

# **LYXOR NEWCITS IRL II PLC**

(An umbrella fund with variable capital and segregated liability between sub-funds)

## **ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

REGISTRATION NUMBER: 520397

## LYXOR NEWCITS IRL II PLC

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**COMPANY INFORMATION**

**Directors**

Mr. Vincent Dodd\* (Irish)  
Mr. Bryan Tiernan\* (Irish)  
Mr. Moez Bousarsar (French)  
Mr. Colm Callaly (Irish) appointed 4 February, 2022  
Mr. Declan Murray (Irish) appointed 4 February, 2022  
Mr. John O'toole (Irish) appointed 4 February, 2022  
Mr. Paul Weber (Irish) appointed 4 February, 2022  
Mr. Olivier Germain (French) resigned 4 February, 2022

\*Independent Director

All Directors are non-executive Directors

**Registered Office**

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Manager, Promoter and Global Distributor**

Lyxor Asset Management S.A.S.  
91-93, boulevard Pasteur  
75015 Paris  
France

**Depositary**

Société Générale S.A. (Head Office)  
29 Boulevard Haussmann  
75009 Paris  
France

Société Générale S.A. (Dublin Branch)  
3<sup>rd</sup> Floor  
IFSC House  
IFSC  
Dublin 1  
Ireland

**Company Secretary**

Matsack Trust Limited  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Administrator**

SS&C Financial Services (Ireland) Limited  
La Touche House  
Custom House Dock  
IFSC  
Dublin 1  
Ireland

**Investment Manager**

Lyxor International Asset Management S.A.S.  
91-93, boulevard Pasteur  
75015 Paris  
France

**Registrar and Transfer Agent**

Société Générale Securities Services, SGSS (Ireland) Limited  
3<sup>rd</sup> Floor  
IFSC House  
IFSC  
Dublin 1  
Ireland

**Legal Adviser**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Independent Auditors**

PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

**COMPANY INFORMATION (continued)**

**Sub-Fund**

Lyxor/WNT Fund  
 Lyxor/Chenavari Credit Fund  
 Lutetia Merger Arbitrage Fund  
 Kingdon Global Long-Short Equity Fund  
 Lyxor/Wells Capital Financial Credit Fund  
 Lyxor/Academy Quantitative Global UCITS Fund  
 Lyxor/Marathon Emerging Markets Bond Fund  
 Lyxor/Bluescale Global Equity Alpha Fund

**Sub-Investment Manager**

Winton Capital Management Limited  
 Chenavari Credit Partners LLP  
 Lutetia Capital S.A.S.  
 Kingdon Capital Management, L.L.C.  
 ECM Asset Management Limited  
 Academy Investment Management LLC  
 Marathon Asset Management, L.P.  
 The Putnam Advisory Company, LLC

The following abbreviated names for the Company's sub-funds were used in the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, Statement of Cash Flows and on the tables in the Notes to the Financial Statements and the Unaudited disclosure sections of the financial statements:

**Sub-Fund Full Name**

Lyxor/WNT Fund  
 Lyxor/Chenavari Credit Fund  
 Lutetia Merger Arbitrage Fund  
 Lyxor Evolution Fixed Income Fund  
 Kingdon Global Long-Short Equity Fund  
 Lyxor/Wells Capital Financial Credit Fund  
 Lyxor/Portland Hill Fund  
 Lyxor/Dymon Asia Macro Fund  
 Lyxor/Academy Quantitative Global UCITS Fund  
 Lyxor/Marathon Emerging Markets Bond Fund  
 Lyxor/Bluescale Global Equity Alpha Fund

**Abbreviated Name**

WNT  
 CHENAVARI  
 LUTETIA  
 EVOLUTION  
 KINGDON  
 WELLS  
 PORTLAND  
 DYMON  
 ACADEMY  
 MARATHON  
 BLUESCALE

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**DIRECTORS' REPORT**

**For the year ended 31 December 2021**

The Directors submit their report together with the audited financial statements of Lyxor Newcits IRL II plc (the "Company") for the year ended 31 December 2021.

**Statement of Directors' responsibilities**

The Directors are responsible for preparing the annual report and the financial statements in accordance with Irish law and International Financial Reporting Standards (IFRS's), as adopted by the European Union.

Irish company law requires the Directors to prepare financial statements for each financial year. Under Company law, the Directors must not approve these financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from these standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with IFRS's as adopted by the European Union and comply with the Irish Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations" or collectively the "UCITS Regulations"). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors, together with Lyxor International Asset Management S.A.S., the Investment Manager, are responsible for the maintenance and integrity of the publication of these financial statements online. Legislation in the Republic of Ireland governing the presentation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Under the UCITS Regulations, the Directors are required to entrust the assets of the Company to a Depositary. Société Générale S.A. have been appointed by the Company as the Depositary.

**Adequate accounting records**

The measures taken by the Directors to secure compliance with section 281 to 285 of the Companies Act 2014 to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at the following address: SS&C Financial Services (Ireland) Limited, La Touche House, IFSC, Dublin 1, Ireland.

**Review of the business and future developments**

The Company is an investment company with variable capital constituted as an umbrella fund with segregated liability between Sub-Funds. The Company was incorporated on 21 November 2012 under the laws of Ireland pursuant to the Companies Act 2014 and is authorised by the Central Bank of Ireland ("Central Bank") as an Undertaking for Collective Investment in Transferable Securities ("UCITS") pursuant to the UCITS Regulations.

There can be no assurance that the Company will achieve its investment objective.

A detailed review of the business and any future developments are included in the Investment Manager's Report.

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**DIRECTORS' REPORT (continued)**  
**For the year ended 31 December 2021****Corporate governance**

The Company has adopted in full the voluntary Corporate Governance Code for Irish domiciled Collective Investment Schemes and Management Companies (the "Code") as published by Irish Funds, the text of which is available from the Irish Funds website, [www.irishfunds.ie](http://www.irishfunds.ie). The Company has been fully compliant with the Code for the financial year ended 31 December 2021 (31 December 2020: same).

**Companies Registration Office ("CRO")**

Investment companies are now required to file the statutory financial statements, statutory auditor's report and directors' reports with the CRO not later than 11 months after the end of each financial year which commenced on or after 1 January 2018. Such documents will be publicly available on the CRO's website.

**Risk management objectives and policies**

The main risks arising from the Company's financial instruments are market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk, as set out in Note 10.

**Results and dividends**

The results for the year are set out in the Statement of Comprehensive Income of the financial statements. Please see Note 12 of the financial statements for details of dividends approved during the year.

**Impact of COVID-19**

During the period, the world has experienced a global pandemic of Covid-19 affecting all continents without distinction. Managers have adapted their working organisation to this new environment to maintain an efficient operating, trading and investment process. The Board of Directors and manager continue to monitor the COVID pandemic effects on financial markets and how local governments and regional organisations are supporting global economies. Investment managers have adjusted their trading and operating set up over the last 24 months and evidenced a lot of flexibility in their working organisation.

**Significant events during the year**

Refer to Note 20 of the financial statements for the details of significant events during the year.

**Subsequent events**

Refer to Note 21 of the financial statements for the details of subsequent events.

**Directors**

The Directors of the Company who held office during the year and who were appointed after the period, are listed below:

Vincent Dodd* (Irish)	Declan Murray (Irish) appointed on 4 February 2022
Bryan Tiernan* (Irish)	John O'Toole (Irish) appointed on 4 February 2022
Mr. Moez Bousarsar (French)	Paul Weber (Irish) appointed on 4 February 2022
Mr. Colm Callaly (Irish) appointed on 4 February 2022	Olivier Germain (French) resigned on 4 February 2022

**Directors' and Secretary's interests**

The Directors and Secretary and their families had no interest in the shares of the Company as at 31 December 2021. No Director had, at any time during the year, a material interest in any contract of significance, subsisting during or at the end of the year, in relation to the business of the Company. All Directors' fees are borne by the Manager.

### Connected person transactions

The Board is satisfied that: (i) there are adequate arrangements in place, to ensure that the obligations set out in Regulation 41 (1) of the Central Bank UCITS Regulations are applied to all transactions with connected persons; and (ii) transactions with connected persons entered into during the year complied with the obligations set out in that paragraph.

### Directors' compliance statement

The Directors acknowledge that they are responsible for securing the Company's compliance with the relevant obligations as set out in Section 225 of the Companies Act 2014.

The Directors confirm that:

1. A compliance policy statement has been drawn up that sets out policies that, in our opinion, are appropriate to the Company, respecting compliance by the Company with its relevant obligations;
2. Appropriate arrangements or structures are in place that, in our opinion, are designed to secure material compliance with the Company's relevant obligations; and
3. During the financial year, the arrangements or structures referred to in (2) have been reviewed.

### Audit information

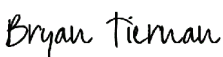
In accordance with section 330 of the Companies Act 2014, each of the Directors believes the following to be the case:

- So far as the Directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- The Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

### Independent auditors

PricewaterhouseCoopers have expressed their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

Signed on behalf of the Board of Directors:

DocuSigned by:  
  
44B302954482489...  
Bryan Tiernan  
Director

28 April 2022

DocuSigned by:  
  
015123250CA542F...  
Vincent Dodd  
Director

28 April 2022

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**INVESTMENT MANAGER'S REPORT**

**For the year ended 31 December 2021**

**Lyxor/WNT Fund**

The Fund started 2021 with a negative performance, driven by long positions in fixed income and non-USD currencies. Losses accrued in fixed income, where long positions in longer-dated US Treasuries were the largest detractors from returns. In currencies, meanwhile, long euro and Australian dollar positions outpaced profits from a short position in the Japanese yen. Long exposure to stock indices proved more beneficial for performance, with MSCI Emerging Market and Russell 2000 futures among the largest individual contributors over the month.

Trend-following systems in stocks indices and currencies drove the Fund's positive performance in February. Further profits accrued from other systems, notably seasonality, while carry detracted overall, due to negative performance in fixed income. Market reversals led to losses in the final week of February, yet the Fund still ended the month in positive territory. Stock indices were the top contributor to performance, as energy and financials stocks lifted global equities to new all-time highs in the middle of the month. The Fund benefited from its long positions in the sector, particularly in Japanese indices, which climbed to their highest levels since 1990. Positioning in currencies also proved favorable, with both trend-following and carry systems generating profits. A short Japanese yen position and long exposure to the British pound and Australian dollar were among the Fund's top individual contributors. While other systems, particularly seasonality, generated profits in fixed income, the Fund lost money in the sector overall due to trend-following and carry systems.

The Fund's positive return in March was driven by trend-following systems, with profits also accruing from non-trend systems, most notably currency carry. Stock indices and currencies drove the Fund's positive performance over the month. Trend-following systems remain long stock indices, as global equity markets climbed to new record highs. Profits in currencies, meanwhile, were driven by both carry and trend-following systems, with a short position in the Japanese yen representing the top contributor. The US dollar, which weakened over much of 2020, continued to strengthen against most major currencies in March. Elsewhere, performance in fixed income was broadly flat, with losses from long short-term interest rate positions cancelling out profits from short government bond positions.

Equity markets had another strong month in April, as the S&P500 ended 5.3% higher with growth stocks outperforming value stocks. U.S. 10-year Treasury yields fell back from their March peak of 1.75% to 1.53%, before ending the month at 1.63%. Positioning in stock indices and currencies drove the strategy's gain. Trend-following systems reduced the stock indices exposure but benefited from an allocation that remained long. Currencies profits were also driven by trend-following systems with the long position in the Australian dollar and the short position in Japanese yen representing the top individual contributors. Elsewhere, performance in fixed income was broadly flat, with losses from short government bond positions cancelling out profits from long short-term interest rate positions.

In May, Trend following on currencies and stock indices accounted for most of the Fund's gains while multi-asset carry systems also made a positive contribution. Currencies was the largest performance driver over the month, with the US dollar trending downwards against most major currencies and profits from both trend-following and carry systems. Long British pound and Canadian dollar positions were the top contributors to performance in the sector, along with short exposure to the Japanese yen. Equities benefited from the momentum signals but suffered from proprietary ones. The fixed income book added a minor contribution, thanks to its remaining long front end rates allocation.

The Fund ended June down. Losses from trend following and proprietary strategies impacted the performance, while the carry component ended slightly up. Positioning in currencies and fixed income, led to losses, after US policymakers signaled an increase in interest rates in 2023, one year earlier than previously expected. Long positions in non-USD currencies and Eurodollar futures were the top detractors, with trend-following systems accounting for most of the negative performance in the two sectors. On the positive side, equity allocation posted a profit thanks to the North American exposure where markets reached new highs.

Due to its low level of assets, the Fund was liquidated in July.

Winton Capital Management Limited  
Lyxor International Asset Management S.A.S.  
January 2022



**INVESTMENT MANAGER'S REPORT (continued)****For the year ended 31 December 2021****Lyxor/Chenavari Credit Fund**

Over the full year 2021, the Fund posted a positive performance of 3.10% (I USD).

January

The year started with a positive tone with the prevalent themes in Q4 2020 continuing to develop in January, namely the tightening of spreads in the ongoing search for yield, compression between low and high beta credits, decline of volatility in credit and equity and some underperformance of credit vs. equity. Across the Atlantic, the U.S. economic outlook seemingly improved in January on the back of a Democratic sweep, leading to expectations of a larger stimulus and a rapid decline in COVID-19 cases and hospitalizations. This led to a sharp steepening in the Treasury curve with the 10-yr Treasury yield rising by 15bps over the month. However, the situation in Europe regarding the pandemic was still worrying, with news of more infectious virus strains and vaccination delays which started to weigh on risk sentiment towards the second half of the month. In addition, the government crisis in Italy, triggered by the standoff between Prime Minister Conte and the small coalition party Italia Viva headed by former Prime Minister Renzi, led to a meaningful underperformance of Italian high beta risk, i.e. mainly AT1s issued by the national champions Intesa and Unicredit. Finally, the fear of a “bubble” in financial markets, fueled by U.S. retail frenzy buying on GameStop stock, led to a sharp correction in global equities towards the last week of the month, with the S&P 500 and EUROSTOXX 50 retracing their gains to close the month down by 1.1% and 2% respectively. Given the above, credit was not spared although cash outperformed synthetic indices and performance was much more muted in January vs. the last two months of 2020. iTraxx Europe (S34) 5Y and iTraxx Senior Financial (S34) 5Y widened 8.8% and 7.2% respectively, while Markit iBoxx EUR AT1 (-0.01%) underperformed Markit iBoxx EUR High Yield (+0.35%).

Despite the weakness in the credit market, the strategy was about flat for the month. Top performance contributors include Swiss sensor manufacturer AMS, EDF in France and Burger King. During January, the Fund took advantage of the market weakness to find attractive entry points for some of its positions and increased its deployment of capital to close to its capital allocation. For example, the Fund participated in the primary issue of AA, leader in road breakdown assistance, who issued at 6.5% coupon. Its bonds went up to 102 quickly after the issue. The Fund also increased its exposure to National Express' perpetual bonds at 4.25%. Given Europe is much more behind than the U.K. in terms of the roll out of vaccines, we believe COVID-resilient companies in the U.K. still offer attractive yields with lower volatility. In terms of performance drag, the Fund's long in Adler Group, Abertis Perp and DIY retailer Maxeda were the laggards. We will continue to position the Fund to focus on four key themes: (1) businesses with low cyclicality and that are high cash flow generative, (2) COVID-19 turnarounds/balance sheet repair story, (3) cyclical recovery, and (4) levered companies with high cashflow generation.

Overall, the Financials strategy posted a small loss in January, mainly driven by the underperformance of Deutsche Bank and Intesa AT1 bonds. These mark-to-market losses were offset by profits made on hedges in credit indices, primarily on iTraxx Crossover (S24) 5Y, and from short positions on low coupons/longer call \$ AT1s, which traded softer during the month due to rising rates. The Fund's exposure on legacy Tier 1s (HSBC, Natwest) and BNP discounted bonds continued to act as a stabilizer of the strategy's volatility with bonds in general slightly up. BNP's intention to call its \$600m 6.5% fixed-for-life legacy Tier 1 also acted as a reminder of the positive technical surrounding legacy perpetual debts. Importantly, it must be again highlighted the EBA guidance on legacy instruments published in October 2020, which urges banks to clean up their legacy instruments via tender or outright calls, is a strong tailwind for valuations.

February

Markets started the month on a strong footing, the brief sell-off experienced in the last few days of January was short lived and prices quickly recovered in February, peaking around mid-month. Since then, the positive tone was somehow derailed by the rapid increase in rates seen globally as market participants focused on the reflation theme, on the back of a rapidly improving COVID-19 situation in the U.S. and prospects of another stimulus package being approved in the U.S. (around \$1.9tn to be spent mostly in 2021). 10-yr U.S. treasuries yield soared to 1.4% (+34bps) while 10-yr German Bunds yield gained 26bps to -0.3%. Bank equities were the big winners with the EURO STOXX Banks Index posting a 19% monthly gain, while the Markit iBoxx EUR AT1 Index gave up all of its gains to finish only +0.5% up, losing almost 2% from its peak. Although the ECB has shown discomfort with the repricing of the European yield curve, it has yet to show concrete measures to contain the recent move. In the U.S., the reaction was the opposite with many Federal Reserve board members including Chairman Powell saying that the rate increase merely reflects the improved outlook for the economic activity and therefore didn't warrant action to control the move at this stage. In European credit, indices ended the month relatively flat when taking the larger intra-month moves into account, nonetheless the European Investment Grade Index (iTraxx Europe (S34) 5Y), the European Senior Financials Index (iTraxx Senior Financials (S34) 5Y), and the European High Yield Index (iTraxx Crossover (S34) 5Y) tightened -2%, -1.2%, and -1.6%, respectively for the month.

**INVESTMENT MANAGER'S REPORT (continued)****For the year ended 31 December 2021****Lyxor/Chenavari Credit Fund (continued)**

Despite the market volatility, the strategy posted +0.56% return as we continue to focus on alpha creation. Since early January, the strategy is running fully hedged for interest rates sensitivity and more recently, the sub-investment manager has decided to reduce the exposure to long duration bonds and increase shorts on Corporate Hybrid securities that can be vulnerable to further increase in interest rates. We believe that the High Yield cyclical theme is still in vogue in Europe and should continue to perform well as the European economies accelerate while long duration, tight BB rated bonds are the most vulnerable to the current volatility. Amongst the top alpha names are Asda (a business with low cyclical and high cash flow generation), PureGym and National Express (turnaround story and balance sheet repair). Performance was partially offset by Wintershall and the Fund's short exposure on ZF Friedrichshafen, a German auto supplier. With the UK leading the rate of vaccination and its economy opening up earlier than Europe, we continue to favor UK risk with names like Stonegate and PureGym expected to benefit. It should be noted that steepening of the yield curve is also a sign of improving economic activity, which is positive for the credit asset class as EBITDA, will grow and leverage for corporates should come down. Nonetheless, the pace of rate rise will be a source of market volatility and we have been very focused on monitoring the Fund's sensitivity to rates, reduced the Fund's exposure to the hybrid market and bought some downside protection.

In the Financials market, the month started on a strong foot with the outperformance of Italian banks as Mario Draghi's mandate in Italy was greeted with enthusiasm. Low resets in € AT1s issued by Intesa and UniCredit (e.g. ISPIM 3.75% c 25 and UCGIM 3.875% c 27) rose by circa 5 points over the first half of the month (vs. +1.6 points at the ICE BofA CoCo index level) and this strong momentum was further spurred by solid Q4 results released by the two Italian champions. Indeed, Intesa posted an eye-popping fall in its NPE from 7% to 4.4%, thanks mainly to the deployment of UBI acquisition goodwill while software and RWA management boosted the MDA buffer close to 700bps (similar to UniCredit). It is important to note that bank earnings have generally surprised to the upside, capitalization has strengthened and most of the banks remained profitable in FY-2020. Aside from the macro background, it is worth noting that technical factors for capital instruments remained supportive with less than €5bn of capital instruments (AT1/T2) issued during the month. Also, in the legacy space, Bank Austria called at par two old CMS which was not fully expected at this moment of the year given that the bonds were trading at 95%. This had another positive read-across for other legacy bonds sharing similar features. Overall, the Financials strategy posted a strong performance, thanks to efficient bond picking which largely outperformed the shorts on \$ iBoxx AT1 and iTraxx Crossover indices. Largest contributors were the Fund's overweight positions on Italian banks, such as Intesa and UniCredit AT1s, but also Banco BPM 3.25% 2031-26 Tier 2 and DB AT1s +3 points). The sub-investment manager made a decision at the beginning of the month to tactically over-hedge the dollar rate exposure, which was a clear source of alpha during the month.

**March**

March finished on a fairly constructive tone despite the volatility coming from U.S. treasuries. The yield on 10-yr U.S. treasuries continued to climb to 1.74% (i.e. +34bps), driven by the optimism on the U.S. growth outlook and President Biden's fiscal plan. The steepening of the U.S. yield curve created a lot of volatility in the U.S. equity markets. Despite this, U.S. equities managed to end the month higher with the S&P 500 closing up 4.2% and the Nasdaq-100 closing up 1.4%. Europe was the big winner as investors sought refuge on this side of the Atlantic, pushing the EURO STOXX 50 Index up by 7.8%. We also witnessed another dovish stance reiterated at the ECB monthly meeting, with the announcement that purchases under the Pandemic Emergency Purchase Programme (PEPP) would be accelerated over the coming quarter. Credit was also well supported, with iTraxx Crossover (S34) 5Y outperforming, tightening by 16.8% to 221bps and the index roll had a positive impact on the synthetic market. The Markit iBoxx EUR High Yield Index climbed 0.45%, whilst higher rated names with longer dated maturities felt the pressure as investors avoided interest rate exposure.

The Corporate strategy did well in March, posting a +0.33% return to the Fund. Positive performance was driven by the Fund's long position on iTraxx Crossover as we play the index roll technical. Other contributors include the Fund's long positions on Cirsa (Spanish casino operator) and Marks & Spencer (UK retailer), the latter aims at capturing the good momentum on the UK vaccine rollout. The biggest drags on performance were the Fund's short positions on Volkswagen's perpetual bonds and ZFF's senior debt, as the cyclical tone of the market continued to drive the prices of these bonds higher. We remain constructive on the European High Yield market as the COVID-19 vaccine rollout finally accelerates, translating to a very strong H2 2021. As we remain concerned about the interest rate volatility, since December 2020, we have decided to fully hedge the Fund's exposure and avoid ultra long-dated bonds. Indeed, the Fund even has some short exposure on some very tight hybrid securities that could be subject to selling pressure if investors decide to de-risk.

**INVESTMENT MANAGER'S REPORT (continued)**

**For the year ended 31 December 2021**

**Lyxor/Chenavari Credit Fund (continued)**

In the Financials market, bank equities continued their march higher with the EURO STOXX Banks Index closing the month up by 5% after rising 19% in February, despite European rates being in check with the 10-yr Bunds yield decreasing 3bps to -0.29%. Bank equities were helped by a speech from ECB Supervisory Chair Andrea Enria at a conference, where he reiterated the ECB's aim to lift dividend restrictions at the end of Q3 2021 "in the absence of unexpected, materially adverse developments". Regarding AT1s, the key highlight was the clear outperformance of the Markit iBoxx EUR CoCo Index (+1.7%) vs. the Markit iBoxx USD CoCo Index (up only +0.2%), as the latter was negatively impacted by a further 10-yr U.S. treasury sell-off as well as idiosyncratic stories affecting some of its components. The first story was the collapse of the supply chain financing company Greensill Capital. This put Credit Suisse in the spotlight when the bank's asset management arm announced the winding down of its supply chain finance funds to protect the interest of its investors. Another story involved Archegos Capital, whose failure to cover margin calls forced several of its prime brokers including Goldman Sachs, Morgan Stanley, Nomura, UBS and Credit Suisse to liquidate Archegos' equity positions at a loss. Notably, Credit Suisse remained particularly affected and a potential loss between \$3bn and \$4bn was initially reported in the press. After a widening of 20bps in its senior debt and 5 points down in its AT1s, S&P and Moody's revised outlook for Credit Suisse to "only" negative helped spreads to stabilise. Other names such as UBS and Deutsche Bank showed some signs of weakness on suspicion of exposure to Archegos as well. The Fund had no exposure to Credit Suisse when the debacles of Greensill and Archegos broke out and it actually took advantage of these events, thanks to its short-risk position on the \$ iBoxx CoCo Index, as Credit Suisse AT1s account for 14% of the basket. In addition, the Fund's core long-risk AT1 trades on Intesa, Banco BPM and Sabadell once again outperformed with notably Moody's revising their outlook on both the Spanish and Italian banking systems from negative to stable. Overall, the Financials strategy contributed +0.46% return to the Fund.

**April**

April was another strong month for risky assets, supported by strong economic data and a standstill on monetary policy both in Europe and the U.S. In the U.S., Federal Reserve Chair Powell adopted a dovish tone highlighting no imminent intention of withdrawing stimulus despite faster than expected U.S. economic recovery. Powell also noted that inflation metrics will likely be higher but should be largely "transitory". These developments boosted the S&P500 +5.24% higher for the month outperforming the EURO STOXX 50, which trailed with only a +1.42% gain for April. The U.S. 10-yr treasury was one of the most volatile asset classes, reversing the upward trend and finishing the month 12bps tighter to yield 1.63%. The retracement of rates was probably the main factor driving risk appetite higher again in April. Credit indices also reacted positively, although for the first time this year, there was some decompression taking place between iTraxx Crossover (S35) 5Y and iTraxx Europe (S35) 5Y as the former tightened by only 3.7bps vs. 2.3bps tighter for the latter.

In the European Corporate HY market, the new issue pipeline was very strong with a combination of refinancing deals, leveraged buyouts and loan-to-bond transactions. Even though new issues are still providing some premium, the absolute yields are much lower than last year, reflecting the current state of the market. As valuations have recently tightened, we started to reduce the Fund's long bias as we wait for better entry points to add risk again. We have also started to reduce the cyclicity of the portfolio in light of the beta exposure reduction. Having said that, fundamentals remain strong, and we see little catalyst for any meaningful set back in the asset class. The Corporate strategy performed well in April, posting +0.22% to the Fund. Positive performance was led by the Fund's long positions in the Spanish gaming company Cirsa alongside the Spanish retailer Tendam. We believe these trades should continue to perform well as Europe rebounds. Other contributors include the German real estate entity Adler Group and UK retailer Next, offset by the Fund's short positions in the German retailer Douglas, German auto supplier ZF Friedrichshafen and British chemicals company Ineos. On the long side, Austrian semi-conductor manufacturer AMS' bonds dropped as the market feared AMS would lose its iPhone face recognition contract with Apple. Overall, we remain constructive of the market but are more focused on alpha contribution and less so on beta.

In the Financials market, April was the Q1 2021 earnings season. Bank results pointed to a solid start for the year and have been so far marked by lower loan loss provisions and generally strong trading revenues across the Investment Banking Divisions (IB), especially in equities. We believe the cost of risk should further decrease over 2021 given that European governments are steadily lifting COVID-19 restrictions, while momentum in the IB from Q1 is expected to slow down in Q2. Key highlights include Nordic banks confirming their safe-haven status in this pandemic with outstanding asset quality metrics, while Spain's 4th largest bank, Sabadell (one of the Fund's key conviction trades) posted good results with net income coming in at €73m with a positive, albeit small, contribution from its UK subsidiary TSB and steady asset quality, as well as capital position. Credit Suisse's Q1 2021 results were obviously scrutinized after the Greensill and Archegos debacles, with the latter finally translating to a loss of CHF 4.4bn for the first quarter. However, Credit Suisse's results reassured investors with an overall loss of "only" CHF 757m due to impressive underlying revenues for the quarter (+31% year-on-year).

