

Ethna SICAV R.C.S. B 212494

Annual report including audited financial statements
as of 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-155427



ETHENEIA

Content

	Page
Fund Management Report	3
Consolidated Annual Report of Ethna SICAV	7
Geographical breakdown by country and economic breakdown of the Ethna SICAV - AKTIV A sub-fund	9
Composition of net fund assets of the Ethna SICAV - AKTIV A sub-fund	10
Statement of operations of the Ethna SICAV - AKTIV A sub-fund	12
Statement of net assets of the Ethna SICAV - AKTIV A sub-fund as of 31 December 2022	13
Geographical breakdown by country and economic breakdown of the Ethna SICAV - DEFENSIV A sub-fund	15
Composition of net fund assets of the Ethna SICAV - DEFENSIV A sub-fund	16
Statement of operations of the Ethna SICAV - DEFENSIV A sub-fund	18
Statement of net assets of the Ethna SICAV - DEFENSIV A sub-fund as of 31 December 2022	19

2		Page
	Geographical breakdown by country and economic breakdown of the Ethna SICAV - DYNAMISCH A sub-fund	21
	Composition of net fund assets of the Ethna SICAV - DYNAMISCH A sub-fund	22
	Statement of operations of the Ethna SICAV - DYNAMISCH A sub-fund	24
	Statement of net assets of the Ethna SICAV - DYNAMISCH A sub-fund as of 31 December 2022	25
	Notes to the Annual Report as of 31 December 2022	27
	Report of the Réviseur d'Entreprises agréé	36
	Annex according to the Disclosure and Taxonomy Regulation (unaudited)	39
	Administration, distribution and advisory	73

The Sales Prospectus with integrated Articles of Association, the Key Information Document and the fund's annual and semi-annual reports are available free of charge by post, fax or e-mail from the registered office of the investment company, or from the depositary, paying agents and the distributor in the respective countries of distribution. Additional information may be obtained from the investment 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.

The information and figures contained in this report relate to past performance only and give no indication of future performance.

Fund Management Report

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

Dear investors,

After the post-pandemic “Great Recovery” in 2021, 2022 was another difficult year for humankind and for the global economy. The year was shaped by the Russian invasion of Ukraine, the renewed rise in Covid-19 infection rates, especially in China, the explosion of inflation to levels not seen for decades, and much slower global growth. Central banks aggressively tightened policy to curb inflation. Consequently, global stock markets lost about one fifth of their value in 2022. This was the worst performance since the global financial crisis in 2008. Bond markets also suffered heavy losses in 2022: Government and corporate bond indices fell by about 16% over the course of the year. The total accumulated equity and bond market losses are estimated at more than USD 30 trillion, which is greater than the losses incurred during the global financial crisis.

3

The expectations for 2022 were thoroughly optimistic. Solid growth and declining inflation were expected. Central banks were hoping that the high level of inflation would subside as soon as the pandemic-related supply bottlenecks had eased.

However, the global economy was hit by two major shocks. The Russian invasion of Ukraine sent shockwaves around the world and brought immeasurable suffering to the Ukrainian people. The war and the sanctions imposed by the US and Europe drastically increased energy and commodity prices, exacerbating price pressures that drove inflation to record levels.

New outbreaks of Covid in China combined with China’s zero-Covid policy produced a massive negative supply shock to the global economy, slowing growth and creating further inflationary pressures. As inflation rose to its highest level in decades and price pressures mounted, central banks around the world opted to accelerate the tightening of monetary policy in an effort to constrain aggregate demand, bring down inflation and keep long-term inflation expectations low.

The economic outlook was impacted by high inflation, tighter central bank policies and high levels of uncertainty. Global economic activity witnessed a synchronous slowdown, with price pressures spreading from headline to core inflation. In the closing months of the year, as the first indications emerged that headline inflation may have peaked in many parts of the world, central banks around the globe began to reduce the pace of their tightening. However, inflation has spread, and the danger is that with further increases in wages, rents and service prices, it will become entrenched.

The global economy is facing extremely uncertain times, and economic forecasts are currently correspondingly diverse. The outlook for 2023 will depend to a great extent on the inflation trend, on the resilience of each country’s economy and on how governments and central banks conduct fiscal and monetary policy. Increased price pressure remains the biggest economic threat to the global economy in 2023. A number of central banks have announced or have already shifted to a more moderate tightening stance. Since there is a lag in the effect of monetary policy, we will only see the full impact of the monetary policy measures adopted to date in the quarters to come. Avoiding recession will be on the minds of central banks around the world. However, we assume that they will continue to gear their monetary policy towards containing inflation so as not to stoke expectations of permanently higher inflation.

Despite a host of headwinds, the global economy has proven to be relatively resilient in 2022, thanks to strong labour markets, high levels of savings and financial support from governments (especially in Europe). China’s decision to end its zero-Covid policy could provide some welcome support to the global economy in 2023, but the path ahead will be bumpy and uncertain. In light of high inflation, continued restrictive monetary policies, weakening global trade and geopolitical conflicts, it is difficult to predict the dynamics for sustainable growth in 2023.

The baseline scenario for 2023 projects only a gradual decline in core inflation to the level consistent with the medium-term targets of the central banks. With inflation high and continued tight policy rates, we expect the global economy to enter a shallow recession with a few quarters of negative growth (technical recession), followed by a period of weak growth due to persistent inflation and tighter monetary policy. In our view, the risks of a deeper recession are moderate, as labour markets remain solid, consumer and corporate balance sheets are healthy and banks are in much better shape than they were after the global financial crisis. The central banks will also be vigilant about avoiding a sharp decline in economic activity.

Nevertheless, this scenario entails a number of downside risks. If inflation expectations rise again, central banks could be pressured to tighten more aggressively. Strained financing conditions could have a long-term impact on financial stability or even trigger a crisis in the emerging markets. Major macroeconomic missteps or any new geopolitical crises could plunge the global economy into a sharper and more protracted recession than currently expected.

There are also some upside risks to the baseline scenario outlined above. The tightening of lending conditions could have a faster and stronger impact on the economy than currently anticipated, which would dampen demand and reduce inflation ahead of expectations. A quick resolution of the war in Ukraine followed by an easing of the energy crisis in Europe and the geopolitical situation, as well as China's decision to abandon its strict zero-Covid policy, could bring about a faster and stronger economic recovery in 2023.

Ethna-AKTIV

Hard to believe from today's point of view: Just twelve months ago, global equity indices were trading at or near their all-time highs. Ten-year interest rates in Germany were still in negative territory and comparable US securities were at just under 1.5%. While we were already noticing a discrepancy between an economic cycle that was still early-cycle, exorbitantly high valuations and an very advanced monetary and fiscal policy, we were still expecting a phase of above-average growth. However, this assumption was quickly shattered by a number of developments. On the one hand, the conflict between Ukraine and Russia escalated into a conventional war with all the attendant negative consequences, not least for Europe's energy supply. On the other hand, China's zero-Covid policy not only perpetuated supply bottlenecks for the rest of the world, but also led to a massive slowdown in growth in the Middle Kingdom. At the same time, inflation beyond the 10 percent mark, which had not been seen for decades, prompted a rethink among Western central banks. There was an almost seamless transition from a cautious stance as late as 2021 to a phase of rigorous anti-inflation. This not only led to rapid interest rate hikes, but also heralded the end of the negative/low interest rate phase. It was long underestimated, but an actually quite clearly defined goal of this policy was a significant reduction in demand in order to stabilise prices. In addition to the valuation adjustments made necessary by interest rates, especially in the case of growth stocks that had been imaginatively priced, there was also a change of regime with regard to the asset class correlation. The result was a perfect storm for well-diversified multi-asset products, at least in theory; in practice, losses had to be booked in both equities and bonds. Moreover, the v-shaped recoveries in the risk markets that were experienced so often in the last ten years did not take place this time. Instead, investors were challenged by a prolonged bear market that repeatedly featured aggressive but ultimately failed rally attempts.

This environment was of course also very challenging for the management of Ethna-AKTIV. However, this crisis also offered the opportunity to positively demonstrate the often cited characteristics of our approach – activity, flexibility and risk management. Even though a loss was still recorded at the end of the year, it can be positively emphasised that the measures taken helped to minimise both volatility and the loss in value. In this context, it was particularly helpful that the credit quality of the bond portfolio was raised before the start of last year and that the interest-rate sensitivity of the portfolio was secured in time and at times even aggressively over-hedged. Consequently, Ethna-AKTIV actually recorded a slightly positive performance contribution from its fixed-income segment in one of the worst bond years in decades. We have also taken advantage of the price declines to gradually expand the bond portfolio to more attractive levels – a decisive step for attractive returns in the years to come. The contribution from the currency side was also slightly positive. However, it should be noted that our strong positive opinion on and positioning in the US Dollar had generated a peak performance of more than 3% by the end of September. This was, however, almost completely cancelled out by the extremely strong depreciation of the greenback in the last quarter, which we did not anticipate. The performance contribution on the equity side is slightly above the market level. Although the strong equity exposure from the beginning of the year was quickly adjusted to the crisis environment, no further alpha was generated with tactical measures, which were in fact undertaken. The broader diversification of the underlying base portfolio (25%) over the course of the year proved to be the right move against the backdrop of high volatility. All in all, by avoiding the biggest stumbling blocks in 2022, only a moderate loss was incurred compared to the general, deeply negative yielding global markets, setting the stage for generating an attractive return in the longer term.

