant to article 77(1) of the 2010 Law ("Feeder UCITS") and invests as such at all times at least 85% of its assets in units of the Master Fund (AZVALOR MANAGERS, FI) which qualifies as a "master UCITS" within the meaning of Directive 2009/65/EC.

As of December 31, 2023, Azvalor Lux SICAV - AZVALOR MANAGERS invests EUR 4,174,467.36 in the Master UCITS.

a) Sub-funds in activity

As at December 31, 2023, the SICAV includes the following sub-funds:

- Azvalor Lux SICAV - AZVALOR INTERNATIONAL;
- Azvalor Lux SICAV - AZVALOR BLUE CHIPS;
- Azvalor Lux SICAV - ALTUM FAITH - CONSISTENT EQUITY;
- Azvalor Lux SICAV - AZVALOR MANAGERS.

b) Significant events and material changes

A new prospectus came into force in October 2023.

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

c) Shares classes

The detail of Share classes issued by the sub-funds is available in the Prospectus.

d) Master feeder structure

Azvalor Lux SICAV - AZVALOR BLUE CHIPS

Azvalor Lux SICAV - AZVALOR BLUE CHIPS sub-fund acts as Feeder Fund for Azvalor Blue Chips (The "Master Fund") and invests at least 85 % of its assets in Class I EUR shares in the Master Fund.

As at December 31, 2023, the percentage of ownership share of the Master Fund is 99.11%.

As at December 31, 2023, the annualised total expense ratios of the sub-fund Azvalor Lux SICAV - AZVALOR BLUE CHIPS are as follows:

Class	Annualised TER including performance fees	Annualised TER excluding performance fees	Synthetic TER
I	0.45	0.45	2.35
R	0.86	0.86	2.75
S	0.38	0.38	2.27

The total expense ratio (including performance fees) of the share class I EUR of the Master Fund is 1.90%.

Azvalor Lux SICAV - AZVALOR MANAGERS

Azvalor Lux SICAV - AZVALOR MANAGERS sub-fund acts as Feeder Fund for Azvalor Managers (The "Master Fund") and invests at least 85% of its assets in Class I EUR shares in the Master Fund.

As at December 31, 2023, the percentage of ownership share of the Master Fund is 98.76%.

As at December 31, 2023, the annualised total expense ratios of the sub-fund Azvalor Lux SICAV - AZVALOR MANAGERS are as follows:

Class	Annualised TER including performance fees	Annualised TER excluding performance fees	Synthetic TER
I	0.17	0.17	2.47

The total expense ratio (including performance fees) of the share class I EUR of the Master Fund is 2.30%.

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

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Preparation and presentation of financial statements

The financial statements are prepared in accordance with generally accepted accounting principles and presented in accordance with the legal reporting requirements applicable in Luxembourg relating to undertakings for collective investment.

The reference currency of the SICAV is the Euro (EUR).

b) Combined financial statements of the SICAV

The combined financial statements of the SICAV are expressed in EUR and are equal to the sum of the corresponding items in the financial statements of the sub-fund, converted into EUR at the exchange rates prevailing at the end of the closing date.

c) Valuation of assets

The assets of the SICAV are valued in accordance with the following principles:

1) the value of cash on hand or on deposit, bills and demand notes and accounts payable, prepaid expenses and dividends and interest announced or due but not yet received, are constituted by the nominal value of these assets, unless it is unlikely that this value can be received; in the latter case, the value is determined by reducing such amount to that which the SICAV considers appropriate for reflecting the true value of these assets.

2) the value of the assets admitted to official listing or any other regulated market, recognised and open to the public, is based on the most representative market prices and/or past operations on these markets by the managers or other market players. It may be the last known price or the price at any other time on the markets deemed most representative by the Board of Directors of the SICAV, taking into account liquidity criteria and past operations in the markets concerned. It may be the last known price or the price at any other time on the markets deemed most representative by the Board of Directors of the SICAV, taking into account liquidity criteria and past operations in the markets concerned. If the Board of Directors of the SICAV believes that the market price is not representative of the value of an asset, the valuation is based on the probable realisation value that the Board of Directors of the SICAV estimates prudently and in good faith.

3) assets unlisted or not traded on a stock market or any other regulated market, operating regularly, recognised and open to the public, are valued based on their probable realisable value, estimated prudently and in good faith.

4) units/shares of open-ended CIUs, or UCITS are valued based on the last known net asset values ("NAV"), or, if the price determined is not representative of the real value of these assets, the price is determined by the Board of Directors of the SICAV in a just and equitable manner. Units/shares of type closed-end CIUs are valued based on their last market value;

5) cash and money market instruments may be valued at their nominal value plus accrued interest or on the basis of straight-line depreciation. All other assets may be valued, to the extent possible, in the same manner.