**INVESTMENT MANAGER'S REPORT (continued)**

**For the year ended 31 December 2021**

**Lyxor/Chenavari Credit Fund (continued)**

Most importantly, the placement of mandatory convertible notes, equivalent to CHF 1.7bn (~55-60bps of CET1), allowed the bank to post a 12.2% CET1 ratio (vs. a minimum of 12% pre-announced), as well as a CET1 leverage ratio of 3.8% (vs. "at least" 3.7% guided), therefore easing market concerns about the distant possibility of an AT1 coupon skip. Finally, Deutsche Bank's results were very strong with €1bn net income, the largest net profit the bank has reported since Q1 2017 with all core divisions' results beat consensus estimates. Capital remained solid at 13.7%, leaving an MDA buffer of 330bps. Credit quality was also impressive, with only 6bps cost of credit during the quarter. The strategy generated a positive contribution of +1.42% (gross, on the strategy level) vs. +0.9% for the Markit iBoxx EUR AT1 Index. The strategy benefitted from its overweight position on Deutsche Bank AT1s (+3 points during the month) and Tier 2s, one of the Fund's key conviction trades since mid-2020. The other important driver was the outperformance of the long-risk AT1 positions on peripheral issuers such as Sabadell, Abanca, Banco BPM and Intesa, which largely outperformed short-risk AT1 exposures on 'core' names such as UBS, Standard Chartered or ING. Importantly, significant alpha was generated from the legacy trades on BNP and DNB discounted bonds, which gained respectively 7.5 points and 5 points amidst positive developments in the legacy space. We decided to take some profits on the Fund's positions after these significant price actions.

May

May was a fairly volatile month marked by the resurgence of the 'fear of inflation' theme and its likely implication on the tapering of monetary policy as well as higher interest rates. In the first trading days that led to the above-consensus U.S. Consumer Price Index (CPI) report, which showed a +0.8% month-on-month increase vs. +0.2% expected, equity markets sold-off sharply, with the NASDAQ Composite showing a 6.7% decline at the lows before paring part of its losses to end the month down 1.5%. In credit, any intra-month fears of a widening quickly dissipated, with iTraxx Crossover (S35) 5Y tightening by 1.1% and iTraxx Europe (S35) 5Y closing nearly flat on the month after widening by as much as 12bps and 2.5bps respectively intra-month. Benefitting from inflationary expectations as well as the continuation of the above-consensus Q1 2021 results, mostly on lower provisions and strong trading/Investment Banking (IB) revenues, banks outperformed the market. The EURO STOXX Banks advanced by 6.7% vs. only 1.6% for the EURO STOXX 50, while the Markit iBoxx EUR AT1 Index gained 0.29% vs. 0.23% for the Markit iBoxx EUR High Yield Index, highlighting a resilient cash market overall.

In the European Corporate High Yield market, the new issue pipeline continued to be very strong, but in our view, some bond valuations are becoming too stretched. For example, the Fund did not participate in the €350m 5Y senior secured bonds of Marcolin, an Italian glasses frame designer. With its 7x leverage offered at 500+bps, we do not view this as an attractive risk for the Fund. In the current environment where investors continue to chase yield, we would prefer to focus on identifying idiosyncratic short candidates e.g., companies whose margin could be squeezed in 2020/2021 due to inflationary raw material costs. In addition, the Fund's short positions through liquid indices generated significant alpha for the month. The main contributors to performance this month include Tullow Oil that took advantage of the rise in oil prices to place \$1.8bn in bonds to refinance their upcoming maturities; Cirsa, the Spanish gaming company that posted strong liquidity and low cash flow burn despite the difficult trading environment as lockdown is still affecting their business; Alain Afflelou, the French optician that placed an attractive new issue; and the UK debt collector Lowell, that continues to benefit from an attractive market to ramp up their non-performing loan (NPL) portfolio. On the negative side, the main drags of performance were the Fund's shorts on Douglas, the German cosmetic retailer, and Klöckner Pentaplast, the package plastic manufacturer. In terms of Fund positioning, as we are cognizant of the potential reversal of spread compression when monetary policies normalize, combined with currently tight valuations, we have positioned the Fund to be fairly flat to allow us to re-enter the market at attractive entry points.

The Financials market was busy with idiosyncratic news and new issues this month. In Germany, Moody's placed Deutsche Bank (DB) ratings, including the ba1 Baseline Credit Assessment (BCA), on review for upgrade. This is likely to further support DB's spreads and we aim to stay long-risk via mainly its AT1s. Commerzbank also reported a net profit for Q1 2021 of €133m vs. loss expectations, driven by a much better revenue performance and low impairments. Given that valuations remained cheap across the board with the € AT1s trading around 4.3% YTC and the callable Tier 2 around MS+200bps, this issuer is attractive. In Italy, UniCredit surprisingly decided to skip the coupon on its CASHES (Convertible and Subordinated Hybrid Equity-Linked Securities), triggering a sharp drop in the security price (~12 points). Whilst the skip had no implication for AT1 coupon payment, it has provided some interesting entry points with its AT1 and T2 widening by ~30bps in the month. In terms of M&A, Unipol announced its intention to increase its stake in Banca Popolare di Sondrio from 2.9% to 9.5%, fueling speculation of a potential merger between BPER (in which Unipol is the largest shareholder) and Sondrio, which would imply a higher probability of a merger between UniCredit and Banco BPM. These developments are positive for the Italian banking sector with more consolidation expected in H2 2021 and the Fund is well positioned to benefit from this trend. Finally, in Spain, the much awaited new strategic plan for Sabadell was mostly neutral for credit and its guidance for >12% Fully Loaded CET1 (MDA >350bps) provided some comfort to investors, especially AT1 holders.



**INVESTMENT MANAGER'S REPORT (continued)****For the year ended 31 December 2021****Lyxor/Chenavari Credit Fund (continued)**

In terms of issuance, the market has seen an uptick in supply with five new AT1 deals which the Fund participated, and we closed the month between +0.5 and +3points for these investments. However, the top performer was Cajamar (Spain's sixth largest bank) which issued a €600m 10 NC 5 Tier 2 bond at 5.25%, rated B by S&P, and the launch of a parallel cash tender on €100m 9% Nov-26 T2 (call Nov-21) and €300m 7.75% Jun-27 (call Jun-22) at 2 points premium vs. market close. The Fund invested in the 7.75% Tier 2 expecting a tender and therefore generated an important source of alpha. We think that there remains further upside on Cajamar given that its credit spreads are still trading close to CCC-rated Alpha Bank.

**June**

June was marked by a further decrease in dollar interest rates in a bull flattening manner with the 10-year Treasury yield dropping from 1.63% to 1.47% mainly on weaker than expected jobs creation in April and May. Lower interest rate volatility provided a tailwind for risk assets with an outperformance of U.S. stocks over EUR stocks (S&P 500 +2.2% vs. EURO STOXX 50 +0.6%). Credit markets also traded in a risk-on mood with iTraxx Crossover (S35) 5Y spread tightened by 14bps to 232bps and iTraxx Europe (S35) 5Y by 3.18bps to 46.80bps. On the cash side, the Markit iBoxx EUR AT1 index advanced by 1% outperforming the Markit iBoxx EUR High Yield Index which only increased by 0.53%. We expect the environment to remain globally supportive for credit markets over the summer as economies are reopening and Central Banks remain accommodative. However, the next U.S. CPI release on July 13th will be key in assessing inflation risks after a higher than expected May CPI print at 5%. Indeed, inflation worries are likely to contribute to bouts of volatility in the short term but it appears that it will take a lot of bad news to shift policy makers' attitude towards a rapid withdrawal of easy money.

In the European Corporate High Yield market, new issue pipeline remained quite strong and was running twice the pace of the previous years. Bonds are still well absorbed by the market but failing to perform on the break as most of the new issue premium is being taken away by the syndicate. The volatility in the asset class remains remarkably low despite a more two-way market in the Government bonds and Commodity markets. The volatility of the former is probably being led by a generalised stop loss of trades betting on further increase of the U.S. Treasury yields while that of the latter is probably explained by a combination of China talking down prices and overcrowded positions. While equities on both sides of the Atlantic performed well this month, the sector rotation away from value towards growth has been intense, a phenomenon that was not observed in credit. Even though the Fund's long portfolio performed quite well, most of its return was consumed by its hedges both in credit spread and interest rate terms. Our decision to run the portfolio with lower risk and a flatter risk profile has detracted quite a bit of performance from the strategy. The strategy's positive return was driven mostly by the re-opening trades including Tendam, Cirsa Gaming, Tullow Oil and Rolls Royce. On the negative side, both Boparan and Adler Real Estate face negative headline risk this month. Overall, our view remains the same, strong tailwinds translating to better fundamentals but with valuations broadly reflecting that. We continue to explore alpha opportunities both on the long and short side while keeping a low Beta exposure.

European Financials outperformed in June amidst positive actions from S&P which changed its outlooks on numerous European banks from negative to stable, largely driven by improving macroeconomic outlook and moderate impact on the asset quality. The only shadow was the one notch downgrade of Banco Sabadell to BBB- (with a stable outlook) but price action was limited to the senior non-preferred bonds which fell to HY and closed the month about 12bps wider. Another positive development came from Andrea Enria, Chair of the ECB's supervisory board, who voiced intentions to lift distribution restrictions on banks which should reinforce confidence in the sector. The next important event will be the publication of 2021 EU-wide Stress Test results on 30 July.

For the Financial strategy, the best performing trade was Unipol 3.25% 2030 Senior Green bond which the Fund invested since September 2020, not only to play compression (the bond priced at mid-swaps+350bps) compared to its peers but also with a view to position for a potential upgrade back to investment grade since its issuer's downgrade by Fitch to BB+ from BBB- in May 2020. On 10 June, Fitch upgraded Unipol group to BBB (outlook stable) and the senior unsecured bonds back to BBB- and the latter jumped by 6 points on the news or about 70bps of spread tightening. The Fund decided to take some profit on the exposure but we see further upside as the bonds are now eligible for the ECB CSSP program given their investment grade status.

The other outperformers were the AT1s holdings on Commerzbank, Unicredit and Sabadell as well as the position on Cajamar 5.25% 2031-26 Tier 2 bonds issued in May which the Fund decided to increase its exposure during the month. June proved to be a somewhat busy month for new issuance with around €30bn of supply across Senior, Tier 2, AT1 and insurance and the Fund was mainly active in new issues launched by Natwest (new AT1 in \$) and Macif.

Overall the strategy's gross performance was positive despite credit and interest rate hedges.

**INVESTMENT MANAGER'S REPORT (continued)**

**For the year ended 31 December 2021**

**Lyxor/Chenavari Credit Fund (continued)**

July

July experienced some elevated volatility in almost all asset classes excluding credit. The reflation trade lost further momentum as the U.S. 10-yr Treasury continued to rally another 24bps to yield 1.22%. Value-oriented stocks underperformed growth across the Atlantic. Commodities like oil and iron ore could not sustain the recent strength and retraced lower as investors cashed in profits. While some investors blamed the COVID Delta variant, others pointed to the rally in U.S. Treasuries as a macro sign of future weakness. Regardless of the reason, the truth is many trades lost momentum as investors de-risked. In equities, we saw Europe finishing the month flattish while the U.S. Equity market rallied, driven by the U.S. rate tailwind to valuations. However, Financial stocks did not have these tailwinds and the EURO STOXX Banks Index ended the month down 0.8%. The European High Yield market was quite immune to all the volatility, even the UK COVID-related names fared well despite the recent COVID case surge in the country. The cash benchmark, Markit iBoxx EUR HY, ended the month 0.28% higher, whilst synthetic indices, specifically iTraxx Crossover (S35) 5Y and iTraxx Europe (S35) 5Y, ended the month 2% wider to 236bps and flattish, respectively. The U.S. High Yield market was slightly weaker, especially synthetics indices, with CDX HY (S36) 5Y 6.9% wider to 292bps, a reverse reaction to U.S. rates when compared to U.S. equities.

For the Corporate Strategy, the Fund finished the month slightly lower, driven primarily by its interest rate hedges. On the credit side, the biggest contributor of performance was Elixor, a leading company in the Contract Catering & Servicing Business, with operations spanning across Europe and the U.K. It was negatively impacted by COVID due to its significant exposure in Business & Industry and Education segments. At 3.75% for its 2026 bonds, we considered that to be quite attractive and the Fund exited at its price target of 102.8. In addition, the Fund's long exposures on Biogroup, AA and Wintershall also performed well. Positive performance was offset by the Fund's long exposures on Boparan and Cirsa as well as its hedges. We continue to like U.K. risk as there are some attractive new issues, some of which are related to the lifting of lockdown restrictions such as the hospitality sector. Fundamentals continue to improve in the European Credit market although valuations reflect that to a certain extent. We believe that interest rate volatility presents the biggest source of risk today in the market and therefore, continue to fully hedge the strategy's rate exposure.

In the European Financials space, quarterly results kicked off in earnest with many of the large banks reporting an overall good set of results which were supported by provision releases (or lower provision numbers) and better fee revenues. On the Investment Banking side, trading revenues were down as expected, particularly in Fixed Income, Currency and Commodities trading, although this was in many cases offset by a strong rebound in the lending business. The other positive news was the ECB announcing the lifting of restrictions on bank dividend payments and buy backs by the end of the year, subject to a bank-by-bank assessment. Another important event was the release at the end of the month of the 2021 European Banking Authority EU-Wide Stress Test, which included 50 banks covering approximately 70% of EU banking assets. Given much harsher macro scenarios (i.e. additional significant GDP contraction of 3.6% by 2023 in the EU from an already depressed 2020 level and unemployment peaking at 12.3% in 2023), drawdowns on CET1 were higher than in the 2018 Stress Test (497bps vs. 410bps). However, given the higher starting point of CET1 of 15.3% vs. 14.4% in the 2018 exercise, the average CET1 ratio still came out at 10.2%, which can be seen as positive for the sector. The results also highlighted progress achieved in reducing NPLs over the past years and efforts made in cost cutting. As expected, most peripheral banks such as Monte dei Paschi, Banco Sabadell and Banca Popolare di Milano, screened as the weakest Fully Loaded CET1 in an adverse 2023 scenario, followed by names such as Deutsche Bank, Société Générale, Commerzbank, and more surprisingly, BNP. We don't think the outcome of the stress tests will have a significant impact on credit spreads especially for the above-mentioned names, as they do not have a 'pass/fail' threshold which otherwise could have put pressure on potential near term AT1 coupon payments, for instance. In terms of trading, the Financials Strategy closed the month approximately flat with hedges on interest rates, mainly on the 10-yr U.S. Treasury and on Markit iBoxx AT1 indices, having been a drag on performance. On the long risk side, best performers were the Fund's positions on the newly issued MACIF RT1 and Tier 2 bonds, which continued to compress vs. sector peers and exposure on Belfius 3.625% c.25 AT1, ending the month up by 1.5 points. We still see decent upside on these bonds as well as on other core positions, including UniCredit 3.875% AT1, Commerzbank 6.5% AT1 and Deutsche Bank 5.625% 31-26 Tier 2.

August

August was a quiet month with many market participants enjoying their summer holidays post the lifting of COVID-19 restrictions. The sources of volatility were limited with the global interest rate market troughed at the beginning of the month and starting to rise again as both the U.S. Fed and ECB bond taper approached. The 10-year U.S. Treasury and German Bund widened +8bps but even that wasn't enough to disrupt the bullish sentiment in stocks. EURO STOXX 50 climbed +2.6% while S&P 500 was up +2.9% reaching new highs. Most of the volatility was concentrated in commodities as fear of a Chinese economy slowdown emerged again. Brent crude oil finished the month -4.4% after dropping -14% mid-month. Iron ore fell -11.7% while copper was down -2.7%.

**INVESTMENT MANAGER'S REPORT (continued)****For the year ended 31 December 2021****Lyxor/Chenavari Credit Fund (continued)**

Credit markets remained fairly resilient during the month, with CDS having outperformed cash ahead of the September roll. iTraxx Crossover (S35) 5Y closed the month at 228bps (-7.8bps) whilst iTraxx Financials Senior (S35) 5Y tightened by -2.2bps to 52bps, thus reaching the tights of the year. On the cash side, the ICE BofA CoCo Index advanced by +0.5%, outperforming the ICE BofA Euro High Yield Index which only rose by +0.3%.

For the Corporate Strategy, the Fund finished the month slightly positive. Top performance contributors include the Fund's long exposure to Pizza Express, David Lloyd (the UK gym operator) and Punch Tavern (the out-of-town pub operator), all of which are part of our reopening trades as social mobility and consumption increased as the economy normalises. Over the summer, we have become more conservative in terms of risk taking as credit markets have traded close to their yearly highs and we are also concerned by the stress observed in the Chinese property market which might have knock on effects on the commodities market. As a result, monthly performance has been offset by the hedges. Looking forward, we anticipate a strong pipeline of circa €30bn in the Corporate HY space and we continue to look for attractive opportunities.

In the European Financials space, highlight of the month was the news that the SEC is investigating Deutsche Bank's (DB) Asset Management arm DWS over allegations made by its former ESG chief that the bank was overstating the use of ESG criteria in its asset allocation. This is a very early process and it is therefore hard to know exactly what to read from these headlines. Currently, this has not changed our positive view which is likely to benefit from further rating upgrades over the coming 12 months (Moody's upgraded the bank's capital structure by one notch on 4 August 2021). We see DB Tier 2 and AT1 spreads further converging towards other core national champions such as Société Générale or Barclays. In our opinion, technicals should remain broadly positive for the European Financials sector throughout the remainder of the year as most large banks have already fulfilled their AT1 buckets, hence a low amount of fresh new supply is expected over the rest of 2021. In addition, banks will continue to buy back/call their legacy Tier 1 debt which creates natural support for reinvestment in the AT1/T2 markets. Our key conviction trade remained long risk Cajamar via the new 5.25% 31-26 Tier 2 which trades around 4.3% YTC (highest performance contribution this month, as the bonds gained 1.5 point). The bank's key credit metrics have been improving over the past quarters (NPL ratio at 4.2% now broadly in line with Spanish peers, total capital of 16%). We believe there is further scope for at least another 50bps of spread tightening on this issuer (about 2.5 points capital upside) which trades very wide as compared to other peripheral issuers with similar metrics. We also kept the Fund's long exposure to Unipol Green Senior bonds, Uniim 3.25% 2030, which has recently been upgraded to BBB- by Fitch Ratings, hence the bonds are now eligible to the ECB CSPP program. The bonds were wrapped around mid-swap+180bps at the end of the month and we believe they can trade in the low 100bps spread area which means a potential 5 points of upside. Finally, the Fund continues to keep a tactical short position on iBoxx \$ AT1 given that \$ AT1 are currently trading at historical tights in terms of option-adjusted spread and we think they could underperform in case of renewed pressure on the 10-year U.S. Treasury.

**September**

September was a volatile month across most asset classes. The September FOMC meeting was the main focus point as investors waited for the Fed's guidance on monetary policy. The Fed finally shifted gears and indicated a high probability of starting QE tapering at their next meeting in November. The announcement caught many market participants by surprise which triggered quite some portfolio rebalancing. Furthermore, news of Evergrande, one of the biggest Chinese real estate developers with over \$300bn in liabilities who were due to miss an interest payment of a domestic loan, was another catalyst in the sell-off felt in Europe and the U.S. During the month, bank equities were the clear outperformer (EURO STOXX Banks was up +3.67%, while EURO STOXX 50 fell -3.53%), boosted by positive surprise on shareholder returns and rates jumping across the globe (U.S. 10-year Treasury went up from 1.31% to 1.49%). Brent crude oil prices (COA Comdty) climbed +10.3% as supply continued to tighten. In credit, the European Investment Grade Index (iTraxx Europe (S35) 5Y) and European High Yield Index (iTraxx Crossover (S35) 5Y) widened by +0.30% and +3.05% respectively, while the European Senior Financials Index (iTraxx Senior Financials (S35) 5Y) tightened by -2.63%.

In the Corporate space, long duration instruments were on offer while another bull sector rotation kicked in earnest. We have been preparing for this risk for a while, concerned with the complacency of the market especially on long dated bonds, and the Fund's portfolio behaved quite well to these moves. The Fund's global rate exposure offset the losses of the most interest rate sensitive bonds, while the stock picking delivered a strong alpha. On the commodity side, the Fund's long exposure on Ithaca Energy performed quite well as Oil and Gas rallied further, while the Fund's short exposure on Anglo American played out as the weakness in the Chinese property sector weighed in on the mining complex. Re-opening stories like Cirsa, Gamenet and David Lloyd remained well supported despite the market weakness as their fundamentals are not directly affected by the current headwinds. On the negative side, the Fund's long exposure on Altice, TI Fluids and Asda dragged on results. We remain cautious about the market with a flatish risk profile for the sub-strategy, while being well hedged in rates until attractive opportunities arise.

**INVESTMENT MANAGER'S REPORT (continued)**

**For the year ended 31 December 2021**

**Lyxor/Chenavari Credit Fund (continued)**

In the European Financials space, some decompression was observed in the AT1 space with the latest issues with low coupons, low resets and high duration particularly unloved and felt bid-less. The iBoxx EUR AT1 index fell -0.36%, thus underperforming the iBoxx EUR High Yield index for the first time this year, which only fell -0.11%. In terms of trading activity, we decided to significantly flatten the sub-strategy's risk profile from mid-September by firstly reducing AT1 single name exposure, along with increases in credit hedges at both index (primarily via the iBoxx AT1 TRS Dec-21 contract) and single name levels with new, short risk positions initiated on HSBC and Standard Chartered (due to their Chinese exposure). We also increased interest rate hedges for the sub-strategy, mainly on the 5- and 10-year U.S. Treasury futures contracts. The month was also marked by significant alpha generation on both long positions (Unipol as the ECB started buying their senior bonds since they were upgraded to BBB- in June, as we expected) and short positions (Standard Chartered). We continue to add long risk conviction trades to the Fund (i.e. Deutsche Bank Tier 2 bonds and Ibercaja, both driven by positive fundamentals). We also see further upside in terms of spread compression between Cattolica and Generali after the latter received approval from the Italian regulatory authorities for the proposed tender offer at €6.75 per share to buy the remaining 76% of Cattolica's capital stake. Generali remains on track for the completion scheduled for Q4 2021. Given the numerous risk concerns (U.S. debt ceiling negotiations, energy crisis in China and Europe and the resulting energy costs (increasing inflation/risk of stagflation), global supply chain bottlenecks, to name but a few), we aim to keep a well hedged book and would wait for a more pronounced market correction to increase the Fund's risk meaningfully.

October

October was a month driven by the aftermath of the U.S. FOMC September meeting that indicated the potential beginning of the QE tapering process. The minutes also indicated that interest rates hikes would only come once the tapering concluded after June 2022. As a result, the 10-Year U.S. Treasury climbed 6.7bps to 1.56%, but equities took it as a positive outcome with the S&P 500 and EURO STOXX 50 rising +6.91% and +5.00% respectively, as hikes are still far away. Energy continued to rally, with Brent crude oil up +7.98% as inventories continue to be drawn as demand surges. Credit was the main risk asset to underperform, with the Markit iBoxx European High Yield index down -0.52% and iTraxx Crossover (S36) 5Y widening +8.3bps to 262bps. The volatility within credit also climbed as the global energy crisis is creating a lot of dispersion within sectors.

The Corporate strategy was up +0.16% (Class I USD) and +0.17% (Class SI USD) on the Fund level, driven by Iliad's new issue, which performed very well at the break and has benefitted from an attractive new issue premium. The Fund's short on British Telecom (BT) via CDS to play M&A risk also bore fruit this month as one of the top contributors. Meanwhile, long exposure on Ithaca Energy continued to perform well, with Oil continuing to rally over the month. The Fund's short in Chemicals also contributed positively to performance as the market started to price margin compression risk. The positive performance was partially offset by the Fund's long exposure to the Food sector (e.g. Pizza Express, Asda, Premier Foods), amid continued supply chain concerns and speculations around potential COVID-restrictions in winter. Despite this, attractive opportunities can be found around the consumption theme. For example, Asda and Iceland bonds have become attractive again after an over-extended sell-off and Pizza Express posted strong results as consumers are returning to socialising normally. We believe that these names should be less sensitive in an inflationary environment over the medium/long term. The interest rate hedges helped offset most of the losses coming from the bond portfolio's interest rate component. We continue to monitor new issues in the market for attractive opportunities, which have picked up after the summer lull. In terms of risk, the strategy remains conservatively positioned, as we believe rising volatility will continue into 2022.

In European Financials, Q3 2021 results were generally good with continued tailwinds from provision releases/decreases, but some banks suffered from lackluster revenue growth, driving mixed reactions in equities. For credit, results have generally been non-eventful. Among the key names we are following, UniCredit reported impressive Q3 results after confirming its aborted acquisition of Monte dei Paschi. Resurgence in loan volumes reflected a rebound in client activity in Italy (net interest income ("NII") and fees were respectively +3% and +2% stronger than consensus). Such dynamic was supported by strong asset quality trends; improving gross non-performing exposure ("NPE") ratio (of 20bps at 4.5% with 57% coverage) and extremely solid capital position (fully-loaded CET1 ratio at 15.5% and MDA buffer at 647bps). We still like UniCredit risk despite the decompression in peripheral credit spreads towards month end amidst high BTP-Bund volatility. Staying in Italy, Generali successfully completed Cattolica's public tender offer reaching 84.5% of the insurer's capital stake. The Fund aims to take profits on CASSIM 4.75% 47-27 Tier 2 bonds given that spreads have largely compressed versus Generali. In Spain, Sabadell's Q3 results were also strong with a 23% beat in net income with stronger NII and fees (respectively +2% and +1% over consensus) and lower provisions. The capital position improved further by 12bps at 12.12% through organic generation, while the NPL ratio was stable at 3.6% with increasing coverage at 58% (up 2%). This quarter put Sabadell on track to meet its 2021 profitability and solvency targets, and we think there is further room for spread compression.



**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Chenavari Credit Fund (continued)**

The strategy's performance was down -0.17% (Class I USD) and -0.16% (Class SI USD) on the Fund level (vs -0.41% for the ICE BofA € CoCo index), impacted by the weakness seen on peripheral issuers (UniCredit, Intesa and Sabadell), while the short risk position on HSBC CDS sub gave back some gains as fears over the Chinese property sector receded. The Fund's rate hedges and short risk positions on Generali, BBVA and Standard Chartered contributed positive performance. Going forward, we expect uncertainty around monetary policy to continue to drive volatility in rates for the rest of 2021, potentially acting as a drag on cash credit spreads. However, some AT1/Tier 2 bonds start to look attractive again given the asset class underperformance since mid-September. We target to redeploy cash selectively while keeping our hedges on rates and the credit indices.

November

In November, the market was off to a good start as threats of imminent rate hikes did not materialise and strong consumption trends continued, with the S&P 500 and EURO STOXX 50 rising +2.15% and +3.55%, respectively, through to 24 November, until news of the Omicron Covid variant sparked a sell-off across the board. As it will take some weeks to determine how contagion and lethal Omicron can be, such unknowns sparked various asset classes to react violently, retracing through their 200-day moving average. After the Omicron announcement by South Africa on 24 November, the 10-Year U.S. Treasury fell -19bps to finish the month at 1.45%, whilst in equities, the S&P 500 and EURO STOXX 50 declined -2.86% and -4.99% respectively. In credit, the Markit iBoxx European High Yield index offset its early month gains, finishing the month down -0.48% and iTraxx Crossover (S36) 5Y widened 9.83% to 287.4bps2. Meanwhile, Omicron was a catalyst in offsetting the rally in Energy prices, with Brent Crude oil price down -16.1%.

The Corporate strategy was down -0.35% (for both Class I USD and SI USD) on the Fund level. Top positive contributors include the Fund's short on British Telecoms (BT), which has performed well on the back of uncertainty around the company's future with a potential takeover imminent when Patrick Drahi's no-bid period expires. This is similar to Telecom Italia, whose bonds have struggled amid a \$37bn takeover offer from KKR. The Fund's short position on the German cosmetic retailer Douglas also played out, with the very levered company likely to suffer as Germany imposed further lockdown measures for the unvaccinated. The Fund also took profit on names in the Commodities sector, such as ArcelorMittal and Anglo American.

Positive performance was offset by significant repricings at the end of the month, as well as the Fund's rates hedges. Given the removal of stimulus and possibility of rate hikes, we have been hedging against the strategy's sensitivity to rates. News of Omicron sparked a rate market rally and we have since decreased some of the Fund's hedges. We will continue to monitor this risk, which will be a function of central bank speech and decision making, and further news about Omicron.