Looking forward, the economic environment remains very fragile. The restrictive policies of the Western central banks are slowly but surely exerting their decelerating effect. Analysts seem to have never been so united as they are now on the question of whether we will experience a recession in the near future. This observation alone calls for caution in a positive sense. After the issue of peak inflation, it is now the recession narrative that is driving the markets. Interestingly, with the inversion of the yield curve, the US bond market prices this risk much higher than the stock market. Looking ahead to the markets in 2023, however, the focus is once again on central bank policy in addition to economic data. Under no circumstances should the stop-and-go policy of the 1970s be repeated. Even at the risk of disproportionately weighing on the economy, we will continue to fight inflation consistently by raising interest rates. However, in contrast to recent quarters, services inflation is now being targeted more than goods inflation. For the risk markets, this means that passing the inflation peak is likely to be supportive, but at the same time growth concerns are imposing limits on above-average appreciation. As a result, we conclude that – as long as there is no more clarity about an end to the economic downturn – volatility will remain high and stock markets will probably trend sideways. As a result, there are likely to be interesting opportunities for action again and again at the edges of the expected price movements. However, it should be borne in mind that in view of the many negative factors, much of this has already been priced in and positive surprises cannot be ruled out. The situation is somewhat different in the bond sector. Significantly higher risk premiums and surprises on the interest-rate front make us quite optimistic about bonds in the new year.

Ethna-DYNAMISCH

Looking back, 2022 was marked by a variety of challenges. Regarding the capital markets, the return of inflation – which has been significantly higher, broader and more persistent than many had assumed – was certainly the dominant theme. The resulting rise in interest rates then triggered a revaluation of almost all asset classes. This repricing was most evident in market segments where interest rate sensitivity was particularly marked and/or where excesses in the past were the greatest. In some cases, these two factors coincided, such as in the case of unprofitable technology stocks, which, following the significant price declines from their 2021 highs, again had to absorb losses of more than 60% on average in 2022. But even the prices of bonds with strong credit ratings came under so much pressure in 2022 in the wake of rising interest rates and yields that the extent of their negative performance was fully comparable to that of equities.

In Ethna-DYNAMISCH, we were acutely aware of the difficult baseline situation with regard to valuations at the beginning of the year. Consequently, we entirely excluded bond market investments, as the negative yield of 10-year German Bunds of -0.18% and credit spreads on corporate bonds close to historic lows revealed major risks that were de facto not matched by any opportunities. The equity market situation was somewhat more complex. There were obvious excesses there as well, which we steered well clear of. But the transition between various segments of the market was fluid. As a result, we nevertheless suffered slightly above-average price declines in many growth and quality stocks, especially in the first quarter. A severe cut involving the disposal of correspondingly exposed shares on the order of ten percentage points of the total fund volume as late as January helped to limit the negative effects, but failed to prevent them completely. Similarly, the alternative pursued in some cases of countering higher equity valuations in the US with significantly more moderate valuations in Europe proved to be of little help with the start of the Russian war of aggression against Ukraine. Ultimately, the fund's high cash ratio and the continuously pursued hedges were the main factors that were able to give it some stability in these rough times.

Throughout the remainder of the year, the same negative factors – inflation, central bank policy, valuations, geopolitical tensions, fears of recession – then alternated in a steady rotation, sometimes causing investors more, and sometimes less, unease. Only the range of market volatility remained consistently high. Against this backdrop, in Ethna-DYNAMISCH we focused on and continuously expanded a solid base of attractive companies with structural growth, especially in the second half of the year, and we also added a number of new individual stocks. In parallel to this, we managed equity risk based on the findings of our regular and broad-based market analyses within the framework of the tried and tested market balance sheet. While the overriding outlook for the equity markets was shaped by caution until recently, there were certainly promising signals at the tactical level – both upwards and downwards. These signals reflected in particular phases of hyperbole in investor sentiment and in the positioning of certain investor groups. We also boldly capitalised on some of these opportunities identified by selectively unwinding or strengthening the hedging components in the fund. In hindsight, unfortunately, the pinch of luck that is also necessary for the success of such measures has too often been lacking.

The bottom line is that the year was only average for Ethna-DYNAMISCH's ambition and environment, although we could have done better with the resources at our disposal. At the same time, however, it should be borne in mind that downside risks on the markets outweighed potential opportunities overall last year, so that in case of doubt we tended to opt for the lower-risk option sooner.

Fund Management Report

If we were to boil down the outlook for 2023 to a single denominator, it would be diversity. The spectrum of possible and even halfway realistic scenarios has seldom been wider than it was at the end of 2022. For the time being, the dominant themes will not change with the turn of the year. Inflation, central bank policy, valuations, geopolitical tensions and fears of recession will also define the first months of the new year. Not a single one of the (old) challenges mentioned has been surmounted as yet. It is possible to imagine further escalation, but also notable easing, for each factor without overtaxing the imagination. In this environment, it would not be appropriate to focus on a single scenario and align a portfolio to that scenario.

Instead, in 2023 it will continue to depend very much on which scenario is priced in by market participants at which point in time and to what extent, and where attractive opportunities repeatedly arise from this. With a robust core portfolio – a single stock portfolio geared towards sustainable growth with attractive valuations – there is definitely potential for a successful year for active investors, in spite of the fact that the equity markets as a whole are expected to end 2023 without any significant price gains compared to the end of the previous year.

Ethna-DEFENSIV

In the memory of many investors, 2022 will remain an unpleasant year with high losses. The Ethna-DEFENSIV team, on the other hand, narrowed the losses significantly by following its strategic plan almost throughout. The fundamental trend towards higher yields, rising inflation and significant interest rate increases by the central banks was already in evidence at the beginning of the year. And while the full extent was unclear at the beginning of the year, record low yields in this type of environment urged caution.

The Ethna-DEFENSIV portfolio had already been prepared for rising returns in 2021. We had sold our equity positions in November 2021 and the average duration in the bond portfolio was just above 4 at the beginning of 2022. Additional interest-rate futures positions further reduced the duration and therefore the interest-rate risk. We continued to improve the quality of our bond portfolio over the course of the year and reduced duration to 2.2 by the end of the year. We repeatedly adjusted the additional hedging with interest-rate futures during the year. We only once completely abandoned these hedging positions, and that was as a result of the Russian invasion of Ukraine. However, we quickly put our extra safeguards back in place when it became clear that inflation would only be fuelled by skyrocketing energy costs. In addition, the central banks unwaveringly pursued their cycle of interest-rate hikes as labour markets in Europe and the US continued to suffer from excess demand and wage pressures remained high.

In the second half of the year, however, our cautious attitude was twice put to the test. Throughout July, yields on long-dated bonds fell significantly for no apparent reason. As a result, 10-year Bunds yielded only 0.75% and their American counterparts only 2.5%. Yields then rose again amid fast-rising central bank interest rates, with rate hikes at a record pace of 75 basis points per meeting. Also in the fourth quarter, yields on long-dated bonds initially fell significantly as hopes mounted that inflation in the US might have peaked. However, the central banks made it clear that they would continue to raise their key interest rates and then maintain them at this level for a longer period of time. They justified this by saying that they did not believe that the current level of policy rates was sufficiently tight to anchor inflation at 2% on a permanent basis. The idea that it will be comparatively easy to bring inflation back below 5% certainly plays a role here. The further path towards 2%, on the other hand, will require significantly more effort and, above all, perseverance.

2023 The same game as in 2022?

The central banks will continue to raise their key interest rates for the time being. Overall, however, the magnitude of the increases will be lower than in 2022. However, the ECB in particular is still expected to make some significant interest rate moves. This was made clear again at its last meeting in December. An interest rate level of around 4% in the summer of 2023 is entirely conceivable for us, and this means that 2023 will hardly differ from 2022, at least for the ECB. Inflation in the Eurozone remained at 10% at the end of 2022 and Eurozone member states launched huge support programmes for their citizens – unfortunately with the unpleasant consequence that inflation will be more sustainable and the ECB will counter it more strongly. The Federal Reserve will continue to raise its key interest rate to approximately 5%, but it will fall well short of the scale of last year's rate hikes.

We remain cautious overall within the Ethna-DEFENSIV team; duration in the bond portfolio will remain low for the time being and the focus will remain on high-quality issuers. Whereas we held to our strategic view almost throughout 2022, we assume that we will be able to take higher risks again in 2023 and will also benefit from temporary declines in yields.

Consolidated Annual Report of Ethna SICAV with the sub-funds Ethna SICAV - AKTIV A, Ethna SICAV - DEFENSIV A and Ethna SICAV - DYNAMISCH A

7

Composition of net fund assets

as of 31 December 2022

	EUR
Securities holdings (securities acquisition costs: EUR 17,200,919.76)	17,656,086.26
Cash at banks ¹⁾	7,745.51
Interest receivable	20.14
Receivables from securities transactions	19,904.44
	17,683,756.35
Share redemptions payable	-19,904.40
Other liabilities and equity ²⁾	-737.43
	-20,641.83
Net fund assets	17,663,114.52

¹⁾ See notes to the Report.

²⁾ This item mainly comprises management fees.