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

6) all other assets are valued by the Board of Directors of the SICAV on the basis of their probable realisation value, which must be estimated in good faith and according to generally accepted principles and procedures.

The Board of Directors of the SICAV, at its sole discretion, may allow the use of any other generally accepted valuation method if it considers that such valuation better reflects the probable realisable value of an asset held by the SICAV.

d) Net realised gain/loss on sales of investments

The net realised gain/loss on sales of investments is calculated on the basis of the weighted average cost of the investments sold.

e) Acquisition cost of investment securities in the portfolio

The cost of investment securities denominated in currencies other than the base currency of the different sub-funds is converted into the base currency of the sub-fund at the exchange rate prevailing on the acquisition date.

f) Forward foreign exchange contracts

The unrealised gains or losses resulting from outstanding forward foreign exchange contracts, if any, are determined on the basis of the forward rates applicable at the end of the year and are recorded in the statement of net assets.

g) Income

Dividends are shown net of withholding tax (deducted at source), and are recorded at ex-date. Interest is recorded on an accrual basis.

h) Transaction fees

The transaction fees represent the costs incurred by the SICAV in connection with purchases and sales of investments. They include brokerage fees as well as bank commissions, tax, depositary fees and other transaction fees, and are included in the statement of operations and change in net assets.

In relation to transactions related both to capital activity (subscriptions and redemptions) and for the purchase or sale of securities on markets where delivery of securities is made against payment of cash, the Depositary may, in its absolute discretion, provide actual settlement. The Depositary reserves the right to reverse at any time any transaction if the relevant transaction has not been settled or if it appears that such transaction are not settled. The transactions are booked in accounting based on an automated feed from the depositary system. Consequently no payable or receivable are booked on these transactions.

i) Formation expenses

Formation expenses are amortised over a maximum period of five years.

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

j) Conversion of foreign currencies for the sub-fund

Cash at banks, other net assets and the market value of the investment portfolio expressed in currencies other than the base currency of the respective sub-fund are converted into the base currency of the sub-fund at the exchange rate prevailing at the closing date.

Income and expenses expressed in currencies other than the base currency of the respective sub-fund are converted into the base currency of the sub-fund at the exchange rate applicable on the transaction date.

Resulting net realised gain/loss on foreign exchange is recorded in the statement of operations and changes in net assets.

The following exchange rates were used to establish the combined financial statements of the SICAV into EUR as at December 31, 2023:

1	EUR	1.45659112	CAD
1	EUR	0.86652873	GBP
1	EUR	1,422.66989028	KRW
1	EUR	5.36594958	BRL
1	EUR	1.10465039	USD

k) Payable and receivable

In relation to transactions related both to capital activity (subscriptions and redemptions) and for the purchase or sale of securities on markets where delivery of securities is made against payment of cash, the Depositary may, in its absolute discretion, provide actual settlement. The Depositary reserves the right to reverse at any time any transaction if the relevant transaction has not been settled or if it appears that such transaction are not settled. The transactions are booked in accounting based on an automated feed from the depositary system.

Consequently no payable or receivable are booked on these transactions.

NOTE 3

TAXATION OF THE SICAV

The SICAV is subject to an annual subscription tax ("*Taxe d'Abonnement*") in Luxembourg representing 0.05% of the NAV. This tax is limited to 0.01% of the NAV for sub-funds and for the categories or sub-categories reserved to institutional investors, as defined in the guidelines or recommendations issued periodically by the Luxembourg supervisory authority. The share of assets of the SICAV invested in other collective investment undertakings ("CIUs") already subject to the aforementioned subscription tax are exempt from this tax.

In the cases where it applies, the subscription tax must be paid quarterly on the basis of the net assets affected and is calculated at the end of the quarter to which the tax relates.

Azvalor Lux SICAV

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

NOTE 4 FINANCIAL MANAGER FEES

The Financial Manager is entitled to a financial manager fee based on the average NAV of the classes, payable monthly in arrears at the following annual rate as at December 31, 2023:

Sub-fund	Share class	Effective rate	Fee (max.) p.a.
Azvalor Lux SICAV - AZVALOR INTERNATIONAL	I	1.80%	1.80%
	R	2.20%	2.20%
	Z	1.00%	1.00%
Azvalor Lux SICAV - AZVALOR BLUE CHIPS	I	1.80%	1.80%
	R	1.80%	2.20%
	S	1.20%	1.20%
Azvalor Lux SICAV - ALTUM FAITH - CONSISTENT EQUITY	I	1.80%	1.80%
	R	2.20%	2.20%
Azvalor Lux SICAV - AZVALOR MANAGERS	I	2.25%	2.25%

NOTE 5 DEPOSITARY FEES, BANK CHARGES AND INTEREST

In consideration for its services, the Depositary Bank is entitled to payment by the SICAV of a maximum commission of 0.04% per annum, with a minimum of EUR 24,000 per year, based on the monthly average net assets of the sub-fund. The transaction costs for the portfolio are charged separately.