Looking forward, we focus on companies that have strong liquidity that will be able to weather any potential storm should Omicron be worse than initially feared. We continue to like Energy companies, such as Ithaca Energy, as we believe the volatility in oil should be short-lived and demand for oil and gas still exceeds supply. The Auto sector should also look attractive, as the auto chip shortage gets resolved. Lastly, Asda continues to look attractive as the company is well positioned to withstand inflationary pressures and supply chain issues, which should preserve profit margins. We aim to take advantage of the recent market volatility to build a solid, high-quality portfolio for 2022.

In European Financials, the broad market sell-off also pushed excess returns in subordinated financials firmly into negative territory. AT1s have seen their worst monthly performance to-date, with the Markit iBoxx AT1 index down -1.30%, thus underperforming other high beta asset classes. This was the third consecutive month of negative performance in the AT1 space and the first time since the end of 2018. As we reduced the Fund's capital consumption on Financials and an underweight on the AT1 sector in the second half of September, this limited its negative contribution on the Fund level. In Italy, S&P revised its outlook from stable to positive on Intesa and UniCredit, reflecting the better recovery prospects and enhanced fundamentals. We continue to see upside in Intesa and UniCredit AT1s with a mixed approach between high and low reset bonds, and UniCredit's Tier 2s, which could benefit from an upgrade of Italy's rating, thus becoming IG-composite eligible in the Bloomberg Barclays indices next year.

November also saw busy primary activity, with issuers coming opportunistically to the market post quarterly results, particularly in the Tier 2 space, reaching €5.3bn of monthly supply. Deutsche Bank's ("DB") new €1.25bn 4.5% PNC26 AT1 was issued to partly refinance the upcoming call in 2022 of the € 6%. The "wild" pricing, compared to the existing 1-year longer AT1, caused the DB curve and the whole AT1 market to reprice. With a relatively high reset, we believe this issue offers room for compression in 2022, but prefer to overweight on its Tier 2s given the high probability of an upgrade to IG by Fitch next year.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Chenavari Credit Fund (continued)**

Finally, BBVA launched a takeover bid for the remaining 50.15% of the Turkish bank Garanti needed for full ownership. While not taken by surprise, investors were disappointed by the choice of the growth area and its political and macroeconomic instability, along with the implications in terms of greater volatility. We had long highlighted M&A downside risk on BBVA. Given the significant move wider in spreads, we decided to unwind the Fund's short on BBVA but could re-enter in the future.

December

Risk assets rallied in December as, despite the surge in Omicron cases in developed countries, the number of patients hospitalised remained well below the peak observed during the end of 2020 and early January 2021. This suggests the variant may be milder than originally expected, thus not having a meaningful impact on economic growth. In the U.S., as expected, the Fed announced an acceleration of its QE tapering with the new dot plot pointing to at least two hikes in 2022 starting as early as March 2022, while the Bank of England raised interest rates by 15bps to 0.25%.

By contrast, the ECB came up with a neat way to start rolling down QE with the end of the Pandemic Emergency Purchase Programme confirmed in March 2022 but reinvestments will apply until at least the end of 2024. Bank equities were the top performers during the month with the EURO STOXX Banks index gaining +7.1%, thus recouping most of its previous month losses, while the EURO STOXX 50 and S&P 500 were up +5.8% and +4.4%, respectively. In credit, the iBoxx USD AT1 index recorded its second best monthly performance (+1.39% vs. iBoxx EUR High Yield index +0.88%) and ended 2021 with a total return of +4.62%. Meanwhile, iTraxx Crossover (S36) 5Y tightened by 15.7% to 242bps.

The Corporate strategy was up +0.40% on the Fund level. In particular, the Fund's long exposure to supermarket names (Casino, Asda and Iceland) performed very well, driven by their attractive valuation and the rise in Omicron cases which boosted spending. Attractive yielding credits with improving fundamentals, including Advanz (a European pharmaceutical company), Vallourec (a French manufacturing company) and Cirsa (a Spanish gaming company), also contributed positively to the strategy's performance. Global interest rates hedges also added to December's overall return as it bounced from November's underperformance.

Strong positive performance was slightly offset by global credit hedges, as the market rallied during the month. The biggest single name loss came from the short position on TK Elevator, as fears on the Chinese property market faded. As economies continue to recover in 2022, fundamentals should improve further. We continue to look for attractive high-quality issuers which offer decent yield, whilst looking for potential short candidates in the IG space as central banks have started to wind down their massive stimuli. We remain focused on monitoring any potential source of volatility including Covid-related and geopolitical news.

In the European Financials space, positive newsflow included Fitch Ratings' review of Italian banks following the recent sovereign upgrade to BBB. This resulted in a one notch upgrade across the capital stack for UniCredit, Intesa and Mediobanca. Particularly, UniCredit's Tier 2 bonds were upgraded to BB+ from BB. We continue to see decent alpha in UniCredit's Tier 2s, especially UCGIM 2.731% 32-C27, which could be upgraded from HY to IG this year (with one upgrade needed by S&P or Fitch) and thus triggering index eligibility. However, we decided to tactically sell the Fund's exposure on Intesa and UniCredit AT1s ahead of the January 2022 Presidential elections, which could bring some volatility especially if the latter would bring snap elections.

The Fund has also initiated a new position on Fidelidade's Tier 2 bond, a multi-line insurance company operating in Portugal and emerging markets, after the group received its first rating from Fitch at A with stable outlook, whilst its Tier 2 issued in May 2021 was rated BBB. Even though the spread tightened by roughly 125bps since the rating action, Fidelidade's Tier 2 continues to trade at very wide levels compared to its BBB peers. Fidelidade's Tier 2 offers an attractive upside from further spread compression towards Q1 2022.

Finally, the Bank of England published the results of its 2021 Solvency Stress Test for individual banks, showing a fairly good resilience of the UK banking sector to the stress scenarios. All the banks remained above the hurdle rate set at 7.6% with an aggregate CET1 post-stress of 10.5% and a drawdown of 5.5%. Banks with greater UK exposure, like Natwest, Lloyds and Nationwide, were more impacted by the largest drawdowns (7.9%, 7.9% and 19.1%, respectively) given the severity of the UK scenario, whereas Standard Chartered had the lowest drawdown at 3.5%. It is worth mentioning the good screening of Virgin Money, a newcomer to the Stress Test exercise, which experienced a relatively low drawdown at 5% despite its UK focus. We like to be long "pure" UK banks, especially via their high resets and short dated calls (between 2023-25) GBP AT1s, while we would remain cautious on HSBC and Standard Chartered in 2022.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Chenavari Credit Fund (continued)**

Outlook 2022

According to Chenavari, the factors that supported the great rally after the dislocation in March 2020 (namely, low rates, massive stimuli) will fade away in 2022, leading markets to return to a more conventional behavior, including higher volatility.

The key supporting factor for risky assets in 2022 is the continued economic recovery in Europe and the US. However, Chenavari believe that the current equilibrium might be challenged in 2022 by several shifts.

The first is the return of inflation, notably across Europe and the US. The narrative of a temporary inflation phenomenon has been challenged notably in the US, where structural forces point to a more long-lasting inflation scenario. The same goes in the UK, where shortage of labor add a significant pinch point to the inflation picture.

This return of inflation in an environment of full employment should trigger Central Banks to raise interest rates faster than imagined previously, putting an end to a period of super low rates. The UK started the movement in December with a 15bp hike on 16 December. Obviously, the GFC and then Covid have led to a swelling of public debt in developed countries and hence the service of the debt will need to be kept in check, meaning that real rates should remain negative for the foreseeable future. That said, a more hawkish stance should in time impact the valuation of long duration assets. As at end December, in spite of the messages from the Fed, Chenavari note that the rise in rates has yet to materialize, most probably because the uncertainties surrounding Omicron continue to make the US T-bills a safe haven.

In parallel to this, Central Banks must cope with the end of the stimuli they introduced to keep their economies afloat since the GFC. The US are more advanced there with three hikes planned for 2022. In Europe, although the timing is different, the ECB has given a slightly hawkish twist to its December conference, with the gradual extinction of the PEEP and a reduction of its APP between Q3 and Q4 2022.

Of course, Central Banks are preparing markets extremely well to those events to avoid any disorderly market reaction. However, beyond the communication, there are real life impacts to be expected from the increase of rates and the reduction of stimuli.

Finally, presidential elections in Europe could create a bit of noise over the start of the year, starting with Italy in January, and then France in April. Combined with rich valuations, Chenavari believe there is room for the market to take a less directional stance during H1 2022, especially if Omicron derails the recovery but does not lead to further "jumbo support" from governments and central banks. Ultimately, Chenavari would expect these factors to lead to the return of higher volatility levels in markets in H1 2022. More volatile markets would be rather welcome for long / short strategies. They offer more "waves to ride" (up and down) and more opportunities to build alpha, notably in front of the passive funds. Naturally, they also mean more risk and more volatility for the funds themselves. Given there is little carry in the market, and little buffer on valuations, the key to success will be to navigate through these risk events in the most appropriate way.

**Annual performance per share class as at 31 December 2021:**

<b>I USD</b>	<b>A EUR</b>	<b>I EUR</b>	<b>SI USD</b>	<b>SIP EUR</b>	<b>A USD</b>
3.10%	1.85%	2.47%	3.27%	2.63%	2.49%

<b>SI EUR</b>	<b>O USD</b>	<b>O EUR</b>	<b>AA USD</b>	<b>IA USD</b>	<b>SSI EUR</b>
2.63%	5.05%	4.22%	2.36%	2.84%	2.80%

<b>SI GBP</b>	<b>I NOK</b>	<b>P EUR</b>
1.77%	(0.12)%	0.06%

Chenavari Credit Partners LLP  
 Lyxor International Asset Management S.A.S.  
 January 2022

**INVESTMENT MANAGER'S REPORT (continued)****For the year ended 31 December 2021****Lutetia Merger Arbitrage Fund**

The Lyxor Newcits IRL II Plc – Lutetia Merger Arbitrage fund was up +0.86% (USD I Share Class) for the first semester of 2021. M&A activity was robust and quickly caught up with its highest levels, fueled by multiple drivers and three powerful trends. There was an important Growth M&A in the healthiest sectors, led by Healthcare and Tech/IT. Weaker sectors also consolidated, with an accelerating trend as strongest players anticipated an economic recovery. SPACs activity continued to be a significant driver within M&A.

January was a notably strong month for both traditional merger arbitrage events and SPACs. Across the deal set there was attractively priced spreads in situations that incorporate a layer of complexity. We continued to see new deals announced at a steady pace across various industries in February. However, there was a reversal in general market sentiment with an overabundance of SPAC IPOs and an extensive amount of leverage across the space. In March, SPACs continued their decline that began in mid-February with an aggressive de-risking across the universe. As the SPAC market weakened, we saw investors reinvest capital into merger arbitrage spreads, causing spreads to broadly tighten. April was a strong month for the Fund and merger arbitrage, we continued to see an active market with attractively priced spreads. Hostile deals remained prevalent, and it is clear that companies were looking to put money to work in M&A despite rather high valuations throughout the market. The prevalent theme in May was a strong market environment that drove an increasing number of competitive bid situations and hostile deals as buyers looked to capitalize on scarce and strategic assets. An example of this trend is Aligroup's attempt to outbid Middleby for Welbilt, offering a 10% premium to Middleby's original offer. On another hand, the rate of deal announcements has slowed relative to the past few months.

The Fund posted a positive net return in June bringing year to date returns to 0.86% as of June 29<sup>th</sup> and a volatility dropping back into the target range of the Fund. Positive contributions from closed deals include Corelogic/Stone Point Capital, Cantel Medical Corp/Steris and Grubhub/JustEat. SPAC M&A activity has started to normalize, while the Fund's volatility came down, as expected. The M&A activity breached new highs in the beginning of the third quarter. Technology and Financial sectors remained the most active. The biggest contribution came from the Maxim Integrate/Analog Devices deal. In September, the Fund's performance was flat, weighed by the equity market. The merger arbitrage exposure was increased to lock-in attractive yields, while the number of positions grew to provide further diversification. The M&A environment continued to be attractive in October with a new deal announcement. The current SPAC M&A universe still leaves a lot of room for questions, with almost all of the 400+ SPACs seeking acquisitions trading at a "discount to cash".

On the back of the market volatility the spreads widened in November. On the positive side, there was a strong resilience and low market correlation - outside of the volatility impact; and wider spreads meant larger performance reserves and potential. M&A was no longer an add-on. Technology sector continued to be most active. In December, the Fund offset the previous month losses. The Fund's volatility dropped back, while the Merger Arbitrage strategies reflected a strong resilience. The biggest contribution came from the PPD Inc / Thermo-Fisher Scientific deal.

The Fund finished the year up 1.57%.

The Fund's liquidation is scheduled for 28 January 2022.

**Annual performance per share class as at 31 December 2021:**

<b>I USD</b>	<b>I EUR</b>
(2.97)%	(3.93)%

Lutetia Capital S.A.S.

Lyxor International Asset Management S.A.S.

January 2022

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**INVESTMENT MANAGER'S REPORT (continued)**

**For the year ended 31 December 2021**

**Lyxor/Wells Capital Financial Credit Fund**

January 2021

The Lyxor / Wells Capital Financial Credit Fund returned +0.19% during January 2021, and +6.96% per annum since the Fund's inception in September 2016. The Fund's strategic Bank AT1 Coco and Subordinated insurance positions produced positive returns during the month, while Lower Tier 2 positions produced slightly negative returns. The broader market's positive returns were driven by:

- Investor optimism about the new US Biden administration's proposals for a third large fiscal package of up to \$1,900Bn (nearly 10% of GDP), in addition to the \$900bn already approved in December – the expected final package of 10%-15% of GDP is truly unprecedented and highly supportive of global growth
- Further successful trials of vaccines for COVID-19, and growing distribution of vaccines.

During January, the Fund Manager slightly increased exposure to Cocos by 3.6% of NAV, and increased hedges anticipating a period of weakness in markets (Senior Financials CDS index -8.6% of NAV, Crossover CDS index -4.7% of NAV). With lockdowns and other restrictions being extended across Europe, it is likely European support packages for individuals and corporates will be extended – e.g. Spain announced the extension of government guarantees for SMEs.

Given US plans for very large stimulus packages, we expect US Treasury yields to rise – this could also pull Bund yields somewhat higher. This rising yield environment would be positive for bank stocks and investor sentiment on Cocos. The Fund duration is low at 3.9 years, of which 2.3 years is in Euros, 0.8 years in Sterling, and only 0.9 years in US Dollar.

February 2021

The Fund's strategic Bank AT1 Coco positions produced positive returns during the month, while Lower Tier 2 and subordinated insurance positions produced slightly negative returns.

The broader market's positive returns (Euro Stoxx 600 index +2.3%) were driven by:

- Investor optimism about strong economic growth in the US given the increased expectation of fiscal stimulus reaching 10%-15% of GDP
- Potential for stronger global growth as Chinese GDP growth is also strong
- Further successful trials of vaccines for COVID-19, and the growing distribution of vaccines

During early February, the Fund Manager increased exposure to Cocos by 6.7% of NAV as banks are expected to post strong results for 2020. The Fund manager also eliminated hedges (Senior Financials CDS index -8.6% of NAV, Xover CDS index -4.7% of NAV) in early February, as it was unclear when risk asset would start reacting to higher Treasury yields.

With lockdowns and other restrictions being extended across Europe, European government support packages for individuals and corporates were extended – e.g. Spain announced the extension of government guarantees for SMEs, and the UK extended wage support for affected individuals.

Given the US plans for very large stimulus packages, we expected US Treasury yields to rise – and this pulled Bund yields somewhat higher as well. This rising yield environment was positive for bank stocks and neutral for investor sentiment on Cocos. The Fund duration is low at 3.8 years, of which 2.1 years is in Euros, 0.8 years in Sterling, and only 0.9 years in US Dollar. European banks' 2020 earnings season has been mainly positive with many banks beating expectations on lower impairments and better market-related earnings. By and large, most banks have reported that a large proportion of loans with expired moratoria have resumed normal payments (c.90% average) which is positive and shows that temporary government support measures have significantly helped borrowers. Most banks expect lower impairment charges in 2021 than in 2020.

March 2021

The Fund's strategic Bank AT1 Coco and subordinated insurance positions produced most of the positive returns during the month, while other sub-sectors also made an incremental contribution to the return. The broader market's strongly positive returns (Euro Stoxx 600 index +6.1%, Euro Stoxx banks index +6%) were driven by:

- Investor optimism about strong economic growth in the US given rising prospects of fiscal stimulus reaching 10%-15% of GDP.
- Potential for stronger global growth as Chinese GDP growth continues to be robust.
- US 10-year Treasury yield rose 0.33% from 1.41% to 1.74%, with the yield curve steepening.

Strong distribution of vaccines in the US and UK, somewhat offset by slower rollouts in the EU.



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**INVESTMENT MANAGER'S REPORT (continued)**

**For the year ended 31 December 2021**

**Lyxor/Wells Capital Financial Credit Fund (continued)**

During March, the Fund Manager reduced exposure to Cocos by 4% of NAV to 69%, and LT2 bonds by 3% to 8%. The Fund Manager increased exposure to subordinated insurance bonds by 4% of NAV to 11% and senior bank bonds by 2% to 2%. During March, the Fund had low exposure to Credit Suisse, at 1.4% of NAV compared to 7% for the Coco index - and that exposure was in one relatively safer low-trigger, high-coupon, short-duration coco. At the earliest opportunity, likely post Credit Suisse's first quarter results, we will question Credit Suisse management on governance issues that led to the large \$4.5Bn hedge fund related loss in March, any losses related to the collapse of the Greensil funds and plans to strengthen capital and risk oversight.

With lockdowns and other restrictions being extended across Europe, we expect European government support packages for individuals and corporates to be extended further.

Given the US's announcement of a very large \$2.2 trillion infrastructure stimulus package, and a further Social Package to be announced, we expect US Treasury yields to rise substantially and Bund yields to rise moderately. This rising yield environment is positive for bank stocks and for investor sentiment on Cocos. In addition, the Fund's duration is low at 3.6 years, of which 2 years is in Euros, 0.8 years in Sterling, and only 0.8 years in US Dollar.

European banks' 2020 earnings season has been mainly positive with many banks beating expectations on lower impairments and better market-related earnings. By and large, most banks have reported that a large proportion of loans with expired moratoria have resumed normal payments (c.90% average) which is positive and shows that temporary government support measures have significantly helped borrowers. Most banks expect lower impairment charges in 2021 than in 2020.

April 2021

YTD, Euro cocos have out-performed USD cocos according to JP Morgan analytics. The Funds is significantly overweight Euro cocos and underweight USD cocos.

Still maintaining very low USD exposure under 0.8 years vs 2.2 years for the coco index, replaced with EUR and GBP risk, including duration.

Exposure has been slightly reduced recently from near maximum levels, adding to cash, waiting for a small pull back in sentiment to buy bonds.

Economic growth outlook for 2021 has become stronger as Governments and Central Banks remain excessively supportive.

Q1 results for banks have been strong, reflecting lower provisions for retail and wholesale operations, and strong markets and M&A advisory revenues for investment bank operations.

The portfolio manager expects 2021 to remain benign for coco credit quality, despite small falls in capital ratios driven by higher dividends and risk-weighted assets.

Equity markets seem to be waking up to risks, especially with the most frothy parts of the market starting to cool – Bitcoin, SPACs. Chinese asset manager Huarong 1-year senior US\$ bonds at 19% yield still makes refinancing impossible. If these US\$ bonds are forced to take a haircut, Chinese issuers will experience a credit crunch. We maintain zero exposure to HSBC and Standard Chartered as we remain wary of US/Europe relations with China.

May 2021

The Fund's strategic Bank AT1 Coco produced most of the positive returns during the month, other sub-sectors also made a modest incremental contribution to the return, while the XoverCDS index hedge protection detracted modestly from performance (less than 0.1%). The broader market's positive returns (Coco index 0.5%, Euro Stoxx600 index +1.9%, Euro Stoxxbanks index +6.7%) were driven by:

- Investor optimism about strong economic growth in the US and Europe
- Muted concerns around rising inflation
- ECB and Fed reiterating guidance on QE

During May, the Fund Manager reduced exposure to Cocos by 2% of NAV to 65% and increased Lower Tier 2 and senior bank bonds by 4% each. The Fund also added XoverCDS index hedge protection up to 14% of NAV.

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**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Wells Capital Financial Credit Fund (continued)**

June 2021

The Fund's strategic Bank AT1 Coco and subordinated insurance holdings produced most of the positive returns during the month, while other sub-sectors also made an incremental contribution to the return, while the Xover CDS index hedge protection detracted modestly from performance (less than 0.1%). The broader market's positive returns (Coco index 1%, Euro Stoxx600 index 1.4%) did not offset the impact of falling bond yields which dented bank equity sentiment (Euro Stoxx banks index was down 4%).

During June, the Fund Manager reduced exposure to Cocos and senior bonds by 3% of NAV each, and increased Lower Tier 2 by 3% and subordinated insurance by 2% of NAV.

The US Federal Reserve's stress tests showed US banks maintaining strong balance sheets, with Common Equity Tier 1 ratios falling from 13% to 10.6% in the Fed's severely adverse scenario, well above minimum levels. As such dividend restrictions expired on June 30th.

S&P raised outlooks on several Spanish, UK, French, Belgian and Italian banks from Negative to Stable. However, Sabadell ratings were downgraded –the non-preferred senior to BB+ and the AT1 to B+. News reports suggest the Italian government is continuing to work on a support package to assist other large banks such as Unicredit to buy Monte dei Paschi, probably with the government retaining the hard to quantify legacy legal risks. ABN sold a \$1.5Bn portfolio of loans to North American Oil and Gas companies, further reducing non-core business, and strengthening capital as risk-weighted assets fell. Italian insurer Generali offered to buy the remaining 76% of insurer Cattolica, in which it already has a 24% stake, valuing Cattolica at €1.5bn. Generali's solvency ratio is sufficiently high at 234% (first quarter 2021), so the negative impact at about 8% is manageable. Belgian insurer Ethias' insurance financial strength rating was upgraded by one notch to A with a positive outlook by Fitch, to reflect the consolidation of its very strong capital position, low leverage and strong operating performance since it completed a multi-year action plan that started in 2018.

July 2021

The Fund's strategic Bank AT1 Coco, subordinated insurance holdings produced most of the positive returns during the month – entirely driven by falling government bond yields, while carry offset a marginal widening of credit spreads. The broader market's slightly positive returns (Coco index 0.44%, Euro Stoxx600 index 2%) did not offset the impact of falling bond yields which dented bank equity sentiment (Euro Stoxxbanks index -0.8%).

During July, the Fund Manager maintained exposure to Cocos, Lower Tier 2 bonds and subordinated insurance bonds.

The ECB repealed temporary limitations on dividends and share buybacks for banks effective from 30 September 2021. Banks will be able to pay dividends and conduct share buybacks on an individual basis in consultation with the supervisor.

The UK regulator, the PRA, released results of its 2021 Solvency Stress Test, which showed that banks' aggregate CET1 ratio fell from 16.2% to 10.4% but remained above the minimum required level of 7.7%. Given the resilient performance in the exercise, the PRA has concluded that the restrictions on dividend payments are no longer required.

August 2021

The Fund's strategic Bank AT1 Coco, subordinated insurance holdings produced most of the positive returns during the month –carry and some tightening of credit spreads offset a slight rise in government bond yields. The broader market's positive returns (Coco index 0.52%, Euro Stoxx600 index 2%) and rising yields drove strong bank equity sentiment (Euro Stoxxbanks index up 4.2%).

During August, the Fund Manager maintained exposure to Cocos, Lower Tier 2 bonds and subordinated insurance bonds.

September 2021

The Lyxor / Wells Capital Financial Credit Fund returned -0.16% during September 2021; 4.6% for the year until September 2021, and 6.8% per annum since the Fund's inception in September 2016. The Fund's strategic Bank AT1 Coco, subordinated insurance and Lower Tier 2 holdings all produced slightly negative returns during the month, driven by both higher government bond yields and slightly higher credit spreads. The broader markets posted negative returns (Coco index -0.31%, EuroStoxx 600 index -3.4%) but rising yields did not dampen the strong sentiment in the bank equity sector (EuroStoxx Banks index up 3.7%). During September, the Fund Manager reduced exposure to Cocos by 7% and Lower Tier 2 bonds by 2%, while increasing seniorbonds by 2%.

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**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Wells Capital Financial Credit Fund (continued)**

Relevant macro events during the month:

- Large Chinese property conglomerate Evergrande failed to make a coupon payment on a USD bond, highlighting Chinese authorities' ongoing tightening policies focused on credit, real estate and technology sectors. A credit crunch contained within China is likely – we expect lower growth for China and global growth in 2021-22. Despite this, the impact on European financial institution credit quality is very small – capital and liquidity on balance sheets remains strong.
- US Federal Reserve confirmed that a QE tapering announcement is likely in November. We expect UST yields to trend higher than Bunds, given higher US deficits, quicker tapering and potentially sticky inflation driven by sharp rises in US house prices, as well as pent up consumer demand.

The ECB released a report on the potential long term impact on Eurozone banks of three Climate Change scenarios: an orderly transition, a “hot house scenario” and a middle ground scenario. The ECB expects a rise in natural disasters such as wildfires to impact Southern European economies and banks more than northern European ones. While there is no short term impact on financial institutions' credit quality, we do expect much greater focus on so-called physical risks, as well as industrial transition risks over the next few years.

October 2021

The Fund's strategic Bank AT1 Coco, subordinated insurance and Lower Tier 2 holdings all produced slightly negative returns during the month, driven by both higher government bond yields and slightly higher credit spreads. While the coco index posted negative returns of -0.39%, the broad stock market was bullish with EuroStoxx600 index positive at +4.6%, and rising yields sustained strong sentiment in the bank equity sector (EuroStoxx Banks index up +5.5%). During October, the Fund Manager increased exposure to Cocos by 5% and reduced some Lower Tier 2 and subordinated insurance exposures.

November 2021

The Fund's strategic Bank AT1 Coco, subordinated insurance and Lower Tier 2 holdings all produced slightly negative returns during the month, driven by higher credit spreads-this was despite 5-year Bund and Gilt yields falling by 0.20% -0.25%. While the Coco index posted negative returns of -1%, the broad stock market gave up some previous gains with the EuroStoxx600 index at -2.6%, and falling Bund yields dented sentiment in the bank equity sector (EuroStoxxBanks index -7.9%). During November, the Fund Manager retained the exposure to Cocos, reduced GBP senior debt by 3.7%, and unwound a subordinated CDS hedge position at a profit.

December 2021

The Fund's strategic Bank AT1 Coco, subordinated insurance and Lower Tier 2 holdings all produced positive returns during the month, driven by lower credit spreads - this was despite rising government bond yields impacting returns negatively. While the Coco index posted returns of 1.4%, the broad stock market posted strong gains with the EuroStoxx 600 index at 5.4%, and the bank equity sector (EuroStoxx Banks index) returning 6.1%. During December, the Fund Manager reduced overall exposure by adding a Xover index CDS hedge position. The Fund also reduced exposure to banks which have substantial business in Russia.

Outlook 2022

On fundamentals, they expect results to be stable from a credit investors' perspective. Banks and insurers are increasing dividends and buybacks but not reducing Coco coupon buffers meaningfully. Asset quality is expected to remain decent, especially as Next Generation EU Funding is implemented in periphery in '22-23.

They expect inflation to surprise to the upside, more so in the US and UK and less in Eurozone. Central banks will continue reducing QE, raising rates, and eventually starting Quantitative Tightening (reducing balance sheet size). The Fed and Bank of England will lead tightening process in '22, with ECB following slowly behind in late '22-23. According to the manager, assets with decent yields and low default risk are probably the least risky in this central bank scenario.

On Geo-political risk, they expect Russia and EU/Nato to eventually agree terms around Ukraine as neither side can afford a real war. They expect tensions to remain high for Q1. European banks have extremely low exposure, except Raiffeissen Bank of Austria – where the Fund as no exposure entering 2022.

In terms of valuations, Bloomberg BAML COCO index yield (multi-currency unhedged) is up from 3% in Sep-21 to 4.25% (Feb-22). The manager still like Euro bonds compared to USD bonds, and are reducing GBP bonds to add Euro bonds as well.



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**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Wells Capital Financial Credit Fund (continued)**

On technical, issuance needs seem manageably low – companies are likely to issue when market conditions are favorable. As in 2018, the manager avoided the recent low coupon new issues, which have sold off the most.