Change in net fund assets

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

	EUR
Total net fund assets at the beginning of the period under review	22,915,790.85
Ordinary net expenditure	-39,620.77
Income and expense equalisation	-3,889.06
Inflow of funds from sale of shares	154,860.23
Outflow of funds from redemption of shares	-3,901,259.23
Realised gains	212,135.09
Realised losses	-351.68
Net change in unrealised gains	-1,625,793.75
Net change in unrealised losses	-22,978.76
Distribution	-25,778.40
Total net fund assets at the end of the period under review	17,663,114.52

8

Statement of operations

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

	EUR
Income	
Income from investment units	22,311.19
Bank interest	-16.39
Income equalisation	-1,480.20
Total income	20,814.60
Expense	
Interest expense	-0.48
Management fee	-9,989.87
Taxe d'abonnement	-4.82
Publication and audit expenses	-19,726.08
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-2,434.74
Registrar and transfer agent fee	-388.77
Government fees	-8,950.37
Other expenses ¹⁾	-24,309.50
Expense equalisation	5,369.26
Total expense	-60,435.37
Ordinary net expenditure	-39,620.77

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

Geographical breakdown by country and economic breakdown of the Ethna SICAV - AKTIV A sub-fund

Annual Report
1 January 2022 - 31 December 2022

9

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

Currently the following share class exists with these structural features:

Security identification no.:	A2AH5Q
ISIN code:	LU1546153187
Subscription fee:	up to 3.00%
Redemption fee:	none
Management fee:	up to 0.05% p.a.
Minimum subsequent investment:	none
Dividend policy:	distributed
Currency:	EUR

Geographical breakdown by country ¹⁾	
Luxembourg	99.98%
Securities holdings	99.98%
Cash at banks ²⁾	0.03%
Other receivables and payables (net)	-0.01%
	100.00%

Breakdown by economic sector ¹⁾	
Investment fund units	99.98%
Securities holdings	99.98%
Cash at banks ²⁾	0.03%
Other receivables and payables (net)	-0.01%
	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.

Composition of net fund assets of the Ethna SICAV - AKTIV A sub-fund

10 Change over the last 3 financial years

Date	Net Sub-fund assets in EUR millions	Outstanding Equities	Net Inflows In EUR thousands	Share value EUR
31/12/2020	24.74	230,395	-3,138.08	107.39
31/12/2021	21.71	192,908	-4,087.32	112.56
31/12/2022	16.57	158,105	-3,758.46	104.81

Composition of net sub-fund assets

as of 31 December 2022

	EUR
Securities holdings (securities acquisition costs: EUR 16,118,898.51)	16,567,270.42
Cash at banks ¹⁾	4,190.51
Interest receivable	11.67
Receivables from securities transactions	19,904.44
	16,591,377.04
Share redemptions payable	-19,904.40
Other liabilities and equity ²⁾	-692.30
	-20,596.70
Net sub-fund assets	16,570,780.34
Outstanding shares	158,104.511
Share value	EUR 104.81

¹⁾ See notes to the Report.

²⁾ This item mainly comprises management fees.

Change in net sub-fund assets

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

	EUR
Total net sub-fund assets at the beginning of the period under review	21,714,550.21
Ordinary net expenditure	-34,878.41
Income and expense equalisation	-3,936.32
Inflow of funds from sale of shares	141,748.71
Outflow of funds from redemption of shares	-3,900,205.98
Realised gains	211,449.72
Net change in unrealised gains	-1,540,285.75
Net change in unrealised losses	0.00
Distribution	-17,661.84
Total net sub-fund assets at the end of the period under review	16,570,780.34

11

Change in number of shares in circulation

	Number
Shares in circulation at the beginning of the period under review	192,908.355
Shares issued	1,310.500
Shares redeemed	-36,114.344
Shares in circulation at the end of the period under review	158,104.511

Statement of operations of the Ethna SICAV - AKTIV A sub-fund

12 Statement of operations in the period under review from 1 January 2022 to 31 December 2022

	EUR
Income	
Income from investment units	14,063.03
Bank interest	-19.42
Income equalisation	-1,473.18
Total income	12,570.43
Expense	
Interest expense	-0.06
Management fee	-9,420.88
Taxe d'abonnement	-3.93
Publication and audit expenses	-15,725.32
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-2,296.36
Registrar and transfer agent fee	-388.77
Government fees	-8,470.05
Other expenses ¹⁾	-16,552.97
Expense equalisation	5,409.50
Total expense	-47,448.84
Ordinary net expenditure	-34,878.41
Total transaction costs in the financial year ²⁾	0.00
Total expense ratio in percent ²⁾	0.28

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

²⁾ See notes to the Report.

Statement of net assets of the Ethna SICAV - AKTIV A sub-fund as of 31 December 2022

13

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⁾
Investment fund units ²⁾								
Luxembourg								
LU0136412771	Ethna-AKTIV A	EUR	625	28,670	125,643	131.8600	16,567,270.42	99.98
							16,567,270.42	99.98
Investment fund units ²⁾							16,567,270.42	99.98
Securities holdings							16,567,270.42	99.98
Cash at banks - Current account ³⁾							4,190.51	0.03
Other receivables and payables (net)							-680.59	-0.01
Net sub-fund assets in EUR							16,570,780.34	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⁾ 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.

³⁾ See notes to the Report.

Foreign exchange rates

As of 31 December 2022, there were only assets in the sub-fund currency euro.

Geographical breakdown by country and economic breakdown of the Ethna SICAV - DEFENSIV A sub-fund

Annual Report
1 January 2022 - 31 December 2022

15

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

Currently the following share class exists with these structural features:

Security identification no.:	A2AH5R
ISIN code:	LU1546156875
Subscription fee:	up to 2.50%
Redemption fee:	none
Management fee:	up to 0.05% p.a.
Minimum subsequent investment:	none
Dividend policy:	distributed
Currency:	EUR

Geographical breakdown by country ¹⁾	
Luxembourg	99.51%
Securities holdings	99.51%
Cash at banks ²⁾	0.49%
Other receivables and payables (net)	0.00%
	100.00%

Breakdown by economic sector ¹⁾	
Investment fund units	99.51%
Securities holdings	99.51%
Cash at banks ²⁾	0.49%
Other receivables and payables (net)	0.00%
	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.

Composition of net fund assets of the Ethna SICAV - DEFENSIV A sub-fund

16 Change over the last 3 financial years

Date	Net Sub-fund assets in EUR millions	Outstanding Equities	Net Inflows In EUR thousands	Share value EUR
31/12/2020	0.51	5,027	0.84	101.00
31/12/2021	0.50	5,028	0.10	99.87
31/12/2022	0.47	5,017	-1.05	93.97

Composition of net sub-fund assets

as of 31 December 2022

	EUR
Securities holdings (securities acquisition costs: EUR 493,880.80)	469,165.75
Cash at banks ¹⁾	2,309.90
Interest receivable	5.51
	471,481.16
Other liabilities and equity ²⁾	-19.43
	-19.43
Net sub-fund assets	471,461.73
Outstanding shares	5,017.000
Share value	EUR 93.97

¹⁾ See notes to the Report.

²⁾ This item mainly comprises management fees.

Change in net sub-fund assets

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

	EUR
Total net sub-fund assets at the beginning of the period under review	502,159.56
Ordinary net income	1,207.59
Income and expense equalisation	10.72
Outflow of funds from redemption of shares	-1,053.25
Realised losses	-351.68
Net change in unrealised gains	0.00
Net change in unrealised losses	-22,978.76
Distribution	-7,532.45
Total net sub-fund assets at the end of the period under review	471,461.73

17

Change in number of shares in circulation

	Number
Shares in circulation at the beginning of the period under review	5,028.000
Shares issued	0.000
Shares redeemed	-11.000
Shares in circulation at the end of the period under review	5,017.000

Statement of operations of the Ethna SICAV - DEFENSIV A sub-fund

18 Statement of operations in the period under review from 1 January 2022 to 31 December 2022

	EUR
Income	
Income from investment units	7,487.86
Bank interest	2.35
Income equalisation	-16.37
Total income	7,473.84
Expense	
Interest expense	-0.33
Management fee	-242.92
Taxe d'abonnement	-0.51
Publication and audit expenses	-1,936.60
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-59.10
Government fees	-203.28
Other expenses ¹⁾	-3,829.16
Expense equalisation	5.65
Total expense	-6,266.25
Ordinary net income	1,207.59
Total transaction costs in the financial year ²⁾	0.00
Total expense ratio in percent ²⁾	1.30

¹⁾ This item mainly comprises general management costs and paying agent fee.

²⁾ See notes to the Report.

Statement of net assets of the Ethna SICAV - DEFENSIV A sub-fund as of 31 December 2022

19

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⁾
Investment fund units ²⁾								
Luxembourg								
LU0279509904	ETHNA-DEFENSIV A	EUR	0	68	3,624	129.4700	469,165.75	99.51
							469,165.75	99.51
Investment fund units ²⁾							469,165.75	99.51
Securities holdings							469,165.75	99.51
Cash at banks - Current account ³⁾							2,309.90	0.49
Other receivables and payables (net)							-13.92	0.00
Net sub-fund assets in EUR							471,461.73	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⁾ 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.

³⁾ See notes to the Report.

Foreign exchange rates

As of 31 December 2022, there were only assets in the sub-fund currency euro.

Geographical breakdown by country and economic breakdown of the Ethna SICAV - DYNAMISCH A sub-fund

Annual Report

21

1 January 2022 - 31 December 2022

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

Currently the following share class exists with these structural features:

Security identification no.:	A2AH5S
ISIN code:	LU1546162501
Subscription fee:	up to 5.00%
Redemption fee:	none
Management fee:	up to 0.05% p.a.
Minimum subsequent investment:	none
Dividend policy:	distributed
Currency:	EUR

Geographical breakdown by country ¹⁾	
Luxembourg	99.80%
Securities holdings	99.80%
Cash at banks ²⁾	0.20%
Other receivables and payables (net)	0.00%
	100.00%

Breakdown by economic sector ¹⁾	
Investment fund units	99.80%
Securities holdings	99.80%
Cash at banks ²⁾	0.20%
Other receivables and payables (net)	0.00%
	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.