NOTE 6 ADMINISTRATION FEES

In consideration for its services as Administrative Agent, Transfer Agent, Registrar and Domiciliary Agent, FundPartner Solutions (Europe) is entitled to payment by the SICAV of a maximum commission of 0.06% per annum, with a minimum of EUR 36,000 per year, based on the monthly average net assets of the sub-fund. The transaction costs related to the subscription and redemption of shares are included.

NOTE 7 MANAGEMENT COMPANY FEES

The SICAV pays to the Management Company a fee out of the assets of the SICAV for the execution of its duties as the SICAV's designated management company under the management company services agreement.

The Management Company is entitled to a variable remuneration based on the total net assets of the SICAV, calculated at a maximum rate of 0.04% per annum subject to a minimum fixed fee of EUR 30,000 per annum. These fees are calculated on a quarterly basis on the average net asset value at the end of the last month of the preceding quarter and paid quarterly in arrears.

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

The amount is included in the statement of operations and changes in net assets in the caption "Professional fees, audit fees and other expenses".

NOTE 8

OTHER FEES PAYABLE

As at December 31, 2023, the other fees payable include mainly research, administration, audit, depositary, management company and domiciliation fees.

NOTE 9

SUBSEQUENT EVENT

No significant event occurred after the year-end.

Other information to Shareholders (unaudited appendix)

1. Remuneration Policy of the Management Company

Waystone Management Company (Lux) S.A. (Henceforth, "Waystone", "WMC Lux", or the "Company") has adopted a remuneration policy in accordance with the applicable regulatory framework, particularly:

- The ESMA Guidelines on sound remuneration policies under the UCITS Directive of 14 October 2016 (ESMA/2016/575) and the ESMA Guidelines on sound remuneration policies under the AIFMD (ESMA/2013/232, as amended by ESMA/2016/579),
- The Law of 17 December 2010 relating to undertakings for collective investment,
- The Law of 12 July 2013 on alternative investment fund managers, and
- The CSSF Circular 18/698 of 23 August 2018 on the Authorization and organization of investment fund managers incorporated under Luxembourg law.

Through its remuneration policy, and as prescribed by the Sustainable Finance Disclosure Regulation [Regulation (EU) 2019/2088 of 27 November 2019 or the "SFDR"], the Company ensures that the structure of its remuneration does not encourage excessive risk taking with respect to sustainability risks when performing its activities as AIFM/Management Company, while it promotes sound and effective risk management with respect to sustainability risks.

Details of Waystone's remuneration policy, including the persons in charge of determining the fixed and variable remunerations of staff, a description of the key remuneration elements, and an overview of how remuneration is determined, is available under <https://www.waystone.com/waystone-policies/>.

With respect to the financial year ended 31 December 2023 (when, as of that date, WMC Lux had a headcount of 83 employees), the total fixed and variable remuneration paid by the Company to its employees amounted to EUR 8,084,973 and EUR 714,783 respectively.

The total remuneration paid by the Company to senior management and members of its identified staff whose actions have a material impact on the risk profile of the collective investment schemes managed amounted to EUR 3,872,522

The Company's remuneration committee has reviewed the implementation of the remuneration policy and has not identified any deficiency in that respect. Moreover, the current version of the remuneration policy was updated and approved by the Board of directors in the financial year ended 31 December 2023, being the current version dated of November 2023.

The remuneration policy was reviewed and approved by the Board of Directors on 29 November 2023.

2. Securities Financing Transactions Regulation ("SFTR")

As at December 31, 2023, the SICAV is in the scope of the requirements of the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse. Nevertheless, no corresponding transactions were carried out during the year referring to the financial statements.

Other information to Shareholders (unaudited appendix) (continued)

3. Sustainable Finance Disclosure Regulation ("SFDR")

Within the meaning of SFDR (regulation EU 2019/2088 of November 27, 2019 on sustainability-related disclosures in the financial services sector), the sub-funds do not promote environmental and/or social characteristics nor have a sustainable investment as its objective.

For the purpose of the "taxonomy" regulation (regulation EU 2020/852 of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending the EU regulation 2019/2088), the investments underlying the sub-funds do not take into account the EU criteria for environmentally sustainable economic activities.

4. Information on risk measurement

The sub-funds' global risk exposure is monitored by using the Commitment approach. In that respect, financial derivatives instruments are converted into their equivalent position in the underlying asset. The global risk exposure shall not exceed the sub-fund's NAV. The sub-funds are not allowed to use derivatives, "SFT" or "securities financing transaction", asset backed securities (ABS, MBS, etc.) nor the use of financial techniques and instruments focused on transferable securities and money market instruments. Should the sub-fund decide to invest in such assets, the current Prospectus will be updated.