In 2022, the manager expects a 2018 type scenario (the last time Fed tightened). Within fixed income, in a time of rising yields, expect Cocos with reasonable yield and low default rates, to preserve capital better than many other sectors. They believe security selection to become crucial once again.

**Annual performance per share class as at 31 December 2021:**

<b>I USD</b>	<b>A EUR</b>	<b>I EUR</b>	<b>A USD</b>	<b>SI USD</b>
4.27%	2.70%	3.47%	3.49%	4.37%

ECM Asset Management Limited  
 Lyxor International Asset Management S.A.S.  
 January 2022

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Marathon Emerging Markets Bond Fund**

January 2021

As 2021 commenced, Lyxor/Marathon Emerging Markets Bond Fund returned a performance a bit below Index returns of -1.09% in January (U.S. treasury index -1.28%). Optimistic market expectations of a better trajectory for global growth, a continuation of stimulus and a steady march for vaccine distributions were fair but were not reflected in asset class performance figures. Near all major fixed income asset classes posted negative returns (Developed sovereigns -1.35%, U.S. IG corporates -1.28%, EMBIGD -1.09%) as: outperformance in the prior year, pervasive low policy rates and up-ticking inflation in the U.S. spooked bond investors wary of potential rate hikes in their future. The fifth weakest start for U.S. treasuries in 40 years, dictated returns for predominantly-IG spread markets, such as the EMBIGD that has a 54% IG weight. Regardless, active EM primary markets continued to vent through to investors, with a new historical record for January issuance two years in a row (January issuance: 2021 \$124 billion, 2020 \$113 billion). Broad volatility also resulted for U.S. equities (S&P 500 -1.02%) where concerns mounted over the function of that market in the face of a growing cadre of coordinated retail investors. Notably, only corporate HY asset classes were able to record gains in January (U.S. HY corporates +0.56%, Global HY +0.47%), continuing the rally that began in the closing portion of 2020. Yields for U.S. HY corporates reached record lows of 4.11% in January and closed at 4.31%, with the rally driven by relative valuations to IG counterparts that enjoyed significant outperformance last year. EMBIGD spreads were mostly unchanged at 351 bps overall, 147 bps for the Index IG segment and 609 bps for HY equivalents in the Index. Investors with cash to put to work rewarded the EM asset class with inflows of \$17.4 billion year-to-date (Hard currency \$9.2 billion, Local currency \$8.1 billion), especially for predominantly-IG EM credit asset class where relative yields look attractive even versus the B+ rated U.S. HY sector (outflows of -\$1.1 billion).

In January, positive relative returns for Lyxor/Marathon Emerging Markets Bond Fund have resulted from Oman (+4 bps Alpha) where on-Index sovereigns, purchased at no cost from primary markets at attractive levels, benefited from HY and technical Index demand alike; Paraguay where credit selection in government sponsored Bioceanico 2034s and relative value trading in the sovereign outperformed (+3 bps) and Colombia (+2 bps) where positioning in the recently issued, liquid ten-year part of the curve outperformed the long end which dragged alongside U.S. treasuries. Performance that detracted has come from off-Index A+ rated Israel sovereigns (-6 bps Alpha) where longer duration debt has given back a small portion of 2020 outperformance due to 2021 U.S. treasury underperformance. As the top performer in 2020, strength may return for the well supported credit as treasuries stabilize.

The Portfolio Managers note that risks remain elevated in 2021, though bold policy steps and medical advances have significantly improved growth conditions. The World Bank estimates global growth of +4.0% in 2021, following a decline of -4.3% for 2020. The +4.0% growth estimate for the coming year, implies a positive +0.9% revision relative to June 2020 projections. Over the same period, advanced economies are projected to grow +3.3% in 2021 (+1.6% uptick relative to June), following a decline of -5.4% for 2020. Emerging Markets are projected to grow +5.0% in 2021 (-0.1% revision relative to June), following a decline of -2.6% in 2021. While trends are encouraging, relevant factors will cause us to remain cautious of undue risk taking and to maintain a nimble approach to positioning as 2021 commences. For example, vaccine procurement and distribution difficulties could delay the containment of the pandemic and the pace of reopening, while new communicable strains propagate globally. Aside from the actual pace of economic recovery, several other factors confirm the presence of pertinent challenges. Overall output remains well below prepandemic levels. Despite the recovery, global GDP in 2021 is forecasted to be -5.3% below pre-pandemic projections (representing a delta of approximately \$4.7 trillion, per the World Bank). By 2022 aggregate EM output is expected to remain approximately -6.0% below its pre-pandemic projection. Overall debt levels remain well above pre-pandemic levels. Lower output, along with a need for a fiscal response to the pandemic has led to a broad-based increase in debt. EM government debt surpassed 60% of GDP for the first time, an +8.7% increase in the matter of a year. For context, from 2000 to 2019 aggregate government debt to GDP had increased by +5.0 percentage points. Finally, the risk of social pressures remains above pre-pandemic levels. The increase in poverty levels, and overall lower wealth metrics, will provide a challenging backdrop for policy makers that will need to contend with elevated fiscal burdens. As such, in 2021 the Portfolio Managers will continue to dutifully take advantage of overall valuations, employing a keen understanding of credit-by-credit challenges and will seek to harvest opportunities unearthed by their Optimal Beta strategy.

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**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Marathon Emerging Markets Bond Fund (continued)**

February 2021

As with other U.S. based spread markets, the performance of EM external debt can be highly coupled to U.S. treasury movements in certain market conditions. One such occasion was experienced in the past month as safe haven assets were off-loaded by market participants as optimism over global growth expectations and a faster than expected restart of the U.S. economy incited treasury volatility. Furthermore, speculation over the future of special Federal Reserve balance sheet leverage ratios after a scheduled expiry in March, resulted in the most undersubscribed seven-year auction in history.

As the U.S. treasury index experienced its worst month (February -2.45%) since November 2016 (-2.96%), ten-year treasury yields rose +33 bps in the month settling at 1.40%, a return to pre-COVID levels (January 2020 yield of 1.51%). Total returns for the EMBIGD Index followed suit returning -2.55% in February, comprised of IG and HY performance of -3.51% and -1.44%, respectively. Over the last month, only commodities (+9.11%) and HY corporates (U.S. HY +0.44%, Euro HY +0.68%) generated positive returns in contrast to an average return of -2.41% for safe haven, developed market government bonds. Overall, EMBIGD credit spreads only widened moderately to 357 bps last month (+7 bps) comprised of wider IG spreads at 155 bps (+8 bps) and unchanged HY spreads of 609 bps. As relative attractiveness of EM yields persists (EMBIGD yield +5.08%, GBI-EM GD yield +4.71%, U.S. HY yield 4.25%), flows for EM debt increased to US\$22.8 billion for the year (hard currency US\$9.2 million, local currency US\$13.5 billion).

In the first two months of 2021, Lyxor/Marathon Emerging Markets Bond Fund has slightly underperformed, compared to -3.61% for the EMBIGD Index. Positive relative returns have resulted from replicating index exposure in liquid belly of the curve benchmark sovereigns, from IG curves where duration has underperformed so far this year, such as in Qatar (+9 bps Alpha), Uruguay (+7 bps) and Colombia (+7 bps). Performance that detracted has come from off-Index, A+ rated Israel sovereigns (-20 bps Alpha), BBB rated on-Index sovereigns from Panama (-13 bps) and BBB+ rated index eligible sovereigns and quasi-sovereigns from Peru (-12 bps), all nations where they have been comfortable holding duration based on fundamentals, relative valuations to peers and based on attractive levels for recent new issues that nevertheless experienced weakness with other IG assets with longer maturities. The Optimal Beta approach to portfolio construction has resulted in an overall duration stance that remains close to that of the Index, as country level positioning is balanced out across the book, allowing for positioning in assets that are anticipated to outperform upon the stabilization of U.S. treasury markets.

Recent weeks have seen a significant reassessment of the global outlook, with upward revisions to global growth, prompted by expectations of substantial and significant US fiscal stimulus, greater optimism around vaccine distribution and virus containment and greater confidence around sustained monetary and fiscal support globally. The upward revisions for global growth, consolidating around 6% YoY growth, point to a more complete, but still very divergent recovery. The US growth in particular looks to be decoupling in its recovery path, with growth expectations consolidating around 7% YoY. While China is experiencing the most successful recovery to date from COVID, having returned to its pre-pandemic output level in late 2020, the US economy is likely to not only return to its pre-pandemic output level this year, but is expected to outpace China and move to a path that raises US GDP well above its pre-crisis trajectory, due to a very strong fiscal and monetary policy backdrop. Growth in EM will be supported by the more constructive global backdrop, strengthening global trade activity, rising commodity prices and an increasingly more manageable COVID situation. Recently, encouraging data on case growth and vaccine efficacy has been seen. Although case growth is increasing in some countries and regions, recent COVID waves in EM have proven to be less damaging to growth than expected. That said, most of the world outside the US, UK, Europe, and a few other countries, is not expected to reach herd immunity through vaccines before 2022. They will continue to evaluate opportunities to harvest Alpha during this transition in the market environment.

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**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**


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**Lyxor/Marathon Emerging Markets Bond Fund (continued)**March 2021

Since the start of 2021, there has been a significant reassessment of the global outlook, with steep and accelerated upward revisions to growth. Per the World Economic Outlook, published by the IMF in early April, global growth has been upgraded to 6% for 2021 (0.8% uptick from the October estimate). The bulk of the global growth upward revision is derived from upgrades in the economic outlook for developed markets (expected to grow 5.1% in 2021, a 1.2% uptick from the October estimate), with a sizeable upgrade for US growth expectations (projected to grow 6.4% in 2021 a 3.3% revision from the October estimate). Positive revisions for EM continue to underperform developed markets, with growth for 2021 projected at 6.7% (0.7% revision from the October estimate). Largely as a result of changes in the global outlook, changes to the trajectory of US rates has been meaningful. While in the second half of 2020 U.S. 10-year yields rose 40 bps, since the beginning of the year they have risen 80 bps, with most of the repricing in the past six weeks. Largely because of changes in expectations regarding the trajectory of the pandemic, global growth and a resulting change in trajectory of U.S. rates, the EM external asset class delivered a negative return for the first quarter of 2021. As measured through the EMBIGD Index where Q1 returns stand at -4.5%, with the investment grade, longer duration portion of the index underperforming the high yield, shorter duration portion of index (-5.3% vs -3.7%, respectively). As of the start of 2021, EM IG spreads stood at 148 bps, while EM HY spreads stood at 605 bps, compared to respective pre-COVID averages of 200 bps and 550 bps. Even after the significant revision in expectations discussed above, spreads concluded the first quarter relatively unchanged; EM IG spreads stand at 141 bps and EM HY spreads stand at 620 bps. Thus, the performance for EM external debt has so far been overwhelmingly determined by the resulting trajectory of U.S. rates, rather than a significant change to risk premia. Nevertheless, given the risks associated with tighter financing conditions, with the 2013 taper tantrum offering historical context, careful, credit-by-credit reassessments of risks gain relevance.

In the first three months of 2021, Lyxor/Marathon Emerging Markets Bond Fund has underperformed its Index. Performance that has contributed positively this year includes the results of conservative positioning in liquid, ten-year regions of sovereign curves in Qatar, Turkey, Uruguay and Oman, where negative total returns were recorded by those countries within the index. Detractors have predominantly been high quality instruments that were sourced recently in primary markets, enjoying high liquidity and low bid-ask trading costs and therefore being prime candidates for market participants to express views; such sovereign-related credits include Israel, Peru, Panama and Morocco. As a result of bountiful issuance from index-eligible sovereigns and quasi-sovereigns that have been a part of the strategy since inception, the PM trace a growing segment of liquid securities in the portfolio that comprised ~60% of the portfolio as the year began. Such positioning has been advantageous in allowing for nimble positioning that enables efficient turnover of assets. A preference for on-the-run quality debt has also been key in reducing trading costs.

The initial shock felt by the market, due to the rapid expansion of the reach of the pandemic, has been countered by an overwhelming policy response. The economic impact of the crisis is still a nascent calculation and prevailing uncertainties can continue to feed volatility. Thus, while they maintain close adherence to their mandate to remain fully invested while minimizing key variables to the index, they remain focused on liquid, solid credits that continue to enjoy access to the market and that have the policy bandwidth to react to future unknowns. Furthermore, they do not believe exhaustive accommodative monetary policy actions will indiscriminately serve every credit alike. As such, the PMs will continue to focus on credit differentiation for selective risk taking outside the IG realm. Among other variables, they will actively monitor World Bank and IMF policies geared to support EM economies, as well as the trajectory of the response to the COVID-19 pandemic outlook. They believe the market can provide value and, as such, will remain focused on liquid instruments to be able to seize on opportunities and to be able to adjust to new realities effectively.

April 2021

In April, Lyxor/Marathon Emerging Markets Bond Fund slightly outperformed the index. Over the period, U.S. economic data was strong, but there is no sign that the Federal Reserve will begin to taper its asset purchases. The U.S. economy is on track for a very strong growth rate over the second quarter, of at least 10% quarter-on-quarter annualized, which will result in a historically large negative growth differential between Emerging Markets (EM) and Developed Markets (DM). That said, with the pace of vaccinations in Europe significantly picking up over the past month and further progress being made on global reopening which will support economic recoveries, the global backdrop towards the 2nd and 3rd quarter may be less about U.S. exceptionalism, which would result in less rate pressures. The global picture looks to be getting consistently better, but the evolution of the pandemic including vaccine rollout, remains a concern across many EM regions, where the overall COVID trend is more sideways. While there has been significant improvement in the Central and Eastern European region in the last month and improvements in some Latin American countries such as Brazil, the situation remains worrying in Asia, in smaller countries and most concerning in India. Vaccine rollouts in EM remain far below target. Africa, for example, has vaccinated just over 1% of the continental population. Global vaccine diplomacy is ramping up, however. With a mixed set of results on a global basis, a vigilant approach to risk management and to capturing value will be of import in the coming months. April spreads for the asset

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**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Marathon Emerging Markets Bond Fund (continued)**

class, represented by the EMBIGD index, fell to 2021 tightness of 338 bps from 353 bps in March, now near the pre-COVID average of 330 bps. The HY segment of the EMBIGD index has continued to contribute the most to outperformance with spreads tightening to 576 bps from 620 bps over the month of April (15-month tightness), yet still remains wide of the pre-COVID average of 550 bps. EM IG spreads within the EMBIGD have remained broadly stable with the U.S. rates market and widened to 144 bps from 141 bps through April, notably inside the pre-COVID average of 200 bps.

In 2021 year-to-date, Lyxor/Marathon Emerging Markets Bond Fund has slightly underperformed the Index. So far this year, through the focus on liquidity and sourcing in active primary markets, the PMs have chosen to replicate Index Beta through the ten-year part of certain IG curves where similarly constituted, but longer duration curves in the Index have underperformed their selections. Such markets include Qatar, Turkey, Uruguay that have contributed a combined ~+21 bps of Alpha this year. Detracting performance in 2021 has predominantly resulted from Peru, and off-Index Israel, that in the last year joined the ranks of EM sovereigns that have issued century bonds, extending the average duration of their respective curves and increasing their sensitivity to rates-based volatility that was present in Q1. In both of the IG nations, they positioned in liquid sovereigns that were sourced at no transaction cost in primary markets and that are valued at levels that appear attractive as the market clears near-term hurdles.

The initial shock felt by the market, due to the rapid expansion of the reach of the pandemic, has been countered by an overwhelming policy response. The economic impact of the crisis is still a nascent calculation and prevailing uncertainties can continue to feed volatility. Thus, while they maintain close adherence to their mandate to remain fully invested while minimizing key variables to the index, the PMs remain focused on liquid, solid credits that continue to enjoy access to the market and that have the policy bandwidth to react to future unknowns.

Furthermore, they do not believe exhaustive accommodative monetary policy actions will indiscriminately serve every credit alike. As such, they will continue to focus on credit differentiation for selective risk taking outside the IG realm. Among other variables, they will actively monitor World Bank and IMF policies geared to support EM economies, as well as the trajectory of the response to the COVID-19 pandemic outlook. They believe the market can provide value and, as such, will remain focused on liquid instruments to be able to seize on opportunities and to be able to adjust to new realities effectively.

May 2021

In May, Lyxor/Marathon Emerging Markets Bond Fund is in line with the JPM EMBIGD Index. Although the recovery from the pandemic remains uneven and staggered, developments highlighted that the recovery is ongoing and that it is broadening, supported by improving virus containment as the global vaccine rollout continues and as the accommodative monetary policy stance, particularly in DM economies, remains in place and with relatively stable G3 rates. In particular, Europe, where the vaccine rollout increased significantly during May, is joining the global recovery. Previously, the recovery started with China which was followed by the U.S., where a very fast recovery remains supported by both fiscal and monetary policy. Despite strong recovery indicators and above expectations inflation in the U.S., Europe and elsewhere, driven in large part by very strong base effects and factors that are likely to present transitory pressures, U.S. treasury rates have remained relatively stable over the past month, and are down approximately 30 bps (10 year UST) from YTD highs at the end of March. Currently, the U.S. Federal Reserve views inflation as being skewed by temporary re-opening price increases and has signaled that the improvement in the labor market, where payroll numbers have disappointed recently, is more important for timing of the tapering of its asset purchasing program. For a consecutive month, the asset class spreads captured by the EMBIGD index, grinded lower to 2021 tightness of 331 bps from 338 bps in April, (pre-COVID average of 330 bps). Index performance continued its recent performance of being driven by HY tranches, where spreads also fell to 2021 tightness of 564 bps from 576 bps in April (pre-COVID average of 550 bps). Spreads in the IG segment of the index ended the month at 142 bps compared to 144 bps in April (pre-COVID average of 200 bps). Such spread returns resulted in EMBIGD total returns for the aggregate, IG and HY indices of +1.1%, +0.7% and +1.5%, respectively. While U.S. rates have stabilized, EM fixed income has remained well supported, resulting in year-to-date asset class inflows of +\$36.1 billion, compared to the 2018 to 2020 annual average of +\$36.4 billion.



**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Marathon Emerging Markets Bond Fund (continued)**

So far this year, Lyxor/Marathon Emerging Markets Bond Fund is slightly underperforming the JPM EMBIGD Index. This year as the PMs have focused on maintaining liquidity and neutralizing sectoral variances to the benchmark, they have turned over approximately 80% of the portfolio in the first five months of the year, generating Alpha through positioning based on relative curve valuations in sovereigns and non-sovereigns from countries including Qatar (+7 bps Alpha), Oman (+7 bps) and Turkey (+6 bps). Performance that has detracted meaningfully in 2021 has remained largely contained to two IG jurisdictions in Peru (-20 bps Alpha) and off-Index Israel (-14 bps). Both are nations that extended the replicable duration of their curves prior to rate weakness in the early part of the year. They note that last month relative performance in Peru and Israel was +1 bp and +3 bps, respectively, as the PMs continue to actively seek to capture outperformance on these curves and others within the investment universe.

The initial shock felt by the market, due to the rapid expansion of the reach of the pandemic, has been countered by an overwhelming policy response. The economic impact of the crisis is still a nascent calculation and prevailing uncertainties can continue to feed volatility. Thus, while they maintain close adherence to their mandate to remain fully invested while minimizing key variables to the index, they remain focused on liquid, solid credits that continue to enjoy access to the market and that have the policy bandwidth to react to future unknowns. Furthermore, they do not believe exhaustive accommodative monetary policy actions will indiscriminately serve every credit alike. As such, they will continue to focus on credit differentiation for selective risk taking outside the IG realm. Among other variables, they will actively monitor World Bank and IMF policies geared to support EM economies, as well as the trajectory of the response to the COVID-19 pandemic outlook. The PMs believe the market can provide value and, as such, will remain focused on liquid instruments to be able to seize on opportunities and to be able to adjust to new realities effectively.

June 2021

A strong global recovery is unfolding, fueled by substantial monetary and fiscal support. Per the most recent World Bank ("WB") economic outlook report, the global economy is now expected to grow 5.6% in 2021, the fastest post-recession recovery in 80 years. June estimates assume an additional 1.5% percentage point growth increase relative to January expectations. Recent further upward global growth revisions are driven by better-than-expected high frequency data, U.S. stimulus and more recently faster vaccination and economic re-opening in Europe. Further upside revisions to growth are possible, derived from the drawdown of now high accumulated levels of household savings in developed markets ("DM") and high commodity prices supporting the EM part of the equation.

Despite being faster than expected, the recovery has been incomplete, with the pace and extent of the recovery markedly different across countries, particularly many EM jurisdictions where the structure of economies is less adaptable to remote working and social distancing, which made containing the virus much more challenging. Furthermore, the slower pace of vaccination and the emergence of new variants of the Covid-19 virus has been a challenge.

EMBIGD asset class spreads widened modestly in June by +7 bps to 339 bps (pre-COVID average of 330 bps). IG asset class spreads were largely unchanged at 145 bps (pre-COVID average of 200 bps), while HY spreads widened by +18 bps to 582 bps (pre-COVID average of 550 bps). Over the month, the EMBIGD HY segment generated returns that were largely flat (-0.02%), while IG securities rallied overall (+1.4%) alongside high quality duration, as the U.S. treasury curve flattened following the June FOMC meeting, resulting from market participants somewhat bringing forward expectations of the timing of 1) the scale back of Fed purchasing and 2) the normalization path of policy rates. Prior to this in 2021, HY securities have outperformed in the first half of the year (EMBIGD: Total -0.66%, IG -2.45%, HY +1.4%). With this in mind, top contributors of note in the first six months of the year included: Ivory Coast (~+8 bps Alpha), Oman (~+8 bps) and Turkey (~+6 bps). Performers that detracted over the same period included: Peru (~-18 bps Alpha), Panama (~-11 bps) and Saudi Arabia (~-10 bps).

Global GDP is now back at end-2019, pre-pandemic levels, though still short of where global GDP was expected to be for 2021 and for 2022. Per the WB, global GDP will lag pre-pandemic projections by 3.2 percentage points by 2021 and 1.8 percentage points by the end of 2022. The discrepancies between DM and EM are notable. DM GDP for 2021 and 2022 will lag pre-pandemic projections by 2.5 and 0.1 percentage points, respectively, while EM GDP for 2021 and 2022 will lag pre-pandemic projections by 4.3 and 4.1 percentage points, respectively. In terms of per capita output, two years post-recession, only 39.5% of EM countries are expected to reach pre-global-recession levels. As we move forward, the incomplete recovery and divergence in growth across the global economy will continue to present challenges for policymakers. EM policy makers will seek to balance the need to address imbalances while also responding to domestic and social demands and external pressure. Inflation overshoots have already prompted central banks in Brazil, Turkey, Mexico and Central and Eastern Europe to withdraw policy accommodation and tighten monetary policy. Further food and energy price inflation or a global bond yield rise could prompt other EM central banks to follow suit. The diminishing policy space derived from a shallow recovery, implies normalization of fiscal

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Marathon Emerging Markets Bond Fund (continued)**

policy may have to be faster in some EMs than in many DMs. Yet, many countries continue to experience elevated COVID infection rates, battling new variants and facing vaccine rollout challenges. The duration of the pandemic remains uncertain today. As such the PMs will continue to seek opportunities across their various sources of Alpha and across jurisdictions that present attractive prospects for investment.

July 2021

Through July 2021, Lyxor/Marathon Emerging Markets Bond Fund outperformed the JPM EMBIGD index. On the U.S. front, signs of broader risk-off were still present in credit markets to a certain extent, with ten-year treasuries rallying from around 1.45% to 1.22% into month-end, the sharpest monthly move year-to-date. The rally in U.S. treasuries came in spite of July's upside U.S. CPI print of 5.4% year-on-year. With strong growth expectations, July's FOMC meeting seemingly confirmed the taper timeline for around yearend, as has largely been expected for most of the year, with Chairman Powell noting that "the economy has made progress" on the Fed's dual mandate of maximum employment and inflation and that in subsequent meetings, the Fed would assess whether indeed substantial progress was made to begin tapering. The IMF's revised forecasts in July underscored the strong global recovery underway, underpinned by strong U.S. growth, but also highlighted the growing divergence in recovery, particularly between Developed Markets ("DM") and Emerging Markets ("EM"), in part due to ongoing strong policy support in DM, as well as a stark difference in global vaccine rollouts. EMs have administered just a third of the vaccinations DMs have, amounting to approximately 10% of EM populations in aggregate (as of the end of July). The IMF's global growth forecast stayed the same at 6%, year-on-year, but with underlying upward DM revisions and downward EM revisions, in particular due to a downward revision in growth for China for 2021 – as such, IMF forecasts indicate a widening in growth divergence between DM and EM. In the IMF's expectations, inflation pressures remain largely transitory and inflation expectations remain well-anchored. Despite the ongoing global recovery and supportive commodity prices, growth concerns increased over the month for China in particular, as well as expectations that peak growth for the U.S. was already reached. EMBIGD spreads widened back from post-COVID tightness of 328 bps in mid-June to 359 bps in mid-July despite tightening in U.S. rates. Eventually, spreads retraced back to 354 bps by month-end. IG names within the EMBIGD traded in an especially whipsaw fashion, widening from 145 bps to 162 bps before closing out the month back at 146 bps. HY traded similarly, but closed around 3 bps tighter month-over-month at 579 bps. On a spread basis, EM HY continued to progress towards tightness against EM IG, while still trading slightly above year-to-date HY tightness of 411 bps, which were reached in early June. So far through 2021, EM fixed income inflows have amounted to \$51 billion (compared to three-year average annual inflows of \$36 billion), comprised of \$27 billion for hard currency markets and \$24 billion for local currency markets.

On a year-to-date basis, the Fund is behind the index. Relative performance to the index in 2021 improved through July, as excess returns were generated with the backdrop of more stable U.S. rates that were supportive for IG and HY tranches alike (U.S. treasury index +1.57%, EMBIGD IG +0.48%, EMBIGD HY +0.35%). July marked a fourth consecutive month of positive performance for EM IG debt, where a bull flattening of high-quality curves resulted from underlying U.S. treasury curve movements in response to expectations of future monetary policy announcements from the Fed. As the PMs continued to diligently manage: 1) a cash position that has sought to be appropriate for the market environment and for expected primary market opportunities and 2) investment positions that have faithfully replicated, with a Beta of 1.0, an asset class that has significant HY exposures but is predominantly IG (EMBIGD IG Weight 52.7%), they recorded outperformance in July across both rating segments. Such contributions this year through July, culminated in performance that was led by a combination of relative value, primary market, index technical and credit selection opportunities from a mixture of credit quality jurisdictions including: Qatar 10 bps Alpha, Oman 8 bps and Turkey 6 bps. Contributions that detracted resulted largely from Peru -21 bps Alpha and Panama -11 bps, both offering IG-rated opportunities that were impacted by changes in the trajectory of U.S. rates this year.