Composition of net fund assets of the Ethna SICAV - DYNAMISCH A sub-fund

22

Change over the last 3 financial years

Date	Net Sub-fund assets in EUR millions	Outstanding Equities	Net Inflows In EUR thousands	Share value EUR
31/12/2020	0.65	5,755	-2.19	113.33
31/12/2021	0.70	5,797	4.98	120.59
31/12/2022	0.62	5,913	13.11	105.00

Composition of net sub-fund assets

as of 31 December 2022

	EUR
Securities holdings (securities acquisition costs: EUR 588,140.45)	619,650.09
Cash at banks ¹⁾	1,245.10
Interest receivable	2.96
	620,898.15
Other liabilities and equity ²⁾	-25.70
	-25.70
Net sub-fund assets	620,872.45
Outstanding shares	5,913.055
Share value	EUR 105.00

¹⁾ See notes to the Report.

²⁾ This item mainly comprises management fees.

Change in net sub-fund assets

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

	EUR
Total net sub-fund assets at the beginning of the period under review	699,081.08
Ordinary net expenditure	-5,949.95
Income and expense equalisation	36.54
Inflow of funds from sale of shares	13,111.52
Realised gains	685.37
Net change in unrealised gains	-85,508.00
Net change in unrealised losses	0.00
Distribution	-584.11
Total net sub-fund assets at the end of the period under review	620,872.45

23

Change in number of shares in circulation

	Number
Shares in circulation at the beginning of the period under review	5,797.055
Shares issued	116.000
Shares redeemed	0.000
Shares in circulation at the end of the period under review	5,913.055

Statement of operations of the Ethna SICAV - DYNAMISCH A sub-fund

24 Statement of operations in the period under review from 1 January 2022 to 31 December 2022

	EUR
Income	
Income from investment units	760.30
Bank interest	0.68
Income equalisation	9.35
Total income	770.33
Expense	
Interest expense	-0.09
Management fee	-326.07
Taxe d'abonnement	-0.38
Publication and audit expenses	-2,064.16
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-79.28
Government fees	-277.04
Other expenses ¹⁾	-3,927.37
Expense equalisation	-45.89
Total expense	-6,720.28
Ordinary net expenditure	-5,949.95
Total transaction costs in the financial year ²⁾	0.00
Total expense ratio in percent ²⁾	1.03

¹⁾ This item mainly comprises general management costs and paying agent fee.

²⁾ See notes to the Report.

Statement of net assets of the Ethna SICAV - DYNAMISCH A sub-fund as of 31 December 2022

25

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⁾
Investment fund units ²⁾								
Luxembourg								
LU0455734433	Ethna-DYNAMISCH A	EUR	151	82	7,638	81.1300	619,650.09	99.80
							619,650.09	99.80
Investment fund units ²⁾							619,650.09	99.80
Securities holdings							619,650.09	99.80
Cash at banks - Current account ³⁾							1,245.10	0.20
Other receivables and payables (net)							-22.74	0.00
Net sub-fund assets in EUR							620,872.45	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⁾ 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.

³⁾ See notes to the Report.

Foreign exchange rates

As of 31 December 2022, there were only assets in the sub-fund currency euro.



Notes to the Annual Report as of 31 December 2022

27

1.) General

The investment company Ethna 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, Luxembourg, Luxembourg. It was established in the form of an umbrella fund on 3 February 2017 for an indefinite period of time. Its Articles of Association were published 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 under the registration number R.C.S. Luxembourg B-212494.

Ethna SICAV is a Luxembourg investment company (société d'investissement à capital variable) set up for an indefinite period in accordance with Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended (the "Law of 17 December 2010"), in the form of an umbrella fund ("investment company" or "Fund") with one or more sub-funds. The objective of the investment policy of Ethna SICAV with its three respective sub-funds as feeder UCITS is to replicate the performance of the respective mono-funds Ethna - AKTIV, Ethna - DEFENSIV and Ethna - DYNAMISCH, which are legally dependent investment funds pursuant to Chapter 2 of the Law of 17 December 2010 in the form of a mono-fund, as master UCITS. The respective sub-funds are therefore feeder UCITS within the meaning of Article 77 of the Law of 17 December 2010.

The Management Regulations were last amended on 1 January 2020 and published in the Recueil électronique des sociétés et associations ("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.

The current version of the Sales Prospectus, including the management regulations, the latest annual and semi-annual reports as well as the Key Information Document of the respective master UCITS can be found on the homepage of the Management Company at www.ethenea.com.

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

Responsibility for preparing this annual report 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 (EUR) ("reference currency").
2. The value of a fund share ("net asset value per share") is stated in the currency ("(sub-)fund currency") as specified in the respective annex to the Sales Prospectus, unless a currency other than the (sub-)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 of the investment company may stipulate a different arrangement for individual sub-funds, 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 management 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 as a whole needs to be provided in annual reports, semi-annual reports or other financial statistics in accordance with legal requirements or the rules in the fund management regulations, the respective fund assets are translated into the reference currency. The respective 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 individual sub-funds 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 individual sub-funds 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. If a sub-fund is structured as a feeder UCITS, the units in the master UCITS are valued at the redemption price of the master UCITS on the valuation day.
- 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 respective sub-fund currency is converted into the relevant 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 individual sub-funds 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.

The respective 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 separately for each sub-fund in accordance with the aforementioned criteria. However, if share classes have been created within a 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.

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 *taxe d'abonnement* in the Grand Duchy of Luxembourg at the current rate of 0.05% p.a. A reduced *taxe 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 *taxe d'abonnement* is payable quarterly on the net assets of the Company as reported at the end of each quarter. The rate of the *taxe d'abonnement* for the respective sub-fund or share classes is mentioned in the respective annex to the Sales Prospectus. An exemption from the *taxe d'abonnement* is applicable, *inter alia*, if the fund assets are invested in other Luxembourg investment funds that are already subject to the *taxe d'abonnement*.

Income earned by the sub-fund (in particular interest and dividends) may be subject to withholding tax or other taxes in the countries in which the respective sub-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 do not 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.) Information relating to charges and expenditure

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

6) 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.

7.) 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 respective sub-fund assets. In addition to management and depositary fees and the *taxe 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.

8.) Income and expense equalisation

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

9.) 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.

10.) 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.

11.) 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 sub-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 sub-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 (delta-weighted, if applicable) or nominal values. 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 sub-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. Investors' attention is drawn to the fact that no conclusions can be drawn from this information with respect to the risk entailed in the sub-fund. Furthermore, the expected leverage published is explicitly not to be understood as an investment limit.

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

Ethna SICAV - AKTIV A

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 15% was used for the internal limit.

The utilization of the internal upper limit (VaR limit) ranged between 10.88% (minimum) and 30.43% (maximum) during the corresponding period, with an average of 19.08%. 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:	0.00%
Highest leverage:	0.00%
Median leverage:	0.00% (0.00%)
Calculation method:	Nominal value method (total of nominal values of all derivatives)

Sub-fund: Risk management procedure applied

Ethna SICAV - DEFENSIV A 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 10% was used for the internal limit. The VaR figure in relation to this internal limit was a minimum of 10.86%, a maximum of 26.71% and an average of 15.92% over the period in question. 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.

31

The leverage had the following values in the period from 1 January 2022 to 31 December 2022:

Lowest leverage	0.00%
Highest leverage:	0.00%
Median leverage:	0.00% (0.00%)
Calculation method:	Nominal value method (total of nominal values of all derivatives)

Sub-fund:

Ethna SICAV - DYNAMISCH A

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 for the Ethna-DYNAMISCH A fund.

12.) Significant events during the period under review

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

- 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, ETHNEA 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.

13.) Significant events after the period under review

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

- 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.

14.) Master-feeder structure

The objective of the investment policy of Ethna SICAV with its respective sub-funds as feeder UCITS is to replicate the performance of the respective mono-funds Ethna - AKTIV, Ethna - DEFENSIV and Ethna - DYNAMISCH, which are legally dependent investment funds pursuant to Chapter 2 of the Law of 17 December 2010 in the form of a mono-fund, as master UCITS. The respective sub-funds are therefore feeder UCITS within the meaning of Article 77 of the Law of 17 December 2010.