As we move forward, the incomplete recovery and divergence in growth across the global economy will continue to present challenges for policymakers. EM policy makers will seek to balance the need to address imbalances while also responding to domestic and social demands and external pressure. Inflation overshoots have already prompted certain EM central banks to withdraw policy accommodation and tighten monetary policy. Further food and energy price inflation or a global bond yield rise could prompt other EM central banks to follow suit. The diminishing policy space derived from a shallow recovery, implies normalization of fiscal policy may have to be faster in some EMs than in many DMs. Yet, many countries continue to experience elevated COVID infection rates, battling new variants and facing vaccine rollout challenges. The duration of the pandemic remains uncertain today. As such the PMs will continue to seek opportunities across our various sources of Alpha and across jurisdictions that present attractive prospects for investment.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Marathon Emerging Markets Bond Fund (continued)**

August 2021

Risk markets proved resilient throughout the month of August. U.S. growth expectations for the third quarter were downgraded during the month, with consumption under pressure, reflected in the notable decrease in consumer sentiment. Such decreases were due to concerns over the pandemic and price stability, as well as supply constraints and the expectations of a more negative fiscal impulse. The much slower than expected increase in U.S. payrolls in the month of August showed a clear drag from the spread of the COVID delta variant. Notably, a change in expectations for U.S. as well as China growth, is putting pressure on global growth expectations. That said, while the global recovery is now expected to be less robust than a few months ago, this does remain a very strong and prompt recovery, particularly when compared to previous recessions. Importantly, the growth in COVID cases appears to be peaking in a number of jurisdictions, including in the U.S. and some Asian economies. Although EM vaccination rates still lag DM vaccination rates, these are picking up quickly in some regions, including Asia and Latin America, where in general the economic impact of the latest COVID waves has already been more muted. In the U.S., market participants expect the tapering of asset purchases by the Fed to start by the end of this year, as communicated by Chairman Powell at Jackson Hole last month, but with a strong indication that the Fed will be patient when it comes to hiking rates, supportive of cyclical risk. Finally, alongside rallying equity markets (S&P 500 through August was +3.04%), U.S. rates continue to trade beneath the elevated levels we saw from March through June (U.S. 10-year yield at 1.31%, versus an average of 1.58% in Q2). The aforementioned reasons provided the foundations for decently strong performance in EM credit markets, despite macro challenges ahead. EMBIGD spreads retraced much of July's weakness, finishing the month at 342 bps (12 bps tighter over August). EM IG and HY spreads compressed by 10 bps and 14 bps, to 145 bps (2021 tight of 137 bps) and 565 bps (2021 tight of 556 bps), respectively. As signaled by history, significant allocations in EM market remained sidelined across August, with EM fixed income inflows remaining at \$51 billion (compared to three-year average annual inflows of \$36 billion), comprised of \$27 billion for hard currency markets and \$24 billion for local currency markets. Hard currency ended the month with two weeks of net inflows, ahead of more active September markets, while local currency experienced two weeks of net outflows.

Ahead of a seasonally less active month of August, the Fund was positioned to benefit through the past month and beyond, both through abundant supply of primary deals this year (\$545 billion gross issuance through August) and through nimble trading in secondary markets (137% Fund turnover through August). With a keen focus on seeking to replicate optimally in IG and HY segments versus the Index, while U.S. rates remained relatively orderly in August, the Fund was well positioned with regard to credit rating and spread dynamics among other key components (U.S. treasury index -0.36%, EMBIGD IG 0.78%, EMBIGD HY 1.18%). Top contributors this year have been sourced from a variety of Marathon's stated Alpha sources and span the spectrum of high quality (Qatar 9 bps Alpha, Kazakhstan 5 bps, Mexico 4 bps) and high yield credits (Oman 8 bps Alpha, Colombia 5 bps, Brazil 5 bps). Detracting performance has largely been sourced from IG credits, Peru (-21 bps Alpha) and Saudi Arabia (-11 bps), that have seen performance driven by rates and duration focused factors, as well as election-related spread factors in the case of Peru.

As we move forward, the incomplete recovery and divergence in growth across the global economy will continue to present challenges for policymakers. EM policy makers will seek to balance the need to address imbalances while also responding to domestic and social demands and external pressure. Inflation overshoots have already prompted certain EM central to withdraw policy accommodation and tighten monetary policy. Further food and energy price inflation or a global bond yield rise could prompt other EM central banks to follow suit. The diminishing policy space derived from a shallow recovery, implies normalization of fiscal policy may have to be faster in some EMs than in many DMs. Yet, many countries continue to address elevated COVID infection rates, battling new variants and facing vaccine rollout challenges. The duration of the pandemic remains uncertain today. As such the PMs will continue to seek opportunities across various sources of Alpha and across jurisdictions that present attractive prospects for investment.

September 2021

Risk markets as a whole were weaker through the month of September. On the developed market front, third quarter and annual U.S. growth figures continued to be revised downwards. Where global industrial production figures have generally returned to pre-COVID levels, recoveries in the labor market, consumption and services continue to lag behind, signaling an increasingly uneven recovery. Questions around the "transitory inflation" narrative continued in the U.S., with Core PCE, in August, rising 0.4% month-over-month and 4.3% year-over-year, its fastest annual increase since 1991. While acknowledging the persistent outlook for U.S. inflation, Chairman Powell strongly signaled that the tapering of Fed asset purchases would begin later this year, most likely in November, and that the FOMC members expect the tapering process to conclude by mid-2022. The combination of signaling, the subsequent press conference and the FOMC "dots" indicated that the Fed had grown more concerned about inflation and that some optionality was warranted around a date to begin raising U.S. rates; more hawkish than expected by market participants. Global rates sold off in kind, with the yield on 10-year U.S. treasuries increasing nearly 20 bps from the time of the September 22nd FOMC meeting to approximately 1.5% at the end of September. Concern around China's growth slowdown continued, weighed upon by the impact of regulatory tightening in the property sector and risks to the broader economy.



**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Marathon Emerging Markets Bond Fund (continued)**

In addition, a complicated political backdrop in the U.S., with legislative uncertainty concerning the U.S. debt ceiling and further infrastructure stimulus, led the S&P 500 to decline 4.7% through the month of September, the index's only other negative month since January of this year. EM continues to be impacted by the spillover of aforementioned macro circumstances. Aside from persistent U.S. dollar strength over the past month, slow EM vaccination progress, more

pronounced EM inflation pressures, and the increasingly contractionary monetary policy required to manage these factors have been a headwind for the EM asset class. In this evolving environment, EMBIGD spreads retraced August's strength, widening to near the YTD highs in February (357 bps) and finishing the month at 355 bps (13 bps wider over September). EMBIGD IG and HY segments widened by 2 bps and 30 bps respectively, the greatest HY increase since March 2020 (461 bps wider to 1,078 bps that month). Despite EM fixed income outflows of \$2.2 billion in the final week of September, year-to-date net inflows stood at \$51.3 billion to end the quarter (Hard currency \$26.3 billion, Local currency \$25.0 billion).

Having recouped relative net performance in the second quarter of 2021 (Q2: Fund 4.15%, Index 4.06%), the third quarter concluded with the Fund returning -0.75% compared to -0.70% for the Index over the past three months. On a year-to-date basis this corresponded to a Fund return of -2.30% versus the Index return of -1.36%. This year through mid-September, prior to China related macro volatility and a recalibration of U.S. related policy expectations, performance for the Index was overall positive (YTD: EMBIGD 1.03%, EMBIGD IG -0.99%, EMBIGD HY 3.34%, U.S. treasuries -1.81%). The significant broad repricing of risk asset classes in the last two weeks of the quarter impacted EM (YTD: EMBIGD -1.36%, EMBIGD IG -2.95%, EMBIGD HY 0.51%, U.S. treasuries -3.27%), and solidified their approach of delivering Beta through an active replication and a diligent approach to minimizing IG and HY positioning variances. As it is their preference to upgrade liquidity in the Fund (through positioning in benchmark, on-Index issuance), from time to time, early movements in the assets compared to off-the-run securities will result in short term performance deviation from the benchmark – in this case, to the downside as a sharp increase in volatility coincided with the end of the quarter. So far this year, top contributions to relative performance have resulted from Oman (8 bps Alpha), Qatar (8 bps) and Mexico (6 bps); a mix of credit quality issuers where the Fund has harvested excess performance from each of Marathon's stated sources of Alpha. In 2021, subtractive relative performance has been attributed to Peru (-23 bps) and Argentina (-10 bps); idiosyncratic issuers that continue to be driven by political/policy uncertainty.

Presently, risks are embedded in the landscape; while certain concerns have diminished (such as the potential impact of the Delta variant in the ongoing recovery), others have persisted or increased in scope (such as concerns surrounding inflationary pressures within EM). Nevertheless, Marathon believe overall valuations are attractive. As of the start of the year, a comprehensive rollout of vaccines had yet to take shape, and the global recovery was more a projection than a realization. Compared to year end 2020 data, current spreads for both the IG and HY are essentially unchanged.

On a relative basis, EM IG spreads stand 42 bps wider (compared to U.S. IG), from 25 bps as of end of 2020, and EM HY relative spreads stand at 210 bps wider (compared to U.S. HY), from 165 bps as of end of 2020. While the PMs strive to maintain a balanced overall portfolio relative to the Index, they believe shifts in the relevance of risks embedded in the landscape will allow for the capturing of alpha opportunities. For example, downgrades to growth related to more restrictive monetary policies in certain countries where inflation proves persistent, may be partly offset by an uptick in growth for credits that benefit from rising commodity prices. Thus, credit differentiation may gain in relevance as the macro landscape shifts during this post-Covid period of recovery. The PMs believe they are well positioned to benefit from such credit driven opportunities.

**October 2021**

The global economic recovery continued, particularly in developed markets, as evidenced by stabilizing and stronger US economic data towards the end of the month into early November, including better than expected labor market activity and ISM numbers, especially services. The recent data underscores a more positive near-term outlook for the US economy in the wake of the most recent Covid wave receding. The S&P 500 rebounded from September's weakness, returning its best month of 2021, while 30y US Treasuries retraced much of the sell-off experienced towards the end of September. In line with expectations, the Fed announced it would begin tapering asset purchases by \$15 billion per month, beginning in mid-November, as expected. The Fed committed to \$15 billion reduction in purchases for November and December, and while the pace could change from January, the presumption is that the tapering process will conclude by mid-2022 and that the pace of tapering remains the consistent throughout the process. Central banks in advanced economies, in particular in the US, continue to signal patience with what they still view as "transitory" higher inflation, albeit acknowledging that while it is not likely to be permanent, it may persist for longer than expected. It is anticipated that policy rates will remain on hold to continue to support the economic recovery. EM central banks, however, continue to surprise already hawkish expectations with large rate hikes. China's economy showed further weakness throughout October, as pressure in the property sector, power shortages, and elevated

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Marathon Emerging Markets Bond Fund (continued)**

commodity prices continue to weigh on growth expectations. The combination of less constructive economic circumstances in China, persistently high inflation, more aggressive monetary policy normalization, broadly weaker public health responses to the continued pandemic, and weaker/withdrawing fiscal policy regimes continues to bolster the dichotomy between Emerging Markets ("EM") and developed markets recoveries. It also has put pressure on EM fixed income, which has traded resiliently in light of the backdrop. Over the course of October, EMBIGD spreads widened 2 bps (to 357 bps). IG and HY segments widened as well, by 3.5 bps (to 156 bps) and by 5.5 bps (to 600 bps) respectively. The spread between the two segments held largely flat over the month, trading at around its median level. Following two consecutive weeks of inflows into EM dedicated funds to finish the month (amounting to \$2.45 billion total), YTD net inflows stood at \$50.4 billion (Hard currency \$26.6 billion, Local currency \$23.9 billion) slightly beneath September's level, with outflows concentrated primarily in Local currency funds.

Marathon managed to navigate a challenging early-October, closely matching Index returns over the course of the month. Through October 12th, the Index had repriced significantly lower from September's weakness, particularly in IG (YTD: EMBIGD -2.25%, EMBIGD IG -3.94%, EMBIGD HY -0.28%, UST -3.05%), before retracing much of the move into month-end (YTD: EMBIGD -1.34%, EMBIGD IG -2.64%, EMBIGD HY +0.24%, UST -2.77%). Over the course of the month, and against a volatile trading backdrop, the PMs took advantage of the relative strength of HY and the relative weakness of IG to reduce, and add respectively, moving closer to Index weight in both segments, actively replicating the Index, and working to match duration in the process. So far this year, top contributions to relative performance continue to result from Mexico (11 bps of Alpha), Qatar (9 bps of Alpha), and Oman (8 bps of Alpha); where they have identified relative value in security selection, and fundamentally strong credit trajectories. Detractions year-to-date have stemmed mainly from event-driven, idiosyncratic credits such as Peru (21 bps), Egypt (11 bps), Argentina (10 bps), and Chile (10 bps), where positioning remains focused on benchmark securities that trade at attractive valuations.

As we continue through the fourth quarter, Marathon anticipate additional issuance from sovereigns, quasi-sovereigns and corporates seeking to satisfy 2022 financing needs ahead of the early months of next year which tends to be an active new issuance calendar. The recent support that treasuries have seen makes for an attractive backdrop for IG issuers to place securities, while recent underperformance of the HY segment of EM market may continue to give pause to credits of lesser quality. Also, as we enter the endemic stage of Covid, virus-related headlines are less likely to drive markets, rather inflation and monetary policy decisions are likely to remain at the fore as drivers of risk sentiment. Navigating the dynamic landscape will remain their focus as we close out what has been a unique year for global investors.

**November 2021**

The global economic recovery continues at a strong pace with most economies' manufacturing PMIs in expansion and the global manufacturing PMI steady for the past three months. Towards the end of the month, the environment for risk assets turned, with the combination of the discovery of the Omicron variant, and the related uncertainty that brings around transmission, severity and vaccine evasion and possible new mobility restrictions (as evidenced in Europe), as well as a fast re-pricing of monetary policy normalization, in particular in the US. Testimony from Fed Chair Powell and other FOMC members point to the potential that the Fed will announce a faster tapering process at its next FOMC meeting in mid-December, opening up the possibility for an earlier rate hike in 2022. Into month-end, long-end treasuries rallied from October's subdued levels, 10s30s flattened to levels unseen since January 2019 and, on November 26th, the Dow recorded its worst day of 2021. The news flow had a particularly pronounced effect on EM, where already fixed income asset prices had been under pressure due to growth that continues to lag, fiscal capabilities that have been stretched, and monetary policy that has continued to normalize. EMBIGD Index spreads widened 44 bps to 390 bps, its worst monthly performance of the year with EMBIGD HY as a segment widening 71 bps, its worst month since March 2020.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Marathon Emerging Markets Bond Fund (continued)**

After closely matching the benchmark returns throughout the month of October, the Fund managed to outperform through the first half of November. Through November 15th, the Index had weakened slightly since the end of October (YTD: EMBIGD -1.40%, EMBIGD IG -2.56%, EMBIGD HY +0.03%). With heightened uncertainty on the DM monetary policy front, idiosyncratic stories in Ukraine/Russia as well as Turkey, fears of Omicron-related lockdowns, and very low liquidity over the Thanksgiving US holiday week, EM underperformed substantially into the end of the month (YTD: EMBIGD -3.15%, EMBIGD IG -2.85%, EMBIGD HY -3.26%), led mainly by HY. Main detractors throughout the month, therefore, were Egypt (7 bps), Mexico (7 bps), Colombia (4 bps), and Ukraine (4 bps), high yielding curves where the PMs continue to see strong relative value and potential upside, while positioned in liquid on-the-run securities. On a year-to-date basis, top contributions to performance continue to result from Qatar (9 bps), Oman (9 bps), Kazakhstan (7 bps), and Pakistan (5 bps); a regional mix of issuers spanning both HY and IG segments. Countries posting the largest negative attribution year-to-date include Peru (22 bps), Egypt (18 bps), Argentina (12 bps), Saudi Arabia (11 bps); resultant from a mixture of idiosyncratic stories and tactical IG conservative positioning that is offset through selections elsewhere in the portfolio, and where Marathon see more relative value.

While the outlook for EM and global markets as a whole retains elements of uncertainty, Marathon will continue to diligently replicate the Index while concurrently identifying pockets of value. The spread between Index HY and IG segments at the close of November stood at its widest in over a year, and with EM economic growth expected to outpace DM counterparts in 2022, and EM sovereign issuance expected to decline by around 20% year-over-year on the back of lower financing needs, the PMs expect there to be ample relative value opportunities in EM market in spite of the broader uncertainty. They are seeing an increasingly differentiated market, with tremendous value dispersion, an element that is firmly positive for the strategy. They believe that technicals will improve, enabling the team to harvest alpha from a variety of opportunities across the complex.

December 2021

The global economic recovery pushed forward into the holiday season despite a renewed global surge in covid cases, attributable to the new Omicron variant. On the monetary policy front, in a hawkish turn, the Fed announced a faster taper of its monthly asset purchases, doubling the pace of tapering from \$15bn to \$30bn per month, which would conclude the purchases by March. The Fed's rate hike projections (dot plots) showed a marked shift to three hikes in 2022 from zero, with the previous view being a split on the need for 1 hike in 2022. Moreover, in his remarks, Fed Chair Powell indicated that the Fed viewed all monetary policy options, with regard to policy normalization, as being on the table for the Fed creating maximum optionality to be able to react to inflation going forward, leaving the door open to a rate hike as early as March, as well as a balance sheet unwinding (quantitative tightening, QT) that could start earlier and be faster than the previous cycle. Along the same hawkish lines, the Bank of England surprised markets with an early hike to finish off the year. In the wake of the fast spread of the new Omicron variant, hawkish guidance, and tabled US fiscal stimulus, risk markets reacted in a notably resilient manner, with equity markets retracing all of the weakness experienced towards the end of last month, and 10s30s UST retracing nearly all of November's flattening. EM fixed income as an asset class also withstood not only this plethora of macro headwinds throughout December, but also remained firm despite a number of idiosyncratic situations across regions. In LATAM, presidential elections this past month (Chile) but also on the horizon (Costa Rica, Colombia, Brazil) remain risk events, while in CEEMEA, Turkey's increasingly heterodox economic regime, and the build up of military tensions on Ukraine's border continue to engender uncertainty. Still, EMBIGD managed to retrace much of last month's weakness, with spreads tightening from 390 bps at the start of the month, to 367 bps into month-end, retracing close to half of the November sell-off.

After a challenging November, the Fund managed to closely replicate the Index through the month of December and into year-end. EM underperformed other asset classes into the beginning of December, resulting from a combination of U.S holiday liquidity and the emergence of the Omicron variant (YTD: EMBIGD -3.15%, EMBIGD IG -2.85%, EMBIGD HY -3.26%). As mentioned prior, Marathon saw significant retracement into the end of the year across HY and IG segments (YTD: EMBIGD -1.80%, EMBIGD IG -1.93%, EMBIGD HY -1.45%). To illustrate this, Mexico and Egypt were the two largest detractors over the course of November. Main contributors for December were Mexico (13 bps), Egypt (5 bps), and Hungary (3 bps), where they held tactical basis relative to the Index, and where in many places, they have since capitalized on said basis. Main detractors for the month include Turkey (4 bps), Chile (3 bps), and Argentina (3 bps); a mix of distressed/defaulted credits and notably idiosyncratic ones. On a YTD basis, positive attribution has resulted primarily from Mexico (17 bps), Oman (8 bps), Qatar (8 bps), while detraction has resulted from Peru (22 bps), Argentina (14 bps), Egypt (13 bps).

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**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Marathon Emerging Markets Bond Fund (continued)**

As we look to 2022, while outlooks for EM as well as global macro remain relatively uncertain, the PMs believe strong relative value in EM fixed income as an asset class, reduced financing needs for sovereign issuers, and a continued global economic recovery serve as positive tailwinds for EM. They are entering the new year with especially neutral positioning, having capitalized on profitable basis throughout December, and with the understanding that they will be prepared to extract alpha from an increasingly differentiated and dispersed market in 2022.

**Annual performance per share class as at 31 December 2021:**

<b>I USD</b>	<b>I EUR</b>	<b>I GBP</b>	<b>F USD</b>	<b>A EUR</b>	<b>A USD</b>	<b>SI USD</b>
(3.45)%	(4.33)%	(3.57)%	(3.16)%	(4.98)%	(4.12)%	(3.35)%

<b>A1 USD</b>	<b>A1 EUR</b>	<b>SID CHF</b>	<b>SID EUR</b>	<b>SID GBP</b>	<b>SID USD</b>	<b>SSI EUR</b>
(3.54)%	(2.80)%	(0.24)%	0.00%	0.54%	0.81%	(2.63)%

<b>SSI USD</b>
(3.37)%

Marathon Asset Management, L.P.  
 Lyxor International Asset Management S.A.S.  
 January 2022

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**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Bluescale Global Equity Alpha Fund**

The Lyxor Bluescale global equity alpha fund was down 17.76% over the full year 2021.

The Fund had a difficult month in January, ending down -2.62%. This, despite markets going off with a strong start in January as global vaccine rollouts took shape and were paired with increased expectations of monetary stimulus in the US. This strong momentum was interrupted during the last week of the month as a technically driven sell-off was sparked by a group of retail investors combatively buying-up well-publicized hedge fund short positions. This led to several hedge funds covering their short positions and selling down longs at the same time. In the context of these aggressive short-squeezes and subsequent rapid de-grossing, Bluescale's small gains from the long book in January were offset by losses from the portfolio's short exposure. Long Gaming and short Telecom names resulted in positive overall attribution from these two sectors, while IT Services and Software were the largest detractors driven by the shorts and to a lesser extent longs.

The Fund posted a positive performance, up +1.47% in February as equity markets recovered. The S&P 500 gained 2.76% to bring YTD performance back into positive territory at +1.72%. The MSCI World Info Tech Index gained 1.20% and the Nasdaq added another 1.01% in the month. Treasury yields rose in February with the 10-Year closing at 1.46% (after surging above 1.6%) and the 30-Year ending the month at 2.11%. The spike in rates weighed on growth stocks in the second half of the month as market participants rotated into value stocks and the Nasdaq gave back 6.4% from Feb 12<sup>th</sup> through month-end after gaining 7.8% in the first 12 days of the month. Performance came from the long book while the short book detracted from performance. In a reversal from last month, IT Services and Software were the largest contributors for February. Gaming and Semiconductors also contributed to performance.

March started off strong due to solid economic reports, positive vaccine news, decreasing Treasury bond yields, the signing of the \$1.9 trillion stimulus package, and the Fed's affirmation of its monetary policy. However, markets reversed in the latter half of the month and the increase in treasury yields pushed technology and other high-growth stocks lower. The S&P 500 gained 4.38% to bring YTD performance to 6.18%. The MSCI World Info Tech Index gained 0.73% and the Nasdaq added just 0.48% in the month, as fears of continued rising rates and the rotation from growth into value suppressed returns. In this challenging environment, the Fund suffered, ending the month down -6.25%. small losses spread across Bluescale's long book drove the bulk of the performance. Gains from the portfolio's short book during were offset by small losses coupled with idiosyncratic M&A activity. Both long and short exposure to IT Services and Media sectors led the portfolio's negative contribution while short Semiconductors and Tech Hardware exposure contributed positively during the period.

The Fund rebounded in April, up +2.44%. The long book drove returns, offsetting a detraction from short exposure and resulting in positive alpha from both sides of the portfolio. Equity markets were led higher by strong economic data, continued vaccination progress and resilient corporate earnings, sending certain indices to all-time highs. The S&P 500 gained 5.3% to bring YTD performance to 11.8%. Despite strong inflationary evidence continuing to emerge during the month, 10-year yields fell back from March highs, which provided support for growth stocks. The MSCI World Info Tech Index gained 5.5% and the Nasdaq added 5.4% in the month. From an industry perspective, all groups contributed to positive performance for the month except for Semiconductors, Telecommunications, and Real Estate. The majority of detraction from these industry groups was spread across the Semiconductors long book and Telecommunications short book. The largest contribution to performance came from Media & Entertainment and Software, both driven by long positions.

The Fund had another difficult month in May, ending down -3.24%. The long book was the primary detractor of returns, while the short book a positive contribution. Equity markets were mixed as strong corporate earnings were countered by accelerating inflation and mixed economic signals, which hampered investor optimism. The S&P 500 gained just 0.55% in May with 77% of companies that comprise the index having reported positive revenue surprises (99% of companies reporting). This disconnect between fundamentals and stock price movements was pronounced in the TMT space despite record prints and forward guidance by companies. The MSCI World Info Tech Index detracted 1.0% and the Nasdaq dropped 1.5% in the month. The yield curve in the U.S. was mostly unchanged to slightly lower across the curve in May, as the 10-year Treasury fell by 3 basis points to end the period yielding just under 1.60%. From an industry perspective, Consumer Durables, Auto and Real Estate were contributors in May while all others were detractors. Most of the detraction came from the Software & Services long book, followed by Retail, Diversified Financials and Media.

Bluescale's long book was the primary contributor for June, while the short book detracted from performance this month. The S&P 500 gained 2.2% in June, the MSCI World Info Tech Index rose 6.8%, and the Nasdaq increased 5.5% in the month. Although generally anticipated, government regulation continued to drive headlines for Chinese TMT companies, however, there are some that believe the largest headwinds are now behind us.



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**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Bluescale Global Equity Alpha Fund (continued)**

From an industry perspective, Internet, Payments, Software, Hardware, and Telecom were contributors in June, while Gaming, Media, Semiconductors, and IT Services were detractors. The largest contributors came from the Internet and Software long book while the largest detractors came from the IT Services and Semiconductors short book.

Kakao, Shopify, Lightspeed, Dynatrace, and Twilio were the top contributing long positions in June. The top detractors for the month were Evolution AB, and four short positions, two IT Services companies, a semiconductors company, and an Internet company. For the contributors, June gains were generally a result of strong performance in the prior quarter, in addition to continued benefits from consumer spending and travel. Recent performance from certain short positions resulted in the largest detraction for the month, although we continue to believe these companies are overvalued and face company-specific headwinds.

Geographically, North America drove both the largest contribution and detraction for the month, with the short book detraction slightly overshadowing the performance of the long book. The Emerging Markets long book substantially outperformed the short book, while Asia Pacific (x-EM) and Europe were relatively flat for the month.

Average exposure during the month of June remained steady with gross of 144% and an average net exposure of 19%. Emerging Markets remained the largest geographic net exposure in the portfolio, followed by North America and Asia Pacific (ex-EM).

Bluescale's long book was the primary detractor for July. Equity markets again saw record highs in July despite growing concerns regarding the Delta variant and persistent indicators of inflation. The S&P 500 gained 2.4% in July, the MSCI World Info Tech Index rose 3.6%, and the Nasdaq increased 1.2% in the month. Chinese TMT stocks continued to sell-off on negative headlines, although there are strong indications that the Chinese government's intentions are focused on long-term prosperity of their key industries and citizens. The yield curve in the U.S. flattened during July, as rates on the front end were relatively unchanged, but the 10-year Treasury yield fell by 25 basis points to end the period at 1.22%. Most of the other major rate structures across the globe ended the month lower.

From an industry perspective, Media and Software were contributors while all others were detractors. The largest contributors came from the Media and Software long book while the largest detractors came from the Internet and IT Services long book.

Two Internet shorts, Google, Dynatrace, and Evolution Gaming were the top contributors in July. The top detractors for the month were all long positions: New Oriental Education, 21Vianet, Alibaba, Zillow, and Kakao. For the contributors, the two shorts benefited from the larger China Internet sell-off, while Google, Dynatrace and Evolution Gaming all benefited from strong earnings and positive outlook for the remainder of the year. Like the top performing shorts, the top three detractors took a hit from regulatory headlines coming from China, Zillow continues to face negative consumer sentiment despite strong numbers, while Kakao was impacted by the delayed IPO of its fintech spin-off Kakao Pay.

Geographically, Emerging Markets and North America exposure were the main drivers of performance in July. Emerging Markets (lead by China) was both the largest detractor from the long book and contributor to the short book during the month.

Average exposure during the month of July decreased slightly with gross of 140% and average net exposure of 17%. Emerging Markets remained the largest geographic net exposure in the portfolio, followed by North America and Asia Pacific (ex-EM).

The Bluescale Fund finished the month of August up 0.07% gross.

Bluescale's short book was the primary detractor for August, while the long book provided most of the contribution for the month. Equity markets again saw record highs in August despite continued concerns regarding the Delta variant and persistent indicators of inflation. The S&P 500 gained 3.0% in August, the MSCI World Info Tech Index rose 3.9%, and the Nasdaq increased 4.1% in the month. Chinese TMT stocks continued to slip on negative headlines, although at current levels investors are seeing attractive risk/reward ratios for industry leaders. The 10-year Treasury yield rose by 9 bps to end the period at 1.31%. From an industry perspective, Media and Software were contributors while all others were detractors. The largest contributors came from the Software and Gaming long book while the largest detractors came from the Software and Telecom short book.

**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Bluescale Global Equity Alpha Fund (continued)**

The top contributors for August all came from a short position in the Gaming space, and four long positions: Lightspeed, Affirm, Bill.com, and Pearl Abyss. The top detractors for the month were a short position in the Software space, and four long positions: Alibaba, StoneCo., Fidelity, and Mastercard. The top contributors all benefited from idiosyncratic news, mostly related to positive earnings calls and forward outlook (negative news for the single short position). Similar to the top contributors, the top detractors were largely a result of company-specific news and earnings prints, aside from Alibaba which continues to face headwinds from the broader China sell-off.

Geographically, Emerging Markets and North America exposure were the main drivers of performance in August. The largest contribution came from Canada while the largest detractors were the U.S. and Brazil.