Aggregate expenses and investment policy:

Ethna SICAV - AKTIV A

Aggregate fees master - UCITS Ethna-AKTIV A (class SAL) and feeder - Ethna SICAV - AKTIV A
as of 31 December 2022

Aggregate fees

as of 31 December 2022

	Pro rata expenses of the Master UCITS	Expenses of the feeder UCITS	Aggregate expenses
Management fee	-21,747,622.90	-9,420.88	-21,757,043.78
Taxe d'abonnement	-629,215.08	-3.93	-629,219.01
Publication and audit expenses	-139,355.59	-15,725.32	-155,080.91
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-22,975.91	-2,296.36	-25,272.27
Registrar and transfer agent fee	-14,933.31	-388.77	-15,322.08
Government fees	-21,756.73	-8,470.05	-30,226.78
Other expenses	-1,286,502.78	-16,552.97	-1,303,055.75
Total expense	-23,862,362.30	-52,858.28	-23,915,220.58

**Percentage share of the expenses of the
feeder UCITS in the aggregate expenses:**

0.22

Master fund (unit class)	Feeder fund	Currency	Total aggregate fees	Percentage share of the feeder UCITS in the master UCITS
Ethna - AKTIV A LU0136412771	Ethna SICAV - AKTIV A	EUR	-23,915,220.58	0.85%

Investment policy of the master UCITS Ethna - AKTIV

To attain the investment objective, the fund assets will be invested in accordance with the principle of risk diversification, whereby equities as well as fixed or variable-interest bonds, debt securities, convertible bonds and warrant bonds whose warrants are denominated in securities, as well as certificates, will be acquired. This also includes certificates on precious metals and commodities and corresponding indices that track the performance of the respective underlying on a 1:1 basis and for which physical delivery is excluded. Investments in these certificates may not exceed 20% of the net fund assets. The proportion of equities, equity funds and equity-like securities may not exceed a total of 49% of the net fund assets. Units in UCITS or other UCIs (target funds) may be acquired up to a maximum limit of 10% of the fund assets; the Fund is accordingly eligible for target funds. Depending on the market situation and taking into account the interests of the unitholders, up to 100% of the fund assets may also be invested in fixed-term deposits, money market instruments or cash and cash equivalents, including demand deposits.

Ethna SICAV - DEFENSIV A

Aggregate fees master - UCITS Ethna-DEFENSIV A (class SAL) and feeder - Ethna SICAV - DEFENSIV A
as of 31 December 2022

Aggregate fees

as of 31 December 2022

	Pro rata expenses of the Master UCITS	Expenses of the feeder UCITS	Aggregate expenses
Management fee	-1,156,876.62	-242.92	-1,157,119.54
Taxe d'abonnement	-59,980.38	-0.51	-59,980.89
Publication and audit expenses	-32,117.07	-1,936.60	-34,053.67
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-4,415.42	-59.10	-4,474.52
Registrar and transfer agent fee	-6,046.26	0.00	-6,046.26
Government fees	-4,431.34	-203.28	-4,634.62
Other expenses	-144,744.23	-3,829.16	-148,573.39
Total expenses	-1,408,611.32	-6,271.57	-1,414,882.89

**Percentage share of the expenses of the
feeder UCITS in the aggregate expenses:**

0.44

Master fund (unit class)	Feeder fund	Currency	Total aggregate fees	Percentage share of the feeder UCITS in the master UCITS
Ethna-DEFENSIV A LU0279509904	Ethna SICAV - DEFENSIV A	EUR	-1,414,882.89	0.13%

Investment policy of the master UCITS Ethna - DEFENSIV

To attain the investment objective, the fund assets will be invested in accordance with the principle of risk diversification, whereby investments may be made in fixed and variable-interest bonds, convertible bonds and bonds with warrants denominated in securities, as well as in profit participation certificates, bank debt securities, index certificates on interest or bond indices, promissory note loans, credit-linked notes and other fixed-interest securities (e.g. zero bonds) of international issuers from OECD countries. In addition, investments may be made in certificates on precious metals and commodities and corresponding indices that track the performance of the respective underlying on a 1:1 basis and for which physical delivery is excluded. These certificates may not exceed 20% of the net fund assets. The fund's assets may also be invested in high-yield bonds, convertible bonds and corporate bonds from OECD countries. To attain the investment objective, investments may also include the use of derivatives such as futures or forward contracts. Depending on the market situation and taking into account the interests of the unitholders, up to 100% of the fund assets may also be invested in fixed-term deposits, money market instruments or cash and cash equivalents, including demand deposits. Up to 10% of the net fund assets may be invested in equities and equity-like securities. Units of other UCITS and other UCIs may only be acquired for the fund assets up to a total of 10% of the net fund assets.

Ethna SICAV - DYNAMISCH A

Aggregate fees master - UCITS Ethna-DYNAMISCH A (class SAL) and feeder - Ethna SICAV - DYNAMISCH A

Aggregate fees

as of 31 December 2022

	Pro rata expenses of the Master UCITS	Expenses of the feeder UCITS	Aggregate expenses
Management fee	-546,357.14	-326.07	-546,683.21
Taxe d'abonnement	-14,528.87	-0.38	-14,529.25
Publication and audit expenses	-24,455.48	-2,064.16	-26,519.64
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-2,461.06	-79.28	-2,540.34
Registrar and transfer agent fee	-807.83	0.00	-807.83
Government fees	-2,306.15	-277.04	-2,583.19
Other expenses	-57,055.08	-3,927.37	-60,982.45
Total expenses	-647,971.61	-6,674.30	-654,645.91

Percentage share of the expenses of the
feeder UCITS in the aggregate expenses:

1.02

Master fund (unit class)	Feeder fund	Currency	Total aggregate fees	Percentage share of the feeder UCITS in the master UCITS
Ethna-DYNAMISCH A LU0455734433	Ethna SICAV - DYNAMISCH A	EUR	-654,645.91	0.61%

Investment policy of the master UCITS Ethna - DYNAMISCH

To attain the investment objective, the Fund's assets will be invested in accordance with the principle of risk diversification in open-ended equity, bond or money market funds, including in the form of exchange-traded funds (ETFs), as well as directly worldwide in equities, fixed or floating-rate bonds and money market instruments.

The Fund may also invest in certificates (which are considered securities under the provisions of Article 41 (1) of the Law of 17 December 2010).

This also includes certificates on precious metals and commodities and corresponding indices that track the performance of the respective underlying on a 1:1 basis and for which physical delivery is excluded. Investments in these certificates may not exceed 20% of the net fund assets.

The proportion of equities, equity funds and equity-like securities may not exceed 70% of the net fund assets. This flexible mix of different asset classes makes it possible to achieve an improved capital yield and risk ratio, depending on the assessment of the economic and capital market situation.

This offers investors the opportunity to participate in the growth prospects of the economic and capital markets.

15) 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 sub-funds as part of specific sub-fund disclosures.

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

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

The TOR for the Ethna SICAV and its sub-funds for the period from 1 January 2022 to 31 December 2022 is:

Ethna SICAV - AKTIV A: -0.37

Ethna SICAV - DEFENSIV A: 1.63

Ethna SICAV - DYNAMISCH A: 1.08

16.) 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.

17.) 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.

18.) Transparency of securities 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.

Report of the Réviseur d'Entreprises agréé

36 To the shareholders of
Ethna SICAV
4, rue Thomas Edison
L-1445 Strassen, Luxembourg

Audit opinion

We have audited the annual financial statements of Ethna SICAV (“the Fund”) and for each of its sub-funds, consisting of the composition of net sub-fund assets as of 31 December 2022, changes in net sub-fund assets as well as the statement of operations 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 and each of its sub-funds as at 31 December 2022, and of its financial performance and its changes in net 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 (the “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 is further described in the section “Responsibility of the Réviseur d’entreprises agréé for the audit of the financial statements”. 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 (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 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 for the annual financial statements

The Board of Directors 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 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 is responsible for assessing the ability of the Fund and each of its sub-funds 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 intends to liquidate the Fund or one of its sub-funds, 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.

38 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.
- We reach a conclusion on the appropriateness of the application of the going concern accounting principle by the Board of Directors 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 ability of the Fund or one of its sub-funds 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 events or circumstances may result in the Fund or one of its sub-funds 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

Name of the product:

Ethna SICAV – AKTIV A (Feeder UCITS)

Legal entity identifier:

5299001YDDWV0ALEG76

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**Product name: Ethna-AKTIV (Master UCITS)****Legal entity identifier: 529900GYLM0Z95YA0Y09****Did this financial product have a sustainable investment objective?**
☒ ☒ ☐ **Yes**
☐ ☐ ☒ **No**
☐ **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

☐ 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

☐ **Sustainable investments with a social objective** were made: %

☒ It promoted E/S characteristics, but **did not make any sustainable investments**

39

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

In its bond and equity investments, the 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 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.

Sustainability indicators

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

How did the sustainability indicators perform?

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

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

less than 10: minor risks

from 10 to 19.99: low risks

from 20 to 29.99: medium risks

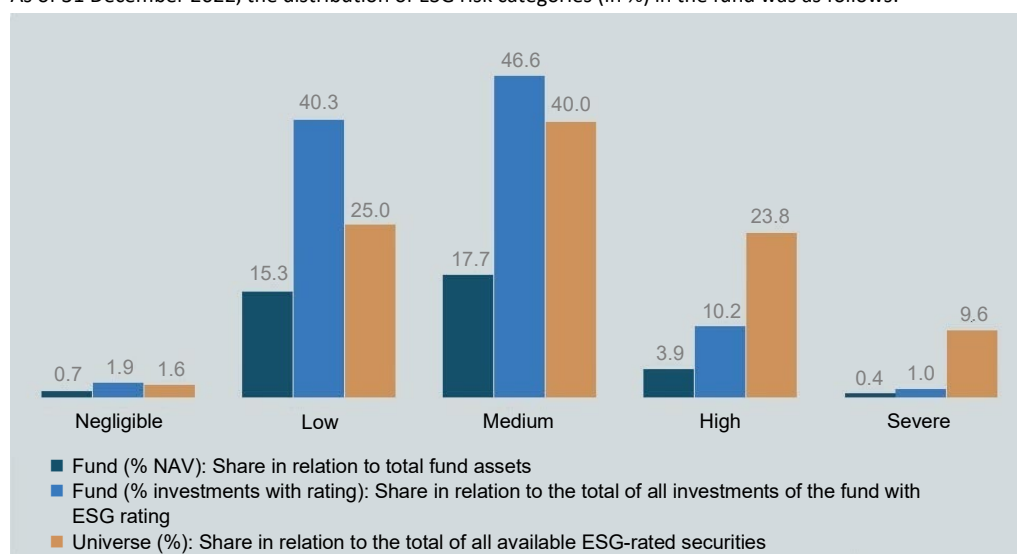
from 30 to 39.99: high risks

greater than 40: serious risks.

Measured against this ESG risk score, the 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 21.6.

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.

As of 31 December 2022, the distribution of ESG risk categories (in %) in the fund was as follows:



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.

----- 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.

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.



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

Within the Fund, the principal adverse impacts of investment decisions on sustainability factors from the following groups of issues from Annex 1 of Table I of Regulation (EU) 2022/1288 of the European Parliament and of the Council of 6 April 2022 are taken into consideration: greenhouse gas emissions, biodiversity, water, waste, and social and employment issues.

The portfolio managers draw on the external analyses of ESG agencies, public documents of the companies and notes from direct dialogues with company leaders to identify, measure and assess adverse sustainability impacts. The adverse sustainability impacts can then be subjected to comprehensive analysis and taken into account in investment decisions.

Different sustainability aspects are weighted in the sustainability assessment of investments depending on their relevance for the respective business model. For example, greenhouse gas emissions are significantly more relevant in particularly CO2-intensive sectors than in less CO2-intensive sectors.

Regular reporting of the sustainability factors is based on the raw data provided by the Sustainability rating agency.



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
JAB Consumer Partners SCA SICAR – Global Consumer Brands	PROVISION OF FINANCIAL AND INSURANCE SERVICES	3.4175	Luxembourg
United States of America v.21(2023)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	2.7075	United States of America
United States of America v.21(2023)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	2.305	United States of America
United States of America v.20(2023)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	2.24	United States of America
United States of America v.21(2026)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	2.145	United States of America
United States of America v.21(2026)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	2.14	United States of America
United States of America v.21(2026)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	2.135	United States of America
United States of America v.17(2024)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	2.0825	United States of America
JAB Consumer Partners SCA SICAR Class A1	PROVISION OF FINANCIAL AND INSURANCE SERVICES	2.0225	Luxembourg
United States of America v.21(2026)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	1.815	United States of America
United States of America v.20(2025)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	1.8025	United States of America
Federal Republic of Germany Reg.S. v.19(2024)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	1.7475	Germany
United States of America v.22(2024)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	1.745	United States of America



What was the share of sustainability-related investments?

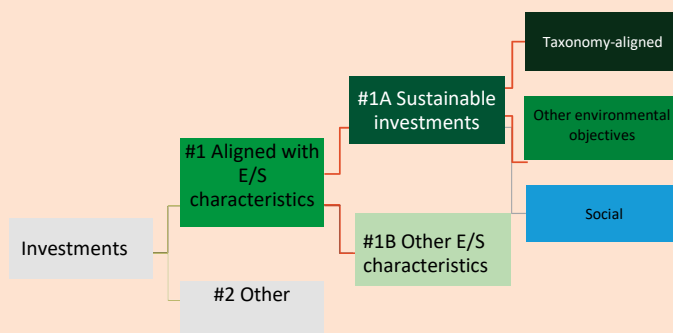
Asset allocation

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?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product. The share of these investments amounts to 85.00% as of the reporting date.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments. The share of these investments amounts to 15.00% as of the reporting date.

The category **#1 Aligned with E/S characteristics** covers:

Subcategory **#1A Sustainable Investments** includes environmentally and socially sustainable investments. The share of these investments amounts to 0.00% as of the reporting date.

The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments. The share of these investments amounts to 85.00% as of the reporting date.

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	47.21%
Other	5.70%
Software & services	3.70%
Pharmaceuticals, biotechnology and biosciences	3.49%
Utilities	3.18%
Food, beverages and tobacco	2.85%
Banks	2.45%

Hardware and equipment	2.44%
Media & entertainment	2.40%
Wholesale and retail	2.20%
Healthcare: Equipment & services	1.95%
Automobiles and components	1.47%
Diversified financial services	1.42%
Capital goods	1.42%
Consumer services	1.42%
Semiconductors & equipment for semiconductor production	1.40%
Energy	1.29%
Raw materials and supplies	1.23%
Insurance	1.07%
Real estate	1.05%
Telecommunications services	1.01%
Household goods & personal care products	0.91%
Food and basic goods retail	0.71%
Transport	0.57%
Consumer goods and clothing	0.56%
Commercial services & supplies	0.05%

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 energy¹ activities?

☐ Yes:

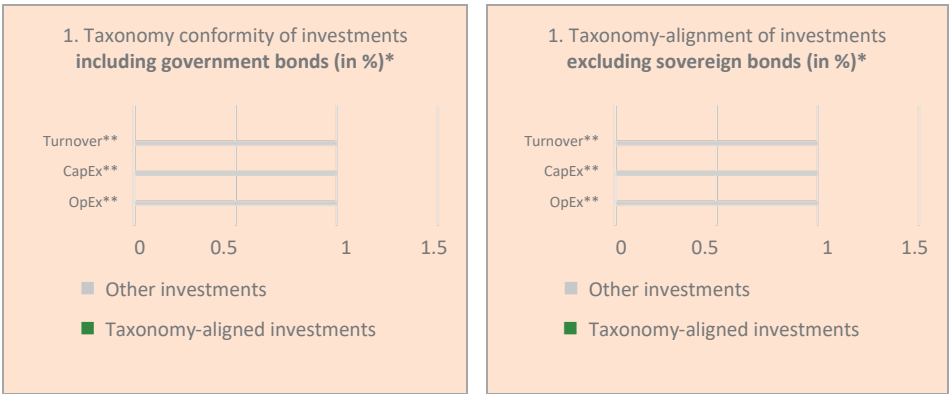
☐ in fossil gas

☐ in nuclear energy

☒ No

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.

46



* 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.

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.

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

Transitional activities:

0%

Enabling activities:

0%

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.

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%.

47

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 and equity investments for the fund. Here, the focus continued to be on companies that already had low exposure to material ESG risks or that actively managed and consequently reduced the ESG risks inevitably associated with their business activities.

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

The ESG Risk Score calculated by Sustainalytics assesses three factors that are crucial for a risk assessment: corporate governance, sector-level material ESG risks, as well as individual company countermeasures and idiosyncratic risks (controversies involving companies). The corporate governance assessment is an important feature for assessing the financial and ESG risks associated with an investment. The analysis of the environmental and social characteristics focuses on material risks for the sector. Besides social factors, resource consumption is always a risk factor in the manufacturing sector. Consequently, the analysis incorporates environmental characteristics, such as greenhouse gas emissions and intensity, the protection of natural resources, especially water, the limiting of soil sealing and the protection of species diversity (biodiversity). Service companies have a much lower environmental impact due to their activities, and so they focus on social characteristics, which include, for example: fair working conditions and adequate remuneration, health and safety at work, prevention of corruption, prevention of fraud and control of product quality.

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

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



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

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

No 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 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.

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**Name of the product:** Ethna SICAV - DEFENSIV A (Feeder UCITS)**Legal entity identifier:** 529900LSK0Z6WMHEYG79**Environmental and/or social characteristics****Product name:** Ethna-DEFENSIV (Master UCITS)**Legal entity identifier:** 529900U8G97ZTLVL3W28**Did this financial product have a sustainable investment objective?**☒ ☒ ☐ **Yes**☒ ☐ ☒ **No**☐ **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☐ 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☐ **Sustainable investments with a social objective** were made: %☒ It promoted E/S characteristics, but **did not make any sustainable investments**

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.

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

In its bond and equity investments, the 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 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.

Sustainability indicators

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

● *How did the sustainability indicators perform?*

The analyses of the external rating agency Sustainalytics are used to assess the ESG risks that are relevant for the individual companies and to evaluate the active management of ESG risks within the companies. Sustainalytics summarises the results of its analyses in an ESG risk score ranging from 0 to 100, where the risk assumptions are assessed as follows:

less than 10: minor risks

from 10 to 19.99: low risks

from 20 to 29.99: medium risks

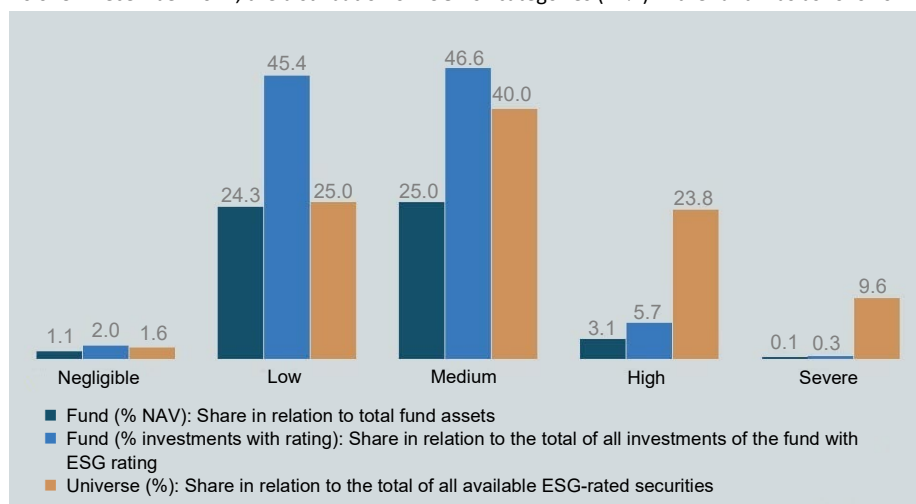
from 30 to 39.99: high risks

greater than 40: serious risks.