Average exposure during the month of August decreased slightly with gross of 130% and average net exposure of 18%. Emerging Markets remained the largest geographic net exposure in the portfolio, followed by North America and Asia Pacific (ex-EM).

For the month of September 2021, the Bluescale Flagship Fund finished the month down 2.45%, bringing YTD performance to -12.89% net of fees and expenses. Bluescale's long book was the primary detractor for September, while the short book provided most of the contribution for the month. Equity markets saw their worst month of the year, with the Nasdaq posting its biggest loss since the beginning of the pandemic, as investors focused on rising interest rates, continued inflation fears, and concerns surrounding the Chinese property market. The S&P 500 finished September down 4.8%, the MSCI World Info Tech Index dropped 5.7%, and the Nasdaq fell 5.3% during the month. The market saw a general rotation away from TMT growth stocks on the back of rising bond yields; the 10-year Treasury yield ended the quarter at 152 bps.

From an industry perspective, Hardware, Semiconductors and Telecom were the largest contributors, while Internet, Software, and Gaming were the largest detractors. The largest contributors came from Software, Hardware, and Semiconductors short book, while the largest detractors came from the Internet and Payments long books. The top contributors for September were Affirm Holdings (Payments), Uber Technologies (Internet), a short position in the Hardware space, and two Software shorts. The top detractors for the month were all long positions: StoneCo (Payments), Lightspeed (Software), Clarivate (IT Services), Square (Payments), and Pearl Abyss (Gaming). Performance of the top contributors and detractors for the month were a mix of idiosyncratic news in addition to broader market trends. Geographically, all regions were net detractors for the long book (no long positions were held in Asia Pacific X-EM), while all regions of the short book contributed positively with the exception of Asia Pacific X-EM, which had a negligible loss.

Average exposure during the month of September increased slightly with gross of 135% and average net exposure of 19%. North America positions represented the largest geographic net exposure in the portfolio, followed by Emerging Markets, Europe, and Asia Pacific (ex-EM).

For the month of October 2021, the Lyxor Bluescale Global Equity Alpha Fund finished the month up 0.62%. Bluescale's long book was the primary contributor for October, while the short book provided the majority of detraction for the month. Equity markets rebounded on the back of strong earnings with the S&P recording its best month of 2021 despite a surge in consumer prices. However, the US economy grew at its slowest rate since the economy began recovering from the global pandemic. The S&P 500 finished October up 6.9%, the MSCI World Info Tech Index gained 7.5%, and the Nasdaq rose 7.0% during the month. As the market continues to anticipate rate hikes by the Fed in 2022, the yield curve flattened with the 10-year Treasury yield ending the month at 155 bps.

From an industry perspective, virtually all the detraction for the month came from IT services. Software, semiconductors, and gaming led positive performance for the month, with internet and media also contributing in October. Two software companies, two payments companies and a semiconductor short position accounted for the top five contributors for the month. Of the five largest detractors, payments led the way followed by two IT services companies and two internet companies. The top contributors for October were: Affirm (payments), Intuit (software), Nvidia (semiconductors), a short position in the software space, and Silvergate (payments). The top detractors for the month were: Shift4 (payments), Alliance Data Systems (IT services), a short in the IT services space, Twitter (internet), and an internet short. Performance of the top contributors and detractors for the month were a mix of idiosyncratic news/earnings prints and a broader downward trend in the payments space, despite two of the top five contributors coming from that sector. Geographically, all regions contributed to positive performance except for North America, although the region's long book did provide the largest contribution for the month. Additionally, the long books in every region contributed to positive performance aside from Asia Pacific (x-EM), which provided a small detraction. The North America and Emerging Markets short books detracted from performance while the Europe and Asia Pacific (x-EM) short books provided positive returns.

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**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Bluescale Global Equity Alpha Fund (continued)**

Average exposure during the month of October decreased slightly with an average gross exposure of 130% and average net exposure of 17%. North America positions represented the largest geographic net exposure in the portfolio, followed by Emerging Markets, Europe, and Asia Pacific (ex-EM).

The Fund's short book was the primary contributor for November, while the long book provided most of the detractor for the month. Equity markets were mixed in November as Jerome Powell speaking on transitory inflation stated, "It is probably a good time to retire that word" and Omicron variant cases caused concern. An expedited taper program could see rate hikes happen sooner than expected, which would have a meaningful impact on the markets, especially for TMT growth stocks. Despite hitting new highs earlier in the month, most equity markets struggled to hold onto gains to close out November. The S&P 500 finished the month down 0.7%, the MSCI World Info Tech Index gained 2.6%, and the Nasdaq rose 0.3% during the month. Although the 10-year treasury yield increased 28 bps during the month, the benchmark ended November at 1.48%, just 7 bps higher than it started for the period.

From an industry perspective, most sectors detracted in November driven largely by the software, payments, and gaming long books. Positive net performance for the month came from two sectors, semiconductors, and telecom, with the largest contribution coming from the semiconductor long book. Of the short positions, only the semiconductors and hardware books were detractors for the month with all others either contributing to positive performance or coming in flat for the month.

The top contributors for November were: Nvidia (semiconductors), Silvergate Capital (Payments), ASPEED (semiconductors), and two short positions in the internet space.

The top detractors for the month were: Lightspeed (software), StoneCo (payments), Dlocal (payments), Dynatrace (software), and Penn National (gaming). Performance of the top contributors and detractors were largely driven by earnings, in addition to a broader sell-off in payments names and a rotation from growth to value stocks.

Geographically, the long books from every region were detractors for the month with North America providing the largest pain point. Conversely, the short books in every region contributed to positive performance aside from Asia Pacific (x-EM), which was flat.

Average exposure during the month of November increased slightly, with an average gross exposure of 132% and average net exposure of 17%. North America positions represented the largest geographic net exposure in the portfolio, followed by Emerging Markets, Europe, and Asia Pacific (ex-EM).

Bluescale's long and short books were both detractors in December, although the short book did provide positive alpha compared to the MSCI World Info Tech Index, as it has done each month in the fourth quarter. Equity markets ended the year on a high note despite the worst inflation seen in over three decades, several rate hikes anticipated for 2022, and the rapid spread of the Omicron COVID variant. The S&P 500 finished the month up 4.4%, the MSCI World Info Tech Index gained 2.6%, and the Nasdaq rose 0.7% to close out December. The 10-year treasury yield increased roughly 10 bps in the month to end the year at 1.52 bps, more than 50bps higher than at the beginning of the year.

From an industry perspective, most sectors detracted in December, driven largely by the software, gaming, and hardware long books. Positive net performance for the month came from one sector, internet, with the short book substantially outperforming the long. Of the short positions, only the internet and payments books were contributors for the month.

The top contributors for December were: Uber (internet), an internet short, Silergy (semiconductors), and Mastercard and Shift4 Payments (two payments companies). The top detractors for the month were all long positions: Silvergate Capital (payments), JD.Com (internet), Hubspot (software), Lightspeed (software), and Affirm (payments). Performance of the top contributors and detractors were largely driven by earnings momentum and/or idiosyncratic headlines.

Geographically, the North American short book and EM long book provided positive performance from the month, while others detracted and were led by the North American long book.

Outlook: While the Nasdaq is finishing the year up circa 20% (+6% excluding top 5 movers) the strategy has been whipsawed the entire year by a series of headwinds 1/ the retail frenzy in Jan & Feb 2/ the China issues around the summer months 3/ the various risk off/risk on/reopening trades 4/ the extreme level of factor volatility. The manager's defensive and quality growth positioning into China Internet, payment services, games and internet/e-commerce was a drag on performance.



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**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Bluescale Global Equity Alpha Fund (continued)**

Over the year the PM generated 15% alpha on the short book (shorts were up 8% on average vs 25% for the index) but longs detracted the most of which 40% of underperformance came from the Fund's EM exposure (China & Brazil). Full year detractors were revisited by the team, 2/3 of detractors were retained, others were exited or trimmed when the thesis was not valid. Those stocks will be revisited over the year 2022 based on attractive long-term prospects.

Actual portfolio is theoretically supposed to return 48% on a base case scenario, hence actual portfolio discounted returns look high over the next twelve months.

**Annual performance per share class as at 31 December 2021:**

<b>I USD</b>	<b>F USD</b>	<b>EB USD</b>	<b>A USD</b>	<b>A EUR</b>
(17.75)%	(17.14)%	(17.41)%	(18.40)%	(19.11)%

The Putnam Advisory Company, LLC  
 Lyxor International Asset Management S.A.S.  
 January 2022

**INVESTMENT MANAGER'S REPORT (continued)**

For the year ended 31 December 2021

**REMUNERATION DISCLOSURE**

**COMPENSATION OF THE STAFF OF LYXOR ASSET MANAGEMENT (2021 ACCOUNTING YEAR)**

**1.1 COMPENSATION POLICY AND PRACTICES**

The compensation awarded by Lyxor Asset Management to its employees consists of fixed compensation and may, if economic conditions permit, include a variable component in the form of a discretionary bonus. These bonuses are not related to the performance of the managed vehicles (no profit-sharing in the capital gains).

Lyxor Asset Management has been Amundi's company since December 31<sup>st</sup> 2021. Lyxor remuneration policy still applies to the variable compensation granted in 2022 for the 2021 performance year. This Group policy takes into consideration the remuneration provisions of directives 2011/61/EU of the European Parliament and of the Council of 8 June 2011 ("AIFM Directive") and 2014/91/EU of the European Parliament and of the Council of 23 July 2014 ("UCITS V Directive"), which apply to the investment fund management sector.

In this framework, Lyxor Asset Management notably implements, for all of the employees receiving deferred variable compensation, an indexing mechanism for a part of this variable compensation composed of multiple investment funds representing the activity of the Lyxor group, such as to ensure that the interests of the employees align with those of investors.

The Lyxor Asset Management compensation policy insures notably the appropriate management of the risks and the compliance by its staff of the Rules and regulations.

The details of the compensation policy are available at the following website: <https://www.lyxor.com/en/policies-and-regulatory-notice>

**1.2 BREAKDOWN OF FIXED AND VARIABLE COMPENSATION**

Lyxor Asset Management	Staff	Full Time Equivalent	Fixed Compensation (EUR)	Variable Compensation (EUR)	Total (EUR)
Lyxor Asset Management personnel	177	170,44	11 699 071	6 686 800	18 385 871

Lyxor Asset Management	Staff	Full Time Equivalent	Total Compensation (Fixed and Variable) (EUR)
Identified Population*	17	15,90	3 996 320
Of which Portfolio Management team	11	11,00	2 233 320
Of which other personnel identified	6	4,90	1 763 000

(\*) Staff the professional activity of which may have a significant impact on the risk profile of Lyxor Asset Management, or the AIF or UCITS managed by Lyxor Asset Management, within the meaning of article L533-22-2 of the *Code monétaire et financier* (the French Financial Code).

Figures set forth in the tables above correspond to the amounts, before deduction of any tax and social costs, awarded to the staff in the context of the Annual Compensation Review occurred in the relevant accounting year, on the basis of the number of employees as at 31 December of the preceding accounting year and transferred to Amundi. Please note that variable remuneration set out in table above are those awarded to the staff, and take into account amounts partially differed to following years, and do not take into account the amount actually paid during this accounting year by virtue of a differed remuneration awarded in a previous year. No carried interest was paid during the relevant accounting year.

**INVESTMENT MANAGER'S REPORT (continued)**

For the year ended 31 December 2021

**REMUNERATION DISCLOSURE (continued)**

**COMPENSATION OF THE STAFF OF ANY THIRD PARTY MANAGING ASSETS OF THE FUND/SUB-FUND(S)**

As per the prospectus of the Fund, one or some third party Managers, authorized under UCITS Directive and/or AIFM Directive and/or the relevant implementing Laws and Regulations, has/have been appointed to manage, wholly or partially, the portfolio of the relevant Fund/Sub-Fund(s), as the case may be. In accordance with the disclosure provided by the relevant third party manager(s), remuneration of its/their staff(s) is as follows:

**LYXOR INTERNATIONAL ASSET MANAGEMENT**

**COMPENSATION OF THE STAFF OF LYXOR INTERNATIONAL ASSET MANAGEMENT (2021 ACCOUNTING YEAR)**

**1.1 COMPENSATION POLICY AND PRACTICES**

The compensation awarded by Lyxor International Asset Management to its employees consists of fixed compensation and may, if economic conditions permit, include a variable component in the form of a discretionary bonus. These bonuses are not related to the performance of the managed vehicles (no profit-sharing in the capital gains).

Lyxor International Asset Management has been Amundi's company since December 31<sup>st</sup> 2021. Lyxor remuneration policy still applies to the variable compensation granted in 2022 for the 2021 performance year. This policy takes into consideration the remuneration provisions of directives 2011/61/EU of the European Parliament and of the Council of 8 June 2011 ("AIFM Directive") and 2014/91/EU of the European Parliament and of the Council of 23 July 2014 ("UCITS V Directive"), which apply to the investment fund management sector.

In this framework, Lyxor International Asset Management notably implements, for all of the employees receiving deferred variable compensation, an indexing mechanism for a part of this variable compensation composed of multiple investment funds representing the activity of the Lyxor group, such as to ensure that the interests of the employees align with those of investors.

The Lyxor International Asset Management compensation policy insures notably the appropriate management of the risks and the compliance by its staff of the Rules and regulations.

The details of the compensation policy are available at the following website: <https://www.lyxor.com/en/policies-and-regulatory-notice>

**1.2 BREAKDOWN OF FIXED AND VARIABLE COMPENSATION**

Lyxor International Asset Management	Staff	Full Time Equivalent	Fixed Compensation (EUR)	Variable Compensation (EUR)	Total (EUR)
Lyxor International Asset Management personnel	125	121,46	11 175 256	7 114 427	18 289 683

Lyxor International Asset Management	Staff	Full Time Equivalent	Total Compensation (Fixed and Variable) (EUR)
Identified Population*	42	39,60	7 738 333
Of which Portfolio Management team	36	35,50	5 742 133
Of which other personnel identified	6	4,10	1 996 200

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**INVESTMENT MANAGER'S REPORT (continued)**

**For the year ended 31 December 2021**

**REMUNERATION DISCLOSURE (continued)**

(\*) Staff the professional activity of which may have a significant impact on the risk profile of Lyxor International Asset Management, or the AIF or UCITS managed by Lyxor International Asset Management, within the meaning of article L533-22-2 of the *Code monétaire et financier* (the French Financial Code).

Figures set forth in the tables above correspond to the amounts, before deduction of any tax and social costs, awarded to the staff in the context of the Annual Compensation Review occurred in the relevant accounting year, on the basis of the number of employees as at 31 December of the preceding accounting year and transferred to Amundi. Please note that variable remuneration set out in table above are those awarded to the staff, and take into account amounts partially differed to following years, and do not take into account the amount actually paid during this accounting year by virtue of a differed remuneration awarded in a previous year. No carried interest was paid during the relevant accounting year.

**CHENAVARI CREDIT PARTNERS LLP**

Remuneration Committee

Although the Firm does not have a formal Remuneration Committee, the Management Committee acts as a quasiremuneration committee promoting good corporate governance and effective risk management relating to staff remuneration. Chenavari has adopted this approach due to the nature, scale and complexity of the business activities undertaken. The combined expertise and experience of the Management Committee enables it to make effective and fair decisions regarding the Firm's Remuneration Policy.

The Management Committee is responsible for:

- Reviewing the Remuneration Policy's general principles and framework on an ongoing basis, ensuring effective implementation and checking the policy is in line with the business strategy, objectives, values, and long-term interests of the Firm;
- Assessment of all staff that have a material impact on the risk profile of Chenavari;
- Formally validating the variable compensation pools applicable to the various activities within Chenavari before distribution;
- Ensuring the remuneration policy includes measures to avoid conflicts of interest;
- Conducting a risk analysis taking into account the current and potential risks in relation to the quantity of capital and liquidity required (ICAAP);
- Preparation of total remuneration, broken down between the Management Committee and Code Staff whose actions have a material risk impact on Chenavari; and
- Performance assessments of all Code Staff based on the performance of the individual, the business unit concerned, and the overall results of the Firm. The assessment criteria include both financial and non financial factors.

Total remuneration is divided into two components: Fixed and Variable. These are both subject to at least an annual review and can be adjusted in accordance with the outcome of the review(s).

Variable compensation is derived from a pool of available funds computed after deduction of all other expenses and overheads including fixed compensation, capital expenditure requirements, and working capital retention. This formula is utilised to ensure that the Firm retains sufficient funds to meet its commitments and expenditure plans while maintaining the risk management policies in place.

Each business unit receives an allocation of funds proportionate to its contribution to overall profits, representing the aggregate total compensation available to award to relevant staff within that business unit. The total remuneration awarded by Chenavari during the financial year ending 31 December 2020 was a total of £6,459,000, comprising fixed remuneration of £2,078,000 and variable remuneration of £4,381,000.

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**INVESTMENT MANAGER'S REPORT (continued)****For the year ended 31 December 2021****REMUNERATION DISCLOSURE (continued)****WINTON CAPITAL MANAGEMENT LTD**

The proportion of total remuneration of the staff that is attributable to WINTON CAPITAL MANAGEMENT LIMITED as the Sub-Investment Manager of "Lyxor / WNT Fund" for the year ended 31 December 2021 is USD52.2m which relates to 206 beneficiaries. This total remuneration is comprised of fixed remuneration of USD27.3m and variable remuneration of USD 24.9m.

**ECM ASSET MANAGEMENT LTD****BREAKDOWN OF FIXED AND VARIABLE COMPENSATION**

<b>Total Fixed \$ Remuneration</b>	<b>Total Variable \$ Remuneration</b>	<b>Total \$ Remuneration</b>	<b># of Identified Staff</b>
8,800	11,900	20,700	4

**INVESTMENT MANAGER'S REPORT (continued)**

**For the year ended 31 December 2021**

**Securities Financing Transactions Regulation Disclosure**

Lyxor Newcits IRL II plc (the "Company") is subject to the Securities Financing Transactions Regulation (the "SFTR") as at 31 December 2021. The SFTR introduces mandatory reporting for securities financing transactions ("SFTs") and sets minimum disclosure and consent requirements on the re-use of collateral, with the aim of reforming shadow banking and improving transparency in the SFT market. The SFTR was formally adopted by the EU on 25 November 2015 and came into force on 13 January 2017. An SFT consists of any transaction that uses assets belonging to a counterparty to generate financing means and is comprised of the following:

- repurchase transactions;
- securities or commodities lending, securities or commodities borrowing;
- any transaction having an equivalent economic effect, in particular a buy/sell-back or sell/buy-back transaction; and
- margin lending transaction.

The SFTR also covers Total Return Swap ("TRS") transactions.

Article 2 of the SFTR covers the following entities:

- Counterparties to an SFT that are established:
  - in the EU, including all of its branches irrespective of where they are located (i.e., non-EU branches); or
  - outside the EU if the SFT is concluded in the course of the operations of an EU branch of that counterparty.
- UCITS funds and their management companies irrespective of where they are established;
- AIFMs authorised or registered in accordance under AIFMD irrespective of where their AIFs are established; and
- in relation to the Re-use Obligation only, counterparties established outside the EU, in either of the following circumstances:
  - the re-use is effected in the course of the operations of an EU branch; or
  - the re-use concerns financial instruments provided as collateral by a counterparty established in the EU or an EU branch of a third country entity (i.e. a non-EU entity re-uses an EU entity's collateral).

**Global data**

The following table reflects the amount of SFT, expressed as an absolute amount and as a proportion of total lendable assets (excluding cash and cash equivalents) of the Sub-Fund, as at 31 December 2021:

Sub-Fund	SFT	Total lendable assets (excluding cash and cash equivalents) USD	Fair value of SFT USD	% of Total lendable assets
CHENA VARI	TRS	508,853,909	(129,918)	(0.03)%

The following table reflects the amount of assets engaged in each type of SFT, expressed as an absolute amount and as a percentage of the Sub-Fund's Net Asset Value ("NAV"), as at 31 December 2021:

Sub-Fund	SFT	NAV USD	Fair value of SFT USD	% of NAV
CHENA VARI	TRS	703,201,392	(129,918)	(0.02)%



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**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**
**Securities Financing Transactions Regulation Disclosure (continued)****Data on re-use of collateral and Safekeeping of collateral received by the Sub-Fund as part of the SFT**

Information on amount of collateral reused, compared with maximum amount disclosed to investors or specified in the Prospectus and Supplement, and the cash collateral reinvestment returns to the Sub-Fund.

No collateral was received nor granted by the Sub-Fund in relation to the TRS transactions during the year ended 31 December 2021.

**Concentration data**

The following table reflects all the counterparties of each type of SFT and the value (volume) of outstanding transactions as at 31 December 202 (SFTR requires disclosing the top 10 counterparties):

Sub-Fund	SFT	Name of counterparty	Fair value of SFT USD
CHENA VARI	TRS	BNP Paribas	(79,695)
CHENA VARI	TRS	Goldman Sachs International	304,709
CHENA VARI	TRS	Bank of America Merrill Lynch	(354,931)

**Aggregate transaction data for each type of SFT**

The following table reflects the maturity tenor of SFT as at 31 December 2021:

Sub-Fund	SFT	Name of counterparty	Counterparty domicile	Fair value of SFT	Maturity tenor of the SFT
CHENA VARI	TRS	BNP Paribas	London	(79,695)	Above one year
CHENA VARI	TRS	Goldman Sachs International	London	304,709	Above one year
CHENA VARI	TRS	Bank of America Merrill Lynch	London	(354,931)	Above one year

**Data on return and cost for each type of SFTs for the year ended 31 December 2021:**

Returns and costs incurred from TRS transactions during the year ended 31 December 2021 are included in the valuation of the swap and in the realised gain/(loss) on swaps included in the Statement of Comprehensive Income.

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**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Chenavari Credit Fund (the "Fund")**

**Appendix 1 – Transparency of sustainable investments in periodic reports (Unaudited)**

Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation") sets out criteria to determine which economic activities qualify as environmentally sustainable at Union level.

According to the Taxonomy Regulation, an economic activity shall qualify as environmentally sustainable where that economic activity contributes substantially to one or more of the six environmental objectives defined by the Taxonomy Regulation (Climate change mitigation; Climate change adaptation; Sustainable use and protection of water and marine resources; Transition to a circular economy; Pollution prevention and control; Protection and restoration of biodiversity and ecosystems).

In addition, such economic activity shall not significantly harm any such environmental objectives ("do no significant harm" or "DNSH" principle) and shall be carried out in compliance with the minimum safeguards laid down in Article 18 of the Taxonomy Regulation.

In accordance with Article 7 of the Taxonomy Regulation, the management company draws the attention of investors to the fact that the investments underlying the Fund do not take into account the European Union criteria for environmentally sustainable economic activities.

**Appendix 2 - Provision of environmental, social and governance (ESG) Information (Unaudited)**

**1. Description of Environmental, Social, and Governance (ESG) criteria**

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](https://www.lyxor.com) and is revised each year.

Integration of sustainability risks by Lyxor in its investment decisionmaking processes (management of collective, individual investments or investment advices) relying on practices described in the policies set forth on its website <https://www.lyxor.com/en/policies-and-regulatory-notice> (Socially Responsible Investor Policy, Climate Policy, Due Diligence Policy, Policy for Preventing and Monitoring Controversies, Voting Policy, Remuneration Policy).

The elements of Lyxor's responsible investment policy described below are applicable to this Fund:

a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them.

The Fund applies on the financial exposure an exclusion of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

The Fund applies on the financial exposure an exclusion of firms, in application of the LYXOR Climate Policy related to the thermal coal.

LYXOR excludes companies whose turnover from activities related to the extraction of thermal coal is greater than 10% or companies that belong to the energy sector and from which more than 30% of the electricity production (mixed energy) comes from coal.

b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources.

The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

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**INVESTMENT MANAGER'S REPORT (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Chenavari Credit Fund (the "Fund") (continued)**

**Appendix 2-Provision of environmental, social and governance (ESG) Information (Unaudited) (continued)**

**1. Description of Environmental, Social, and Governance (ESG) criteria (continued)**

Lyxor is using a variety of external information sources, including the following extra-financial rating agencies:

- Lyxor uses the services of a proxy voting advisor (ISS) for corporate governance research (as part of LYXOR's voting policy).
- Lyxor uses the services of Sustainalytics to support LYXOR in its thematic engagement campaigns
- Lyxor uses ESG research from MSCI as an ESG database in order to integrate these stakes and to assess its funds.
- Lyxor uses ESG research from Trucost as an Environmental & Climate database in order to integrate these stakes and to assess its funds.
- Lyxor uses the services of Vigeo Eiris in order to develop its ESG analysis and assessment methodology applied to unlisted SMIDs assets.
- In the global context of the Societe Generale Group Environmental and Social Policies, Lyxor used the Defense List produced by the Group, based on ISS-Ethix data to identify companies considered in violation of its Defense policy
- In the global context of the Societe Generale Group Environmental and Social Policies, Lyxor used the Global Compact List produced by the Group, based on Sustainalytics data to identify companies that are associated with serious and repeated breaches of criteria, standards and/or mandatory requirements relating to controversial sectors and products.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

c) Description of the methodology of the ESG analysis and the results.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

d) Description of how the results of the analysis on ESG issues are integrated in investment policies

The detailed results of our shareholder engagement are available in the Lyxor annual report on voting rights and engagement published on the Website [Lyxor.com](https://www.lyxor.com).

The exclusion described above is applied to the financial exposure of the Fund.

**2. Description of integration of climate risks and the contribution to the energy transition.**

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles. Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

After carefully analyzing the Indicators and data available to take into account and measure the transition risks that climate change poses to Issuers, Lyxor will not report on those matters at this time. We will work with our external providers in order to enhance our knowledge to report and better reflect the risk of transition in the coming years.

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**INVESTMENT MANAGER'S REPORT (continued)**

**For the year ended 31 December 2021**

**Lutetia Merger Arbitrage Fund (the "Fund")**

**Appendix 1 – Transparency of sustainable investments in periodic reports (Unaudited)**

Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation") sets out criteria to determine which economic activities qualify as environmentally sustainable at Union level.

According to the Taxonomy Regulation, an economic activity shall qualify as environmentally sustainable where that economic activity contributes substantially to one or more of the six environmental objectives defined by the Taxonomy Regulation (Climate change mitigation; Climate change adaptation; Sustainable use and protection of water and marine resources; Transition to a circular economy; Pollution prevention and control; Protection and restoration of biodiversity and ecosystems).

In addition, such economic activity shall not significantly harm any such environmental objectives ("do no significant harm" or "DNSH" principle) and shall be carried out in compliance with the minimum safeguards laid down in Article 18 of the Taxonomy Regulation.

In accordance with Article 7 of the Taxonomy Regulation, the management company draws the attention of investors to the fact that the investments underlying the Fund do not take into account the European Union criteria for environmentally sustainable economic activities.

**Appendix 2 - Provision of environmental, social and governance (ESG) Information (Unaudited)**

**1. Description of Environmental, Social, and Governance (ESG) criteria**

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](https://www.lyxor.com) and is revised each year.

Integration of sustainability risks by Lyxor in its investment decision making processes (management of collective, individual investments or investment advices) relying on practices described in the policies set forth on its website <https://www.lyxor.com/en/policies-and-regulatory-notice> (Socially Responsible Investor Policy, Climate Policy, Due Diligence Policy, Policy for Preventing and Monitoring Controversies, Voting Policy, Remuneration Policy).

The elements of Lyxor's responsible investment policy described below are applicable to this Fund:

a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them.

The Fund applies on the financial exposure an exclusion of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

The Fund applies on the financial exposure an exclusion of firms, in application of the LYXOR Climate Policy related to the thermal coal.

LYXOR excludes companies whose turnover from activities related to the extraction of thermal coal is greater than 10% or companies that belong to the energy sector and from which more than 30% of the electricity production (mixed energy) comes from coal.

b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources.