Measured against this ESG risk score, the 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 20.3. As of 31 December 2022, the ESG risk score was 20.7.

Individual securities with serious risks (ESG risk score greater than 40) 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 two investments in the fund with a correspondingly high ESG risk score during the reporting period. One investment from the mining sector crossed the threshold of 40 based on an initial assessment by Sustainalytics. An engagement process was launched in this area. The second investment from the food sector crossed the threshold due to a downgrade by Sustainalytics. We sold the investment promptly.

As of 31 December 2022, the distribution of ESG risk categories (in %) in the fund was as follows:



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

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.

- ***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.

- **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.

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?

Within the Fund, the principal adverse impacts of investment decisions on sustainability factors from the following groups of issues from Annex 1 of Table I of Regulation (EU) 2022/1288 of the European Parliament and of the Council of 6 April 2022 are taken into consideration: greenhouse gas emissions, biodiversity, water, waste, and social and employment issues.

The portfolio managers draw on the external analyses of ESG agencies, public documents of the companies and notes from direct dialogues with company leaders to identify, measure and assess adverse sustainability impacts. The adverse sustainability impacts can then be subjected to comprehensive analysis and taken into account in investment decisions.

Different sustainability aspects are weighted in the sustainability assessment of investments depending on their relevance for the respective business model. For example, greenhouse gas emissions are significantly more relevant in particularly CO₂-intensive sectors than in less CO₂-intensive sectors.

Regular reporting of the sustainability factors is based on the raw data provided by the Sustainalytics rating agency.



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
Switzerland Reg.S. v.14(2026)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	3.215	Switzerland
United States of America v.21(2023)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	2.8375	United States of America
United States of America v.21(2026)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	2.335	United States of America
United States of America v.17(2024)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	2.3075	United States of America
United States of America v.22(2024)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	2.18	United States of America
Kreditanstalt für Wiederaufbau EMTN Green Bond v.19(2023)	PROVISION OF FINANCIAL AND INSURANCE SERVICES	2.02	Germany
United States of America v.21(2026)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	1.8275	United States of America
Federal Republic of Germany Reg.S. v.19(2024)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	1.5	Germany
Microsoft Corporation v.16(2026)	INFORMATION AND COMMUNICATION	1.3825	United States of America
Federal Republic of Germany Reg.S. v.22(2024)	PUBLIC ADMINISTRATION, DEFENCE; SOCIAL SECURITY	1.365	Germany
The Home Depot Inc. v.15(2025)	TRADE; MAINTENANCE AND REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	1.31	United States of America
Walmart Inc. v.19(2026)	TRADE; MAINTENANCE AND REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	1.305	United States of America
PepsiCo Inc. v.20(2025)	MANUFACTURING/PRODUCTION OF GOODS	1.285	United States of America
Roche Holdings Inc. Reg.S. v.22(2025)	PROVISION OF PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES	1.275	United States of America
Apple Inc. v.16(2026)	MANUFACTURING/PRODUCTION OF GOODS	1.2625	United States of America



What was the share of sustainability-related investments?

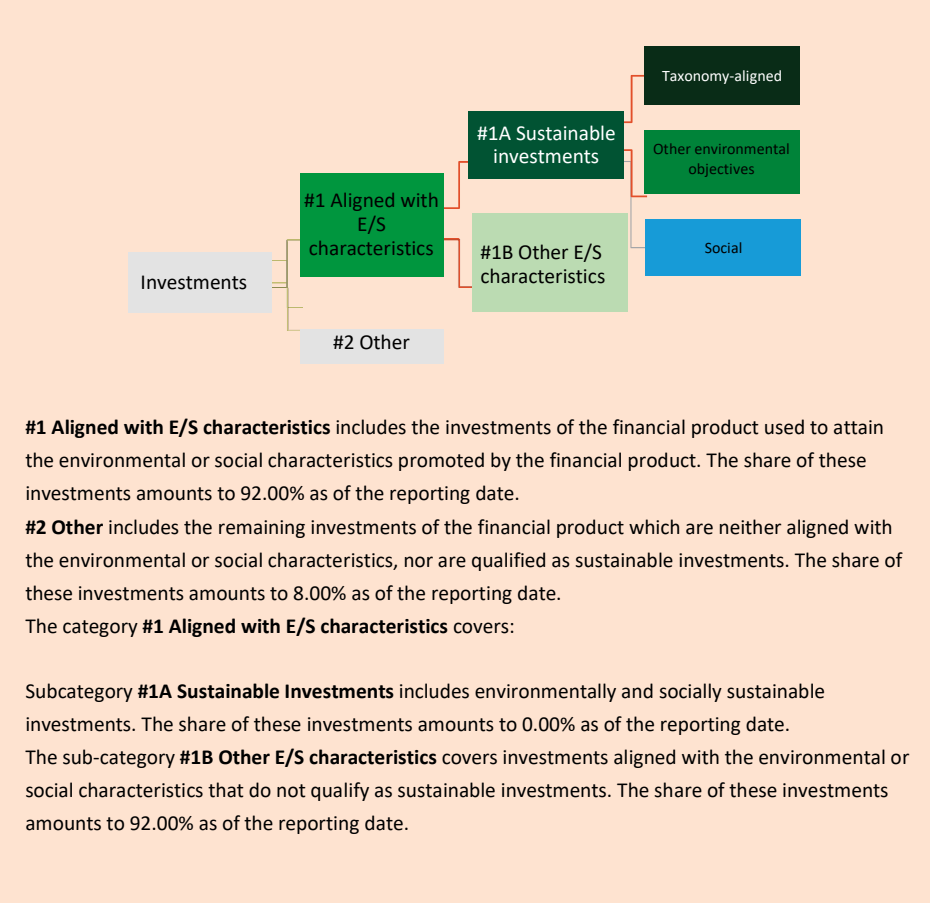
Asset allocation
describes the share of investments in specific assets.

● *What were the asset allocations?*

56

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



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	38.30%
Pharmaceuticals, biotechnology and biosciences	7.32%
Food, beverages and tobacco	6.86%
Software & services	5.24%
Wholesale and retail	3.64%
Hardware and equipment	3.49%
Utilities	3.22%
Household goods & personal care products	3.13%
Capital goods	3.00%
Raw materials and supplies	2.66%
Banks	2.18%
Real estate	2.15%
Semiconductors & equipment for semiconductor production	2.06%
Food and basic goods retail	2.00%
Media & entertainment	1.66%
Consumer goods and clothing	1.57%
Diversified financial services	1.39%
Automobiles and components	1.07%
Consumer services	1.04%
Telecommunications services	0.98%
Healthcare: Equipment & services	0.77%
Energy	0.26%

57



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).

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.

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.

● **Does the financial product invest in EU taxonomy-aligned fossil gas and/or nuclear energy¹ activities?**

☐

Yes:

☐

in fossil gas

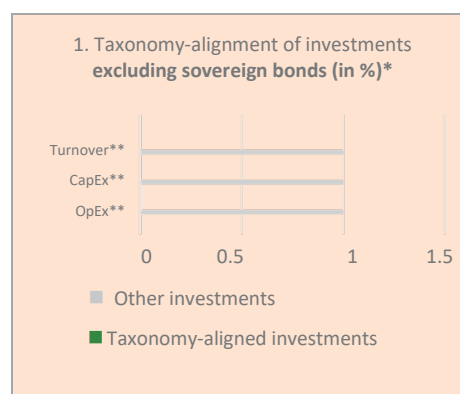
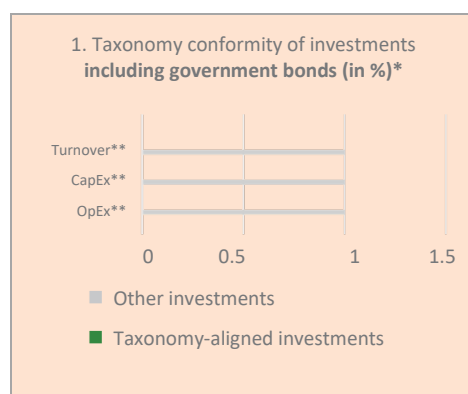
☐

in nuclear energy

☒

No

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%

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.

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%.

59

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 the dialogues with the representatives of the fund's investee companies, discussions were held in particular with companies where the investment was above average in relation to the size of the company. For companies from the real estate sector, particular attention was given to the need for sustainable and resource-efficient (conversion before new construction) construction methods.



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

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

No 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 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.

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
Name of the product: Ethna SICAV - DYNAMISCH A (Feeder UCITS)
Legal entity identifier: 529900DRSJDLHWMBH33

Environmental and/or social characteristics

Product name: Ethna-DYNAMISCH (Master UCITS)
Legal entity identifier: 5299009YF07LKR4ADA63

Did this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ 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

☐ 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

☐ Sustainable investments with a social objective were made: %

☒ It promoted E/S characteristics, but did not make any sustainable investments

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.



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

In its bond and equity investments, the 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 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?*

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.

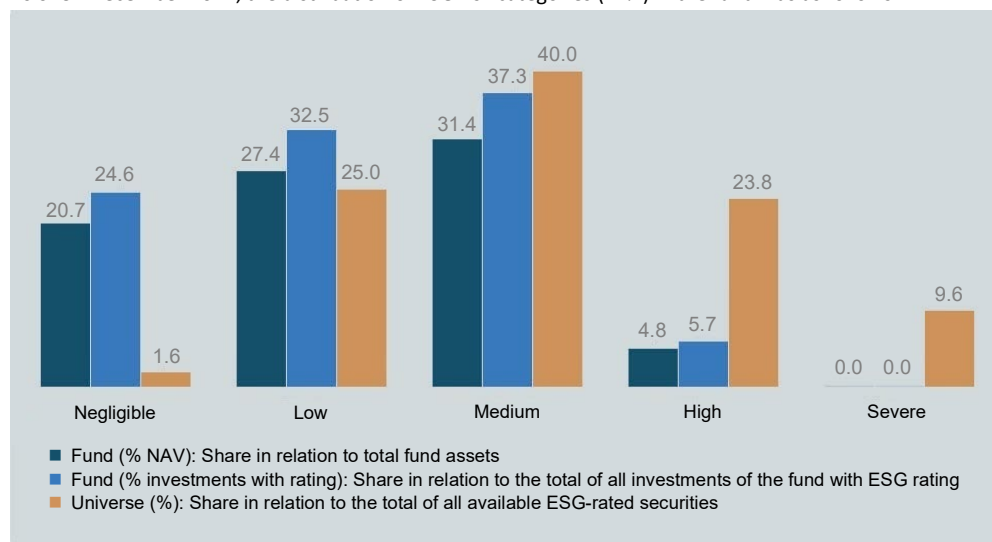
Measured against this ESG risk score, the Fund is expected to achieve on average at least a solid medium ESG risk profile (ESG risk score less than 25). This objective was achieved. During the reporting period, the fund's ESG risk score was consistently below 25. The average ESG risk score for the reporting period was 17.3. As of 31 December 2022, the ESG risk score was 17.1.

Sustainability indicators

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

Individual securities with serious risks (ESG risk score greater than 40) 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.

As of 31 December 2022, the distribution of ESG risk categories (in %) in the fund was as follows:



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.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

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

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

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

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

- 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.

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?

Within the Fund, the principal adverse impacts of investment decisions on sustainability factors from the following groups of issues from Annex 1 of Table I of Regulation (EU) 2022/1288 of the European Parliament and of the Council of 6 April 2022 are taken into consideration: greenhouse gas emissions, biodiversity, water, waste, and social and employment issues. The portfolio managers draw on the external analyses of ESG agencies, public documents of the companies and notes from direct dialogues with company leaders to identify, measure and assess adverse sustainability impacts. The adverse sustainability impacts can then be subjected to comprehensive analysis and taken into account in investment decisions.

Different sustainability aspects are weighted in the sustainability assessment of investments depending on their relevance for the respective business model. For example, greenhouse gas emissions are significantly more relevant in particularly CO₂-intensive sectors than in less CO₂-intensive sectors.

Regular reporting of the sustainability factors is based on the raw data provided by the Sustainalytics rating agency.



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:

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):

Largest investments	Sector	in % of the	Country
Bunzl Plc.	PROVISION OF PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES	2.7775	UK
TJX Companies Inc.	TRADE; MAINTENANCE AND REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	2.6175	United States of America
Amgen Inc.	PROVISION OF PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES	2.555	United States of America
Industria de Diseño Textil S.A.	PROVISION OF PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES	2.545	Spain
General Mills Inc.	MANUFACTURING/PRODUCTION OF GOODS	2.49	United States of America
Dte. Börse Commodities GmbH/Gold Ounce 999 Cert. v.07(2199)	PROVISION OF FINANCIAL AND INSURANCE SERVICES	2.3975	Germany
BB Biotech	AG PROVISION OF FINANCIAL AND INSURANCE SERVICES	2.3775	Switzerland
Berkshire Hathaway Inc.	PROVISION OF FINANCIAL AND INSURANCE SERVICES	2.35	United States of America
Medtronic Plc.	MANUFACTURING/PRODUCTION OF GOODS	2.3325	Ireland
VISA Inc.	PROVISION OF FINANCIAL AND INSURANCE SERVICES	2.28	United States of America
Salesforce Inc.	INFORMATION AND COMMUNICATION	2.1975	United States of America
Vontier Corporation	MANUFACTURING/PRODUCTION OF GOODS	2.1925	United States of America
Morningstar Inc.	PROVISION OF FINANCIAL AND INSURANCE SERVICES	2.055	United States of America
Unilever Plc.	PROVISION OF PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES	2.045	UK
Samsung Electronics Co. Ltd. -VZ-	MANUFACTURING/PRODUCTION OF GOODS	1.97	South Korea



What was the share of sustainability-related investments?

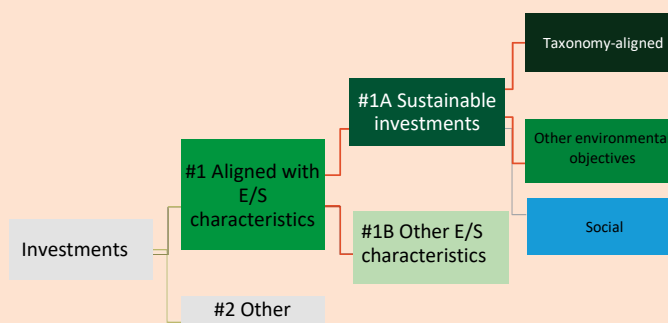
Asset allocation

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?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product. The share of these investments amounts to 84.00% as of the reporting date.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments. The share of these investments amounts to 16.00% as of the reporting date.

The category **#1 Aligned with E/S characteristics** covers:

Subcategory **#1A Sustainable Investments** includes environmentally and socially sustainable investments. The share of these investments amounts to 0.00% as of the reporting date.

The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments. The share of these investments amounts to 84.00% as of the reporting date.

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
Banks	12.23%
Software & services	11.61%
Other	8.13%
Diversified financial services	7.10%
Capital goods	6.29%
Wholesale and retail	6.25%
Healthcare: Equipment & services	5.67%
Pharmaceuticals, biotechnology and biosciences	5.60%
Food, beverages and tobacco	4.71%
Media & entertainment	4.61%

Hardware and equipment	4.34%
Insurance	2.56%
Household goods & personal care products	2.34%
Consumer services	2.19%
Raw materials and supplies	1.84%
Real estate	1.19%
Automobiles and components	0.21%

68

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 energy¹ activities?

☐

Yes:

☐

in fossil gas

☐

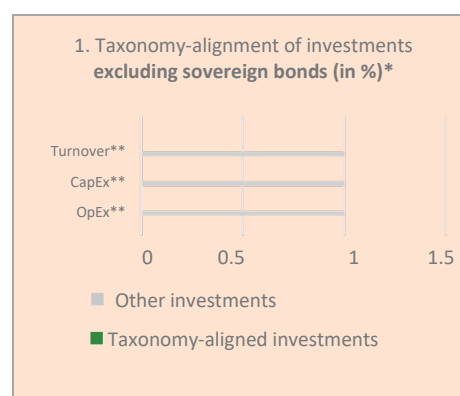
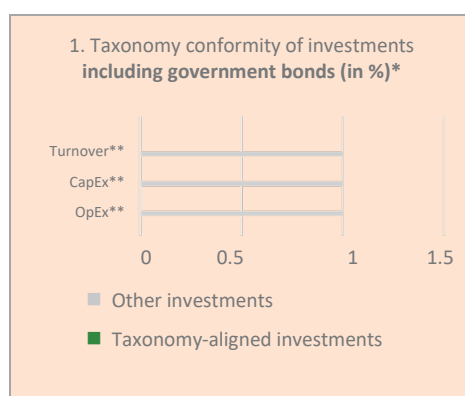
in nuclear energy

☒

No

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.

69



* 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.

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.

- **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.

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.

- **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 and equity 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. This entailed dialogues with company representatives on how to improve certain aspects of good corporate governance, for example. In addition, voting rights at general meetings in particular were used as an important communication channel. While dialogues are opportunities to discuss positions, they are not usually formally binding. In contrast, exercising voting rights at a general meeting has just such characteristics. This makes it a powerful tool for influencing the direction of companies. Further details on the implementation of this measure can be found in both the voting policy and the voting report on the website of the management company of the fund (<https://www.ethenea.com/dokumente-zu-esg/>).



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

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

No 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 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

73

Investment company:	Ethna SICAV 4, rue Thomas Edison L-1445 Strassen, Luxembourg
Board of Directors of the investment company:	
Chairman of the Board of Directors	Frank Hauprich ETHENEA Independent Investors S.A.
Directors:	Josiane Jennes ETHENEA Independent Investors S.A. Nikolaus Rummler IPConcept (Luxembourg) 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

Paying agent in the Grand Duchy of Luxembourg:

DZ PRIVATBANK S.A.
4, rue Thomas Edison
L-1445 Strassen, Luxembourg

Paying and information agent in Belgium (until 31 December 2022):

CACEIS Belgium SA/NV
Avenue du Port / Havenlaan 86C b 320
B-1000 Brussels

74

Paying agent in Belgium (from 1 January 2023)

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

ETHENEA Independent Investors S.A.
16, rue Gabriel Lippmann · 5365 Munsbach · Luxembourg
Phone +352 276 921-0 · Fax +352 276 921-1099
info@ethenea.com · ethenea.com