The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

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**INVESTMENT MANAGER'S REPORT (continued)**

**For the year ended 31 December 2021**

**Lutetia Merger Arbitrage Fund (the "Fund") (continued)**

**Appendix 2-Provision of environmental, social and governance (ESG) Information (Unaudited) (continued)**

**1. Description of Environmental, Social, and Governance (ESG) criteria (continued)**

Lyxor is using a variety of external information sources, including the following extra-financial rating agencies:

- Lyxor uses the services of a proxy voting advisor (ISS) for corporate governance research (as part of LYXOR's voting policy).
- Lyxor uses the services of Sustainalytics to support LYXOR in its thematic engagement campaigns
- Lyxor uses ESG research from MSCI as an ESG database in order to integrate these stakes and to assess its funds.
- Lyxor uses ESG research from Trucost as an Environmental & Climate database in order to integrate these stakes and to assess its funds.
- Lyxor uses the services of Vigeo Eiris in order to develop its ESG analysis and assessment methodology applied to unlisted SMIDs assets.
- In the global context of the Societe Generale Group Environmental and Social Policies, Lyxor used the Defense List produced by the Group, based on ISS-Ethix data to identify companies considered in violation of its Defense policy
- In the global context of the Societe Generale Group Environmental and Social Policies, Lyxor used the Global Compact List produced by the Group, based on Sustainalytics data to identify companies that are associated with serious and repeated breaches of criteria, standards and/or mandatory requirements relating to controversial sectors and products.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

c) Description of the methodology of the ESG analysis and the results.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

d) Description of how the results of the analysis on ESG issues are integrated in investment policies

The detailed results of our shareholder engagement are available in the Lyxor annual report on voting rights and engagement published on the Website [Lyxor.com](http://Lyxor.com).

The exclusion described above is applied to the financial exposure of the Fund.

**2. Description of integration of climate risks and the contribution to the energy transition.**

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles. Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

After carefully analyzing the Indicators and data available to take into account and measure the transition risks that climate change poses to Issuers, Lyxor will not report on those matters at this time. We will work with our external providers in order to enhance our knowledge to report and better reflect the risk of transition in the coming years.

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**INVESTMENT MANAGER'S REPORT (continued)**

**For the year ended 31 December 2021**

**Lyxor/Wells Capital Financial Credit Fund (the "Fund")**

**Appendix 1 – Transparency of sustainable investments in periodic reports (Unaudited)**

Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation") sets out criteria to determine which economic activities qualify as environmentally sustainable at Union level.

According to the Taxonomy Regulation, an economic activity shall qualify as environmentally sustainable where that economic activity contributes substantially to one or more of the six environmental objectives defined by the Taxonomy Regulation (Climate change mitigation; Climate change adaptation; Sustainable use and protection of water and marine resources; Transition to a circular economy; Pollution prevention and control; Protection and restoration of biodiversity and ecosystems).

In addition, such economic activity shall not significantly harm any such environmental objectives ("do no significant harm" or "DNSH" principle) and shall be carried out in compliance with the minimum safeguards laid down in Article 18 of the Taxonomy Regulation.

In accordance with Article 7 of the Taxonomy Regulation, the management company draws the attention of investors to the fact that the investments underlying the Fund do not take into account the European Union criteria for environmentally sustainable economic activities.

**Appendix 2 - Provision of environmental, social and governance (ESG) Information (Unaudited)**

**1. Description of Environmental, Social, and Governance (ESG) criteria**

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](https://www.lyxor.com) and is revised each year.

Integration of sustainability risks by Lyxor in its investment decisionmaking processes (management of collective, individual investments or investment advices) relying on practices described in the policies set forth on its website <https://www.lyxor.com/en/policies-and-regulatory-notice> (Socially Responsible Investor Policy, Climate Policy, Due Diligence Policy, Policy for Preventing and Monitoring Controversies, Voting Policy, Remuneration Policy).

The elements of Lyxor's responsible investment policy described below are applicable to this Fund:

a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them.

The Fund applies on the financial exposure an exclusion of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

The Fund applies on the financial exposure an exclusion of firms, in application of the LYXOR Climate Policy related to the thermal coal. LYXOR excludes companies whose turnover from activities related to the extraction of thermal coal is greater than 10% or companies that belong to the energy sector and from which more than 30% of the electricity production (mixed energy) comes from coal.

As part of the SRI Policy, Lyxor has defined a shareholder engagement policy that includes a voting policy and an engagement policy. This document is available on Lyxor website. The Fund applies an active ownership that has been delegated to the external Asset Managers.

They apply their own voting and engagement policy. This engagement lets us influence companies to improve their ESG practices in the long term.

b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues.



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**INVESTMENT MANAGER'S REPORT (continued)**

**For the year ended 31 December 2021**

**Lyxor/Wells Capital Financial Credit Fund (the "Fund") (continued)**

**Appendix 2-Provision of environmental, social and governance (ESG) Information (Unaudited) (continued)**

**1. Description of Environmental, Social, and Governance (ESG) criteria (continued)**

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources.

The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

Lyxor is using a variety of external information sources, including the following extra-financial rating agencies:

- Lyxor uses the services of a proxy voting advisor (ISS) for corporate governance research (as part of LYXOR's voting policy).
- Lyxor uses the services of Sustainalytics to support LYXOR in its thematic engagement campaigns
- Lyxor uses ESG research from MSCI as an ESG database in order to integrate these stakes and to assess its funds.
- Lyxor uses ESG research from Trucost as an Environmental & Climate database in order to integrate these stakes and to assess its funds.
- Lyxor uses the services of Vigeo Eiris in order to develop its ESG analysis and assessment methodology applied to unlisted SMIDs assets.
- In the global context of the Societe Generale Group Environmental and Social Policies, Lyxor used the Defense List produced by the Group, based on ISS-Ethix data to identify companies considered in violation of its Defense policy
- In the global context of the Societe Generale Group Environmental and Social Policies, Lyxor used the Global Compact List produced by the Group, based on Sustainalytics data to identify companies that are associated with serious and repeated breaches of criteria, standards and/or mandatory requirements relating to controversial sectors and products.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

**c) Description of the methodology of the ESG analysis and the results.**

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

**d) Description of how the results of the analysis on ESG issues are integrated in investment policies**

The detailed results of our shareholder engagement are available in the Lyxor annual report on voting rights and engagement published on the Website [Lyxor.com](http://Lyxor.com).

The exclusion described above is applied to the financial exposure of the Fund.

**2. Description of integration of climate risks and the contribution to the energy transition.**

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles. Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

After carefully analyzing the Indicators and data available to take into account and measure the transition risks that climate change poses to Issuers, Lyxor will not report on those matters at this time. We will work with our external providers in order to enhance our knowledge to report and better reflect the risk of transition in the coming years.

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**INVESTMENT MANAGER'S REPORT (continued)**

**For the year ended 31 December 2021**

**Lyxor/Marathon Emerging Markets Bond Fund (the "Fund")**

**Appendix 1 – Transparency of sustainable investments in periodic reports (Unaudited)**

Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation") sets out criteria to determine which economic activities qualify as environmentally sustainable at Union level.

According to the Taxonomy Regulation, an economic activity shall qualify as environmentally sustainable where that economic activity contributes substantially to one or more of the six environmental objectives defined by the Taxonomy Regulation (Climate change mitigation; Climate change adaptation; Sustainable use and protection of water and marine resources; Transition to a circular economy; Pollution prevention and control; Protection and restoration of biodiversity and ecosystems).

In addition, such economic activity shall not significantly harm any such environmental objectives ("do no significant harm" or "DNSH" principle) and shall be carried out in compliance with the minimum safeguards laid down in Article 18 of the Taxonomy Regulation.

In accordance with Article 7 of the Taxonomy Regulation, the management company draws the attention of investors to the fact that the investments underlying the Fund do not take into account the European Union criteria for environmentally sustainable economic activities.

**Appendix 2 - Provision of environmental, social and governance (ESG) Information (Unaudited)**

**1. Description of Environmental, Social, and Governance (ESG) criteria**

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](https://www.lyxor.com) and is revised each year.

Integration of sustainability risks by Lyxor in its investment decisionmaking processes (management of collective, individual investments or investment advices) relying on practices described in the policies set forth on its website <https://www.lyxor.com/en/policies-and-regulatory-notice> (Socially Responsible Investor Policy, Climate Policy, Due Diligence Policy, Policy for Preventing and Monitoring Controversies, Voting Policy, Remuneration Policy).

The elements of Lyxor's responsible investment policy described below are applicable to this Fund:

a) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them.

The Fund applies on the financial exposure an exclusion of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

The Fund applies on the financial exposure an exclusion of firms, in application of the LYXOR Climate Policy related to the thermal coal.

LYXOR excludes companies whose turnover from activities related to the extraction of thermal coal is greater than 10% or companies that belong to the energy sector and from which more than 30% of the electricity production (mixed energy) comes from coal.

As part of the SRI Policy, Lyxor has defined a shareholder engagement policy that includes a voting policy and an engagement policy. This document is available on Lyxor website.

The Fund applies an active ownership that has been delegated to the external Asset Managers.

They apply their own voting and engagement policy. This engagement lets us influence companies to improve their ESG practices in the long term.

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**INVESTMENT MANAGER'S REPORT (continued)**

**For the year ended 31 December 2021**

**Lyxor/Marathon Emerging Markets Bond Fund (the "Fund") (continued)**

**Appendix 2-Provision of environmental, social and governance (ESG) Information (Unaudited) (continued)**

**1. Description of Environmental, Social, and Governance (ESG) criteria (continued)**

- b) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources. The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

Lyxor is using a variety of external information sources, including the following extra-financial rating agencies:

- Lyxor uses the services of a proxy voting advisor (ISS) for corporate governance research (as part of LYXOR's voting policy).
- Lyxor uses the services of Sustainalytics to support LYXOR in its thematic engagement campaigns
- Lyxor uses ESG research from MSCI as an ESG database in order to integrate these stakes and to assess its funds.
- Lyxor uses ESG research from Trucost as an Environmental & Climate database in order to integrate these stakes and to assess its funds.
- Lyxor uses the services of Vigeo Eiris in order to develop its ESG analysis and assessment methodology applied to unlisted SMIDs assets.
- In the global context of the Societe Generale Group Environmental and Social Policies, Lyxor used the Defense List produced by the Group, based on ISS-Ethix data to identify companies considered in violation of its Defense policy
- In the global context of the Societe Generale Group Environmental and Social Policies, Lyxor used the Global Compact List produced by the Group, based on Sustainalytics data to identify companies that are associated with serious and repeated breaches of criteria, standards and/or mandatory requirements relating to controversial sectors and products.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

- c) Description of the methodology of the ESG analysis and the results.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

- d) Description of how the results of the analysis on ESG issues are integrated in investment policies

The detailed results of our shareholder engagement are available in the Lyxor annual report on voting rights and engagement published on the Website [Lyxor.com](https://www.lyxor.com).

The exclusion described above is applied to the financial exposure of the Fund.

**2. Description of integration of climate risks and the contribution to the energy transition.**

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles. Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

After carefully analyzing the Indicators and data available to take into account and measure the transition risks that climate change poses to Issuers, Lyxor will not report on those matters at this time. We will work with our external providers in order to enhance our knowledge to report and better reflect the risk of transition in the coming years.

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**INVESTMENT MANAGER'S REPORT (continued)**

**For the year ended 31 December 2021**

**Lyxor/Bluescale Global Equity Alpha Fund (the "Fund")**

**Appendix 1 – Transparency of sustainable investments in periodic reports (Unaudited)**

Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation") sets out criteria to determine which economic activities qualify as environmentally sustainable at Union level.

According to the Taxonomy Regulation, an economic activity shall qualify as environmentally sustainable where that economic activity contributes substantially to one or more of the six environmental objectives defined by the Taxonomy Regulation (Climate change mitigation; Climate change adaptation; Sustainable use and protection of water and marine resources; Transition to a circular economy; Pollution prevention and control; Protection and restoration of biodiversity and ecosystems).

In addition, such economic activity shall not significantly harm any such environmental objectives ("do no significant harm" or "DNSH" principle) and shall be carried out in compliance with the minimum safeguards laid down in Article 18 of the Taxonomy Regulation.

In accordance with Article 7 of the Taxonomy Regulation, the management company draws the attention of investors to the fact that the investments underlying the Fund do not take into account the European Union criteria for environmentally sustainable economic activities.

**Appendix 2 - Provision of environmental, social and governance (ESG) Information (Unaudited)**

**1. Description of Environmental, Social, and Governance (ESG) criteria**

Lyxor is a signatory to the United Nations Principles for Responsible Investment (UN PRI) and has adopted a responsible investment policy that sets out the values and practices established by our organization to integrate environmental, social and governance ("ESG") in its investment solutions. Lyxor's SRI Policy is available under the website [Lyxor.com](https://www.lyxor.com) and is revised each year.

Integration of sustainability risks by Lyxor in its investment decisionmaking processes (management of collective, individual investments or investment advices) relying on practices described in the policies set forth on its website <https://www.lyxor.com/en/policies-and-regulatory-notice> (Socially Responsible Investor Policy, Climate Policy, Due Diligence Policy, Policy for Preventing and Monitoring Controversies, Voting Policy, Remuneration Policy).

The elements of Lyxor's responsible investment policy described below are applicable to this Fund:

**e) Description of the nature of the main criteria considered for ESG issues and the reasons for choosing them.**

The Fund applies on the financial exposure an exclusion of the firms that are to be excluded in application of the Defense Sector Policy, due to their involvement in activities linked to prohibited or controversial weapons (anti-personnel mines, cluster bombs, depleted uranium weapons).

The Fund applies on the financial exposure an exclusion of firms, in application of the LYXOR Climate Policy related to the thermal coal.

LYXOR excludes companies whose turnover from activities related to the extraction of thermal coal is greater than 10% or companies that belong to the energy sector and from which more than 30% of the electricity production (mixed energy) comes from coal.

**f) Description of the general information used for the analysis of issuers on criteria relating to compliance with ESG issues**

The explicit inclusion of ESG risks and opportunities into traditional financial analysis and investment decisions must be based on a systematic process and appropriate research sources.

The integration process focuses on the potential impact of ESG issues on company financials (positive and negative), which in turn may affect the investment decision.

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**INVESTMENT MANAGER'S REPORT (continued)**

**For the year ended 31 December 2021**

**Lyxor/Bluescale Global Equity Alpha Fund (the "Fund") (continued)**

**Appendix 2-Provision of environmental, social and governance (ESG) Information (Unaudited) (continued)**

**1. Description of Environmental, Social, and Governance (ESG) criteria (continued)**

Lyxor is using a variety of external information sources, including the following extra-financial rating agencies:

- Lyxor uses the services of a proxy voting advisor (ISS) for corporate governance research (as part of LYXOR's voting policy).
- Lyxor uses the services of Sustainalytics to support LYXOR in its thematic engagement campaigns
- Lyxor uses ESG research from MSCI as an ESG database in order to integrate these stakes and to assess its funds.
- Lyxor uses ESG research from Trucost as an Environmental & Climate database in order to integrate these stakes and to assess its funds.
- Lyxor uses the services of Vigeo Eiris in order to develop its ESG analysis and assessment methodology applied to unlisted SMIDs assets.
- In the global context of the Societe Generale Group Environmental and Social Policies, Lyxor used the Defense List produced by the Group, based on ISS-Ethix data to identify companies considered in violation of its Defense policy
- In the global context of the Societe Generale Group Environmental and Social Policies, Lyxor used the Global Compact List produced by the Group, based on Sustainalytics data to identify companies that are associated with serious and repeated breaches of criteria, standards and/or mandatory requirements relating to controversial sectors and products.

Each partnership has been put in place following a rigorous selection based on request for proposals and due diligence processes addressing specific topics.

g) Description of the methodology of the ESG analysis and the results.

Specific controls are performed (pre & post trade) within the Risk department, in total independence of operational teams. All breaches are notified to Funds Managers for immediate resolution. The post trade control is on NAV frequency basis.

h) Description of how the results of the analysis on ESG issues are integrated in investment policies

The detailed results of our shareholder engagement are available in the Lyxor annual report on voting rights and engagement published on the Website [Lyxor.com](http://Lyxor.com).

The exclusion described above is applied to the financial exposure of the Fund.

**2. Description of integration of climate risks and the contribution to the energy transition.**

Lyxor extends gradually an ESG & Carbon rating capacity with a proprietary approach for its vehicles. Measuring the GHG emissions of its investments is seen as a first step. This will provide investors with an indication of their current financed emissions.

After carefully analyzing the Indicators and data available to take into account and measure the transition risks that climate change poses to Issuers, Lyxor will not report on those matters at this time. We will work with our external providers in order to enhance our knowledge to report and better reflect the risk of transition in the coming years.



## **Depository's Report to the Shareholders of Lyxor Newcits IRL II Plc**

We have enquired into the conduct of the Company for the financial period ended 31 December 2021 in our capacity as Depository to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Central Bank of Ireland (Supervision and Enforcement) Act 2013 and the European Communities (Undertakings for Collective Investment in Transferable Securities) (the 'UCITS Regulations'), as amended and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

### **Responsibilities of the Depository**

Our duties and responsibilities are outlined in Part 5 (34), of SI. No. 352 of 2011 and Part 12 (114) SI. 420 of 2015. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the Shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period, in accordance with the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Depository must state why this is the case and outline the steps which we have taken to rectify the situation.

### **Basis of Depository Opinion**

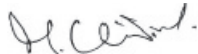
The Company has been managed, in all material respects, during the financial year in accordance with the provisions of its Memorandum and Articles of Association and the UCITS Regulations, including specifically the provisions relating to the limitations imposed on the investment and borrowing powers of the Company.

### **Opinion**

In our opinion, the Company has been managed during the period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by its Memorandum and Articles of Association and the UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association.

On behalf of the Depository,



Société Générale S.A. (Dublin Branch)

19 April 2022



# ***Independent auditors' report to the members of Lyxor Newcits IRL II plc***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Lyxor Newcits IRL II plc's financial statements:

- give a true and fair view of the Company's and Sub-Funds' assets, liabilities and financial position as at 31 December 2021 and of their results and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

We have audited the financial statements, included within the Annual Report and Audited Financial Statements, which comprise:

- the Statement of Financial Position as at 31 December 2021;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Net Assets attributable to Holders of Redeemable Participating Shares for the year then ended;
- the Schedule of Investments for each of the Sub-Funds as at 31 December 2021; and
- the Notes to the Financial Statements for the Company and for each of its Sub-Funds, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Emphasis of matter - financial statements prepared on a basis other than going concern**

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2 to the financial statements which describes the reasons why the financial statements of Lyxor/WNT Fund, Lutetia Merger Arbitrage Fund, Lyxor Evolution Fixed Income Fund, Lyxor/Dymon Asia Macro Fund and Lyxor/Academy Quantitative Global UCITS Fund have been prepared on a basis other than going concern.

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### **Conclusions relating to going concern**

With the exception of Lyxor/WNT Fund, Lutetia Merger Arbitrage Fund, Lyxor Evolution Fixed Income Fund, Lyxor/Dymon Asia Macro Fund and Lyxor/Academy Quantitative Global UCITS Fund where a basis of accounting other than going concern has been adopted as set out in the Emphasis of matter - financial statements prepared on a basis other than going concern above, based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's and Sub-



Funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

With the exception of Lyxor/WNT Fund, Lutetia Merger Arbitrage Fund, Lyxor Evolution Fixed Income Fund, Lyxor/Dymon Asia Macro Fund and Lyxor/Academy Quantitative Global UCITS Fund where a basis of accounting other than going concern has been adopted as set out in the Emphasis of matter - financial statements prepared on a basis other than going concern above, in auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's and Sub-Funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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## **Reporting on other information**

The other information comprises all of the information in the Annual Report and Audited Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's and Sub-Funds' ability to continue as going concerns, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

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



Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

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### **Companies Act 2014 opinions on other matters**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.

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### **Companies Act 2014 exception reporting**

#### *Directors' remuneration and transactions*

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Aoife O' Connor

Aoife O' Connor  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin  
28 April 2022

**STATEMENT OF FINANCIAL POSITION**

**As at 31 December 2021**

	Notes	COMPANY TOTAL USD	WNT <sup>(4)</sup> USD	CHENAVARI USD	LUTETIA USD	EVOLUTION <sup>(4)</sup> USD	WELLS USD
<b>ASSETS</b>							
Financial assets at fair value through profit or loss:	3	988,776,059	-	508,853,909	1,364,798	-	129,048,529
Investment in securities		12,510,018	-	8,326,203	199,444	-	494,541
Financial derivative instruments							
Cash and cash equivalents	2(i)	146,443,971	235,364	123,163,215	180,783	116,185	9,916,497
Due from brokers	7	86,623,363	-	79,227,544	192,367	319	4,700,000
Interest receivable	2(p)	11,048,369	-	6,011,487	-	-	1,425,380
Dividend receivable	2(q)	233	-	-	233	-	-
Subscriptions receivable	2(k)	4,615,020	-	3,677,431	-	-	-
Other receivables		-	-	-	-	-	-
<b>Total assets</b>		<b>1,250,017,033</b>	<b>235,364</b>	<b>729,259,789</b>	<b>1,937,625</b>	<b>116,504</b>	<b>145,584,947</b>
<b>LIABILITIES</b>							
Financial liabilities at fair value through profit or loss:	3						
Financial derivative instruments							
Bank overdraft	2(i)	19,141,847	-	15,518,046	70,014	-	1,443,243
Management fees payable	6	354,042	-	325,353	28,071	62	363
Performance fees payable	6	2,847,017	-	1,834,533	73,910	-	323,002
Due to brokers	7	1,961,679	-	1,959,954	63	-	-
Interest payable	2(p)	53,263	-	-	-	-	-
Dividend payable	2(q)	593	-	-	593	-	-
Redemptions payable	2(k)	1,188	-	-	-	-	-
Administration fees payable	6	7,003,337	-	6,178,713	549,996	-	-
Other payables and accrued expenses	6	261,957	-	166,922	513	-	30,173
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>32,105,237</b>	<b>235,364</b>	<b>26,058,397</b>	<b>735,077</b>	<b>116,504</b>	<b>1,796,781</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>1,217,911,796</b>	<b>-</b>	<b>703,201,392</b>	<b>1,202,548</b>	<b>-</b>	<b>143,788,166</b>

The Sub-Funds' abbreviated names as presented above are defined on page 3.



**STATEMENT OF FINANCIAL POSITION (continued)**

**As at 31 December 2021**

	Notes	DYMON <sup>(2)</sup> USD	ACADEMY <sup>(3)</sup> USD	MARATHON USD	BLUESCALE USD
<b>ASSETS</b>					
Financial assets at fair value through profit or loss:					
Investment in securities	3	-	-	292,126,393	57,382,430
Financial derivative instruments		-	-	1,363,186	2,126,644
Cash and cash equivalents	2(i)	-	41,580	3,757,751	9,032,596
Due from brokers	7	-	135	1,458	2,501,540
Interest receivable	2(p)	-	-	3,611,502	-
Dividend receivable	2(q)	-	-	-	-
Subscriptions receivable	2(k)	-	-	937,589	-
Other receivables		-	-	-	-
<b>Total assets</b>		-	<b>41,715</b>	<b>301,797,879</b>	<b>71,043,210</b>
<b>LIABILITIES</b>					
Financial liabilities at fair value through profit or loss:					
Financial derivative instruments	3	-	-	5,719	2,104,825
Bank overdraft	2(i)	-	-	-	193
Management fees payable	6	-	-	508,005	107,567
Performance fees payable	6	-	-	-	1,662
Due to brokers	7	-	-	-	53,263
Interest payable	2(p)	-	-	-	-
Dividend payable	2(q)	-	-	-	1,188
Redemptions payable	2(k)	-	-	203,889	70,739
Administration fees payable	6	-	-	44,873	19,476
Other payables and accrued expenses	6	-	41,715	-	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		-	<b>41,715</b>	<b>762,486</b>	<b>2,358,913</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		-	-	<b>301,035,393</b>	<b>68,684,297</b>

The Sub-Funds' abbreviated names as presented above are defined on page 3.

**STATEMENT OF FINANCIAL POSITION (continued)**

As at 31 December 2021

Share Class	WNT <sup>(4)</sup>		CHENAVARI		LUTETIA		EVOLUTION <sup>(1)</sup>		WELLS	
	USD		USD		USD		USD		USD	
	No. of shares outstanding	NAV per share	No. of shares outstanding	NAV per share	No. of shares outstanding	NAV per share	No. of shares outstanding	NAV per share	No. of shares outstanding	NAV per share
Class I (USD)	-	-	61,740.84	124.4898	10,538.00	108.3039	-	-	132,978.89	138.9366
Hedged Class A (EUR)	-	-	365,898.98	112.7900	-	-	-	-	186,665.06	119.4274
Hedged Class I (EUR)	-	-	1,287,298.04	113.0556	561.75	96.6004	-	-	648,391.38	124.1102
Class SI (USD)	-	-	278,768.01	126.8020	-	-	-	-	40,286.63	123.1007
Class A (USD)	-	-	65,921.12	119.2250	-	-	-	-	27,111.16	126.6040
Hedged Class SIP (EUR)	-	-	80,000.00	118.2634	-	-	-	-	-	-
Hedged Class SI (EUR)	-	-	960,186.33	113.6558	-	-	-	-	-	-
Class SI (GBP)	-	-	122,061.34	101.7677	-	-	-	-	-	-
Class O (USD)	-	-	32,155.68	128.6806	-	-	-	-	-	-
Hedged Class O (EUR)	-	-	51,583.01	119.8550	-	-	-	-	-	-
Class IA (USD)	-	-	1,170.00	117.8143	-	-	-	-	-	-
Class AA (USD)	-	-	100.00	116.3444	-	-	-	-	-	-
Hedged Class SSI (EUR)	-	-	1,749,354.40	108.0937	-	-	-	-	-	-
Class I (NOK)	-	-	41,009.34	998.8363	-	-	-	-	-	-
Class P EUR	-	-	500,000.00	100.0595	-	-	-	-	-	-

The Sub-Funds' abbreviated names as presented above are defined on page 3.

LYXOR NEWCITS IRL II PLC

STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2021

Share Class	DYMION <sup>(2)</sup>		ACADEMY <sup>(3)</sup>		MARATHON		BLUESCALE	
	No. of shares outstanding	NAV per share	No. of shares outstanding	NAV per share	No. of shares outstanding	NAV per share	No. of shares outstanding	NAV per share
		USD		USD		USD		USD
Class I (USD)	-	-	-	-	184,737.86	110.7285	41,274.00	93.4744
Class EB (USD)	-	-	-	-	-	-	153,602.67	93.9138
Hedged Class A (EUR)	-	-	-	-	50,074.87	103.2606	90,467.00	82.5825
Hedged Class I (EUR)	-	-	-	-	389,083.78	105.2647	-	-
Class A (USD)	-	-	-	-	12,843.16	109.0722	27,971.00	82.9919
Hedged Class I (GBP)	-	-	-	-	4,115.00	106.5132	-	-
Class F (USD)	-	-	-	-	1,120,464.16	112.0713	406,099.68	97.4621
Class SI (USD)	-	-	-	-	241,854.11	107.2517	-	-
Class AI EUR	-	-	-	-	100.00	97.2014	-	-
Class AI (USD)	-	-	-	-	100.00	96.4635	-	-
Class SID (CHF)	-	-	-	-	111,783.43	99.7614	-	-
Class SID (EUR)	-	-	-	-	49,619.26	100.0021	-	-
Class SID (GBP)	-	-	-	-	282,041.00	100.5424	-	-
Class SID (USD)	-	-	-	-	181,427.97	100.8095	-	-
Class SSI (EUR)	-	-	-	-	100.00	97.3704	-	-
Class SSI (USD)	-	-	-	-	100.00	96.6320	-	-
Class SSID GBP	-	-	-	-	100.00	97.5753	-	-
Class SSID USD)	-	-	-	-	100.00	96.6320	-	-

The Sub-Funds' abbreviated names as presented above are defined on page 3.

The hedged redeemable participating share classes held by each Sub-Fund are identified in the statement above and throughout these financial statements.

<sup>(1)</sup>Lyxor Evolution Fixed Income Fund: Terminated on 28 December 2018. Balances reflected relate to amounts outstanding as at 31 December 2021.

<sup>(2)</sup>Lyxor/Dymon Asia Macro Fund: Terminated on 2 October 2019. Balances reflected relate to amounts outstanding as at 31 December 2021.

<sup>(3)</sup>Lyxor/Academy Quantitative Global UCITS Fund: Terminated on 13 January 2020. Balances reflected relate to amounts outstanding as at 31 December 2021.

<sup>(4)</sup>Lyxor/WNT Fund: Terminated on 19 July 2021.

Signed on behalf of the Board of Directors:

DocuSigned by:

Bryan Tierman

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Bryan Tierman

Director

28 April 2022

DocuSigned by:

Vincent Dodd

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Vincent Dodd

Director

28 April 2022

See accompanying notes to the financial statements

# LYXOR NEWCITS IRL II PLC

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	COMPANY TOTAL USD	WNT USD	CHENAVARI USD	LUTETIA USD	EVOLUTION <sup>(1)</sup> USD	KINGDON <sup>(4)</sup> USD	WELLS USD
<b>ASSETS</b>								
Financial assets at fair value through profit or loss:	3	752,550,676	4,937,211	166,980,084	12,342,193	-	-	127,435,366
Investment in securities		12,734,883	760,321	3,489,988	1,438,591	-	-	1,422,355
Financial derivative instruments	2(i)	69,542,209	1,344,827	42,803,098	2,284,773	118,822	-	10,799,942
Cash and cash equivalents	7	57,917,988	13,971,245	31,217,146	2,205,028	612	-	5,918,388
Due from brokers		7,855,009	-	2,241,934	-	-	-	1,690,404
Interest receivable	2(p)	9,335	-	-	2,544	-	-	-
Dividend receivable	2(q)	871,100	-	-	-	-	-	370,485
Subscriptions receivable	2(k)	180	-	-	180	-	-	-
Other receivables								
<b>Total assets</b>		<b>901,481,380</b>	<b>21,013,604</b>	<b>246,732,250</b>	<b>18,273,309</b>	<b>119,434</b>	<b>-</b>	<b>147,636,940</b>
<b>LIABILITIES</b>								
Financial liabilities at fair value through profit or loss:	3	16,535,876	67,154	9,284,049	1,183,150	-	-	2,499,100
Financial derivative instruments		41,683	-	4,473	36,880	-	-	330
Bank overdraft	2(i)	1,869,522	26,482	794,432	62,120	-	-	339,175
Management fees payable	6	3,797,354	213,437	3,244,397	-	-	-	-
Performance fees payable	6	1,740,900	404,881	3,076	-	-	-	-
Due to brokers	7	3,433	-	-	3,433	-	-	-
Interest payable	2(p)	105,381	-	-	180	-	-	-
Dividend payable	2(q)	2,531,244	124,580	152,999	-	-	-	1,700,053
Redemptions payable	2(k)	1,054,504	230,936	290,797	29,283	-	-	128,376
Administration fees payable	6	258,860	95,492	-	-	119,434	-	-
Other payables and accrued expenses	6							
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>27,938,757</b>	<b>1,162,962</b>	<b>13,774,223</b>	<b>1,315,046</b>	<b>119,434</b>	<b>-</b>	<b>4,667,034</b>
<b>Net assets attribute to holders of redeemable participating shares</b>		<b>873,542,623</b>	<b>19,850,642</b>	<b>232,958,027</b>	<b>16,958,263</b>	<b>-</b>	<b>-</b>	<b>142,969,906</b>

The Sub-Funds' abbreviated names as presented above are defined on page 3.

See accompanying notes to the financial statements

**STATEMENT OF FINANCIAL POSITION (continued)**

**As at 31 December 2020**

	Notes	PORTLAND <sup>(6)</sup> EUR	DYMON <sup>(2)</sup> USD	ACADEMY <sup>(3)</sup> USD	MARATHON USD	BLUESCALE USD
<b>ASSETS</b>						
Financial assets at fair value						
through profit or loss:						
Investment in securities	3	-	-	-	370,718,197	70,137,625
Financial derivative instruments		-	-	-	573,171	5,050,457
Cash and cash equivalents	2(i)	-	2,407	41,527	3,064,251	9,082,562
Due from brokers	7	-	-	-	-	4,605,569
Interest receivable	2(p)	-	-	-	3,922,671	-
Dividend receivable	2(q)	-	-	-	-	6,791
Subscriptions receivable	2(k)	-	-	-	100,615	400,000
Other receivables		-	-	-	-	-
<b>Total assets</b>		-	<b>2,407</b>	<b>41,527</b>	<b>378,378,905</b>	<b>89,283,004</b>
<b>LIABILITIES</b>						
Financial liabilities at fair value						
through profit or loss:						
Financial derivative instruments	3	-	-	-	9,706	3,492,717
Bank overdraft	2(i)	-	-	-	-	-
Management fees payable	6	-	-	-	574,784	72,529
Performance fees payable	6	-	-	-	-	339,520
Due to brokers	7	-	-	-	-	1,332,943
Interest payable	2(p)	-	-	-	-	-
Dividend payable	2(q)	-	-	-	-	105,201
Redemptions payable	2(k)	-	-	-	553,612	-
Administration fees payable	6	-	-	-	284,510	90,602
Other payables and accrued expenses	6	-	2,407	41,527	-	-
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		-	<b>2,407</b>	<b>41,527</b>	<b>1,422,612</b>	<b>5,433,512</b>
<b>Net assets attribute to holders of redeemable participating shares</b>		-	-	-	<b>376,956,293</b>	<b>83,849,492</b>

The Sub-Funds' abbreviated names as presented above are defined on page 3.



STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2020

Share Class	WNT			CHENAVARI			LUTETIA			EVOLUTION <sup>(1)</sup>			KINGDON <sup>(6)</sup>			WELLS		
	USD			USD			USD			USD			USD			USD		
	No. of shares outstanding	NAV per share		No. of shares outstanding	NAV per share		No. of shares outstanding	NAV per share		No. of shares outstanding	NAV per share		No. of shares outstanding	NAV per share		No. of shares outstanding	NAV per share	
Class I (USD)	11,440.33	115.3299		21,852.61	120.7790		27,790.00	106.5298		-	-		-	-		134,735.74	133.2466	
Hedged Class A (EUR)	7,306.93	103.1844		280,773.39	110.7722		-	-		-	-		-	-		159,184.12	116.2861	
Hedged Class I (EUR)	102,240.85	103.1755		322,081.77	110.3656		117,713.76	97.3438		-	-		-	-		643,649.26	119.9523	
Hedged Class A (CHF)	500.00	89.4195		-	-		-	-		-	-		-	-		-	-	
Hedged Class I (GBP)	30,760.07	106.4781		-	-		-	-		-	-		-	-		-	-	
Class SI (USD)	-	-		267,458.57	122.8260		-	-		-	-		-	-		39,164.03	117.9417	
Class A (USD)	2,032.00	97.8336		20,234.28	116.3660		-	-		-	-		-	-		28,392.16	122.3301	
Hedged Class SIP (EUR)	-	-		80,000.00	115.2661		-	-		-	-		-	-		-	-	
Hedged Class SI (EUR)	-	-		355,456.09	110.7761		-	-		-	-		-	-		-	-	
Class O (USD)	-	-		81,535.51	122.5507		-	-		-	-		-	-		-	-	
Hedged Class O (EUR)	-	-		21,500.52	115.0436		-	-		-	-		-	-		-	-	
Class IA (USD)	-	-		1,000.00	114.5911		-	-		-	-		-	-		-	-	
Class AA (USD)	-	-		100.00	113.6948		-	-		-	-		-	-		-	-	
Hedged Class SSI (EUR)	-	-		320,632.60	105.1783		-	-		-	-		-	-		-	-	

The Sub-Funds' abbreviated names as presented above are defined on page 3.

**LYXOR NEWUCITS IRL II PLC**

**STATEMENT OF FINANCIAL POSITION (continued)**  
**As at 31 December 2020**

Share Class	PORTLAND <sup>(6)</sup> EUR		DYMION <sup>(2)</sup> USD		ACADEMY <sup>(3)</sup> USD		MARATHON USD		BLUESCALE USD	
	No. of shares outstanding	No. of shares outstanding	No. of shares outstanding	NAV per share	No. of shares outstanding	NAV per share	No. of shares outstanding	NAV per share	No. of shares outstanding	NAV per share
Class I (USD)	-	-	-	-	-	-	541,415.84	114.6813	10.00	113.6461
Class EB (USD)	-	-	-	-	-	-	-	-	196,758.37	113.7126
Hedged Class A (EUR)	-	-	-	-	-	-	158,039.69	108.6668	14,340.00	102.0933
Hedged Class I (EUR)	-	-	-	-	-	-	199,279.24	110.0254	-	-
Class A (USD)	-	-	-	-	-	-	24,162.15	113.7557	10,090.00	101.7066
Hedged Class I (GBP)	-	-	-	-	-	-	4,616.00	110.4622	-	-
Class F (USD)	-	-	-	-	-	-	1,571,764.54	115.7236	498,700.51	117.6254
Class SI (USD)	-	-	-	-	-	-	736,854.11	110.9688	-	-

The Sub-Funds' abbreviated names as presented above are defined on page 3.

The hedged redeemable participating share classes held by each Sub-Fund are identified in the statement above and throughout these financial statements.

<sup>(1)</sup> Lyxor Evolution Fixed Income Fund: Terminated on 28 December 2018. Balances reflected relate to amounts outstanding as at 31 December 2020.

<sup>(2)</sup> Lyxor/Dymon Asia Macro Fund: Terminated on 2 October 2019. Balances reflected relate to amounts outstanding as at 31 December 2020.

<sup>(3)</sup> Lyxor/Academy Quantitative Global UCITS Fund: Terminated on 13 January 2020. Balances reflected relate to amounts outstanding as at 31 December 2020.

<sup>(4)</sup> Lyxor/Kingdon Global Long-Short Equity Fund: Terminated on 30 March 2020.

<sup>(5)</sup> Lyxor/Portland Hill Fund: Terminated on 3 July 2019.

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2021**

	Notes	COMPANY TOTAL USD	WNT <sup>(a)</sup> USD	CHENAVARI USD	LUTETIA USD	EVOLUTION <sup>(b)</sup> USD	WELLS USD
<b>Investment loss</b>							
Net loss on financial assets and liabilities at fair value through profit or loss	5	(67,833,776)	(152,555)	(17,122,366)	(132,470)	-	(8,122,026)
Net (loss)/gain on foreign exchange	5	(1,393,628)	(21,682)	(1,881,333)	43,450	(36)	199,830
Interest income	2(p)	90,001	4,085	56,021	918	(3)	2,486
Interest on financial assets at fair value through profit or loss	2(p)	36,471,590	-	13,747,833	5,069	-	6,443,887
Dividend income	2(q)	205,635	-	-	42,084	-	-
<b>Total investment loss</b>		<b>(32,460,178)</b>	<b>(170,152)</b>	<b>(5,199,845)</b>	<b>(40,949)</b>	<b>(39)</b>	<b>(1,475,823)</b>
<b>Expenses</b>							
Management fees	6	9,447,866	30,875	5,366,733	141,991	-	1,284,182
Performance fees	6	1,961,413	2,423	1,958,581	-	-	-
Administration fees	6	2,621,497	-	1,271,016	32,529	-	360,376
Transaction costs	2(r)	291,176	13,299	277,877	-	-	-
Dividend expense	2(q)	562,596	-	-	53,926	-	-
Other expenses		694,486	41,803	417,623	9,375	(39)	102,387
<b>Total operating expenses</b>		<b>15,579,034</b>	<b>88,400</b>	<b>9,291,830</b>	<b>237,821</b>	<b>(39)</b>	<b>1,746,945</b>
<b>Operating loss</b>		<b>(48,039,212)</b>	<b>(258,552)</b>	<b>(14,491,675)</b>	<b>(278,770)</b>	<b>-</b>	<b>(3,222,768)</b>
<b>Finance cost</b>							
Interest expense	2(p)	323,094	10,618	221,022	42,611	-	16,768
Interest on financial liabilities at fair value through profit or loss	2(p)	3,423,905	-	3,304,548	-	-	119,357
Dividends to holders of redeemable participating shares	12	712,040	-	-	-	-	-
<b>Loss before tax</b>		<b>(52,498,251)</b>	<b>(269,170)</b>	<b>(18,017,245)</b>	<b>(321,381)</b>	<b>-</b>	<b>(3,358,893)</b>
Withholding taxes		1,074	-	-	480	-	-
<b>Decrease in net assets attributable to holders of redeemable participating shares from operations</b>		<b>(52,499,325)</b>	<b>(269,170)</b>	<b>(18,017,245)</b>	<b>(321,861)</b>	<b>-</b>	<b>(3,358,893)</b>

The Sub-Funds' abbreviated names as presented above are defined on page 3.

**STATEMENT OF COMPREHENSIVE INCOME (continued)**  
**For the year ended 31 December 2021 (continued)**

	Notes	DYMON <sup>(3)</sup> USD	ACADEMY <sup>(4)</sup> USD	MARATHON USD	BLUESCALE USD
<b>Investment loss</b>					
Net loss on financial assets and liabilities at fair value through profit or loss	5	-	-	(28,526,185)	(13,778,174)
Net gain/(loss) on foreign exchange	5	18	(2)	256,630	9,497
Interest income	2(p)	-	-	9,793	16,701
Interest on financial assets at fair value through profit or loss	2(p)	-	-	16,233,614	41,187
Dividend income	2(q)	-	138	-	163,413
<b>Total investment income/(loss)</b>		<b>18</b>	<b>136</b>	<b>(12,026,148)</b>	<b>(13,547,376)</b>
<b>Expenses</b>					
Management fees	6	-	-	2,266,187	357,898
Performance fees	6	-	-	-	409
Administration fees	6	-	-	710,465	247,111
Transaction costs	2(f)	-	-	-	-
Dividend expense	2(q)	-	-	-	508,670
Other expenses		18	136	95,688	27,495
<b>Total operating expenses</b>		<b>18</b>	<b>136</b>	<b>3,072,340</b>	<b>1,141,583</b>
<b>Operating loss</b>		<b>-</b>	<b>-</b>	<b>(15,098,488)</b>	<b>(14,688,959)</b>
<b>Finance cost</b>					
Interest expense	2(p)	-	-	15,852	16,223
Interest on financial liabilities at fair value through profit or loss	2(p)	-	-	-	-
Dividends to holders of redeemable participating shares	12	-	-	712,040	-
<b>Loss before tax</b>		<b>-</b>	<b>-</b>	<b>(15,826,380)</b>	<b>(14,705,182)</b>
Withholding taxes		-	-	-	594
<b>Decrease in net assets attributable to holders of redeemable participating shares from operations</b>		<b>-</b>	<b>-</b>	<b>(15,826,380)</b>	<b>(14,705,776)</b>

The Sub-Funds' abbreviated names as presented above are defined on page 3.

All amounts, except for the terminated funds, arose solely from continuing operations. There are no gains or losses other than those dealt within the Statement of Comprehensive Income.

<sup>(1)</sup>Lyxor Evolution Fixed Income Fund: Terminated on 28 December 2018. Gains and losses relate to cash and cash equivalents and other assets and liabilities held by the Sub-Fund during the year.

<sup>(2)</sup>Lyxor/WNT Fund: Terminated on 19 July 2021. Includes gains and losses relating to cash and cash equivalents and other assets and liabilities held by the Sub-Fund post termination.

<sup>(3)</sup>Lyxor/Dymon Asia Macro Fund: Terminated on 2 October 2019. Gains and losses relate to cash and cash equivalents and other assets and liabilities held by the Sub-Fund during the year.

<sup>(4)</sup>Lyxor/Academy Quantitative Global UCITS Fund: Terminated on 13 January 2020. Includes gains and losses relating to cash and cash equivalents and other assets and liabilities held by the Sub-Fund during the year.

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2020**

	Notes	COMPANY TOTAL USD	WNT USD	CHENAVARI USD	LUTETIA USD	EVOLUTION <sup>(1)</sup> USD	KINGDON <sup>(5)</sup> USD	WELLS USD
<b>Investment income/(loss)</b>								
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	5	45,111,483	(9,832,939)	31,459,017	(5,866,418)	-	(8,282,270)	8,819,889
Net gain/(loss) on foreign exchange	5	(1,869,126)	(2,458,855)	582,883	747,489	(2)	3,671	(814,526)
Interest income	2(p)	1,157,784	356,380	189,395	315,676	11,599	10,408	68,955
Interest on financial assets at fair value through profit or loss	2(p)	25,354,836	883,086	5,422,268	20,874	-	-	6,853,238
Dividend income	2(q)	519,489	1,666	-	365,209	-	15,077	-
Other income		14,243	-	-	-	1,632	6,128	-
<b>Total investment income/(loss)</b>		<b>70,288,709</b>	<b>(11,050,662)</b>	<b>37,653,563</b>	<b>(4,417,170)</b>	<b>13,229</b>	<b>(8,246,986)</b>	<b>14,927,556</b>
<b>Expenses</b>								
Management fees	6	7,127,132	846,931	2,530,252	494,653	-	83,204	1,290,677
Performance fees	6	4,141,559	693,122	3,108,930	-	-	-	-
Administration fees	6	2,101,131	251,845	644,773	101,015	-	19,600	369,827
Transaction costs	2(r)	572,464	170,371	55,449	604	-	84,422	66
Dividend expense	2(q)	872,481	-	-	344,601	-	29,888	-
Other expenses		706,433	288,705	197,878	60,623	13,229	-	114,837
<b>Total operating expenses</b>		<b>15,521,200</b>	<b>2,250,974</b>	<b>6,537,282</b>	<b>1,001,496</b>	<b>13,229</b>	<b>217,114</b>	<b>1,775,407</b>
<b>Operating profit/(loss)</b>		<b>54,767,509</b>	<b>(13,301,636)</b>	<b>31,116,281</b>	<b>(5,418,666)</b>	<b>-</b>	<b>(8,464,100)</b>	<b>13,152,149</b>
<b>Finance cost</b>								
Interest expense	2(p)	1,076,341	56,211	114,131	691,739	-	20,044	22,054
Interest on financial liabilities at fair value through profit or loss	2(p)	2,513,806	-	2,240,633	-	-	-	273,173
<b>Profit/(Loss) before tax</b>		<b>51,177,362</b>	<b>(13,357,847)</b>	<b>28,761,517</b>	<b>(6,110,405)</b>	<b>-</b>	<b>(8,484,144)</b>	<b>12,856,922</b>
Withholding taxes		61,150	-	32,680	10,979	-	2,228	-
<b>Increase/(Decrease) in net assets attributable to holders of redeemable participating shares from operations</b>		<b>51,116,212</b>	<b>(13,357,847)</b>	<b>28,728,837</b>	<b>(6,121,384)</b>	<b>-</b>	<b>(8,486,372)</b>	<b>12,856,922</b>

The Sub-Funds' abbreviated names as presented above are defined on page 3.



**STATEMENT OF COMPREHENSIVE INCOME (continued)**  
**For the year ended 31 December 2020**

	Notes	PORTLAND <sup>(2)</sup> EUR	DYMON <sup>(3)</sup> USD	ACADEMY <sup>(4)</sup> USD	MARATHON USD	BLUESCALE USD
<b>Investment in come</b>						
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	5	-	(1,529)	(2,111)	17,286,026	11,531,818
Net gain/(loss) on foreign exchange	5	-	192	(2,486)	(1,941)	74,449
Interest income	2(p)	10	198	90,443	72,465	42,253
Interest on financial assets at fair value through profit or loss	2(p)	-	-	-	12,143,947	31,423
Dividend income	2(q)	-	-	3,873	-	133,664
Other income		30	2,454	3,995	-	-
<b>Total investment in come/(loss)</b>		<b>40</b>	<b>1,315</b>	<b>93,714</b>	<b>29,500,497</b>	<b>11,813,607</b>
<b>Expenses</b>						
Management fees	6	-	-	422	1,697,652	183,341
Performance fees	6	-	-	-	-	339,507
Administration fees	6	-	-	121	503,848	210,102
Transaction costs	2(r)	-	-	91	80	261,381
Dividend expense		-	-	-	-	497,992
Other expenses	2(q)	-	1,315	6,776	21,486	1,584
<b>Total operating expenses</b>		-	<b>1,315</b>	<b>7,410</b>	<b>2,223,066</b>	<b>1,493,907</b>
<b>Operating profit/(loss)</b>		<b>40</b>	-	<b>86,304</b>	<b>27,277,431</b>	<b>10,319,700</b>
<b>Finance cost</b>						
Interest expense	2(p)	40	-	75,804	85,633	10,679
Interest on financial liabilities at fair value through profit or loss	2(p)	-	-	-	-	-
<b>Profit/(Loss) before tax</b>		-	-	<b>10,500</b>	<b>27,191,798</b>	<b>10,309,021</b>
Withholding taxes		-	-	193	-	15,070
<b>Increase/(Decrease) in net assets attributable to holders of redeemable participating shares from operations</b>		-	-	<b>10,307</b>	<b>27,191,798</b>	<b>10,293,951</b>

The Sub-Funds' abbreviated names as presented above are defined on page 3.

All amounts, except for the terminated funds, arose solely from continuing operations. There are no gains or losses other than those dealt within the Statement of Comprehensive Income.

<sup>(1)</sup>Lyxor Evolution Fixed Income Fund: Terminated on 28 December 2018. Gains and losses relate to cash and cash equivalents and other assets and liabilities held by the Sub-Fund during the year.

<sup>(2)</sup>Lyxor/Portland Hill Fund: Terminated on 3 July 2019. Gains and losses relate to cash and cash equivalents and other assets and liabilities held by the Sub-Fund during the year.

<sup>(3)</sup>Lyxor/Dymon Asia Macro Fund: Terminated on 2 October 2019. Gains and losses relate to cash and cash equivalents and other assets and liabilities held by the Sub-Fund during the year.

<sup>(4)</sup>Lyxor/Academy Quantitative Global UCITS Fund: Terminated on 13 January 2020. Includes gains and losses relating to cash and cash equivalents and other assets and liabilities held by the Sub-Fund post termination.

<sup>(5)</sup>Lyxor/Kingdon Global Long-Short Equity Fund: Terminated on 30 March 2020. Includes gains and losses relating to cash and cash equivalents and other assets and liabilities held by the Sub-Fund post termination.

*See accompanying notes to the Financial Statements*

LYXOR NEWCITS IRL II PLC

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE  
TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the year ended 31 December 2021

	COMPANY TOTAL USD	WNT <sup>(1)</sup> USD	CHENAVARI USD	LUTETIA USD	WELLS USD	MARATHON USD	BLUESCALE USD
<b>Balance as at the beginning of the year/period</b>	873,542,623	19,850,642	232,958,027	16,958,263	142,969,906	376,956,293	83,849,492
Increase/(Decrease) in net assets attributable to holders of redeemable participating shares from operations	(51,787,285)	(269,170)	(18,017,245)	(321,861)	(3,358,893)	(15,826,380)	(14,705,776)
Issuance of redeemable participating shares	857,271,531	1,265,540	614,561,491	-	28,729,144	195,357,865	17,357,491
Redemption of redeemable participating shares	(461,115,072)	(20,847,012)	(126,300,881)	(15,433,854)	(24,551,991)	(255,452,385)	(17,816,910)
<b>Balance as at the end of the year/period</b>	<b>1,217,911,796</b>	<b>-</b>	<b>703,201,392</b>	<b>1,202,548</b>	<b>143,788,166</b>	<b>301,035,393</b>	<b>68,684,297</b>

The Sub-Funds' abbreviated names as presented above are defined on page 3.

<sup>(1)</sup>Lyxor/WNT Fund: For the period from 1 January 2021 to 19 July 2021 (termination of operations).

See accompanying notes to the financial statements

# LYXOR NEWCITS IRL II PLC

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

For the year ended 31 December 2020

	COMPANY TOTAL USD	WNT USD	CHENAVARI USD	LUTETIA USD	KINGDON <sup>(1)</sup> USD	WELLS USD	ACADEMY <sup>(2)</sup> USD	MARATHON USD	BLUESCALE USD
<b>Balance as at the beginning of the year/period</b>	1,041,287,717	422,845,500	139,300,642	109,532,351	25,676,093	126,672,376	1,235,998	206,009,536	10,015,221
Increase/(Decrease) in net assets attributable to holders of redeemable participating shares from operations	51,116,212	(13,357,847)	28,728,837	(6,121,384)	(8,486,372)	12,856,922	10,307	27,191,798	10,293,951
Issuance of redeemable participating shares	711,218,352	15,597,560	127,865,192	68,780,438	550,000	75,426,611	-	359,458,231	63,540,320
Redemption of redeemable participating shares	(930,079,658)	(405,234,571)	(62,936,644)	(155,233,142)	(17,739,721)	(71,986,003)	(1,246,305)	(215,703,272)	-
<b>Balance as at the end of the year/period</b>	<b>873,542,623</b>	<b>19,850,642</b>	<b>232,958,027</b>	<b>16,958,263</b>	<b>-</b>	<b>142,969,906</b>	<b>-</b>	<b>376,956,293</b>	<b>83,849,492</b>

The Sub-Funds' abbreviated names as presented above are defined on page 3.

<sup>(1)</sup>Lyxor/Kingdon Global Long-Short Equity Fund: For the period from 1 January 2020 to 30 March 2020 (termination of operations).

<sup>(2)</sup>Lyxor/Academy Quantitative Global UCITS Fund: For the period from 1 January 2020 to 13 January 2020 (termination of operations).

See accompanying notes to the financial statements

**STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2021**

	COMPANY TOTAL USD	WNT <sup>(2)</sup> USD	CHENAVARI USD	LUTETIA USD	EVOLUTION <sup>(1)</sup> USD	WELLS USD
<b>Cash flows from operating activities:</b>						
Decrease in net assets attributable to holders of redeemable participating shares from operations	(51,787,285)	(269,170)	(18,017,245)	(321,861)	-	(3,358,893)
<b>Adjustments for:</b>						
Change in financial assets and liabilities held for trading at fair value through profit or loss	37,745,756	(3,071,784)	12,422,668	(19,671)	-	5,174,739
Payments on purchased investments	(2,384,689,466)	(11,298,711)	(1,325,743,549)	(15,011,799)	-	(114,126,835)
Proceeds from sold investments	2,110,718,327	19,307,706	971,447,056	26,008,865	-	107,338,933
<b>Changes in operating assets and liabilities:</b>						
(Increase)/Decrease in derivatives – net	2,830,836	693,167	1,397,782	126,011	-	(128,043)
Decrease/(Increase) in due from brokers	(28,705,375)	13,971,245	(48,010,398)	2,012,661	293	1,218,388
(Increase)/Decrease in interest receivable	(3,193,360)	-	(3,769,553)	-	-	265,024
Decrease/(Increase) in dividend receivable	9,102	-	-	2,311	-	-
Decrease/(Increase) in other receivables	180	-	-	180	-	-
(Decrease)/Increase in management fees payable	977,495	(26,482)	1,040,101	11,790	-	(16,173)
Increase/(Decrease) in performance fees payable	(1,835,675)	(213,437)	(1,284,443)	63	-	-
(Decrease)/Increase in due to brokers	(1,687,637)	(404,881)	(3,076)	-	-	-
(Decrease)/Increase in interest payable	(2,840)	-	-	(2,840)	-	-
Increase/(Decrease) in dividend payable	(104,193)	-	-	(180)	-	-
(Decrease)/Increase in administration fees payable	(792,547)	(230,936)	(123,875)	(28,770)	-	(98,203)
Increase/(Decrease) in other payables and accrued expenses	221,454	139,872	74,876	11,917	(2,992)	-
<b>Net cash (used in)/provided by operating activities</b>	<b>(320,267,157)</b>	<b>18,596,589</b>	<b>(410,569,656)</b>	<b>12,788,677</b>	<b>(2,699)</b>	<b>(3,731,063)</b>
<b>Cash flows from financing activities:</b>						
Net proceeds from subscriptions of redeemable participating shares	853,527,610	1,265,540	610,884,060	-	-	29,099,629
Net payments on redemptions of redeemable participating shares	(456,642,979)	(20,971,592)	(120,275,167)	(14,883,858)	-	(26,252,044)
<b>Net cash provided by/(used in) financing activities</b>	<b>396,884,631</b>	<b>(19,706,052)</b>	<b>490,608,893</b>	<b>(14,883,858)</b>	-	<b>2,847,585</b>
<b>Net change in cash and cash equivalents</b>	<b>76,589,403</b>	<b>(1,109,463)</b>	<b>80,039,237</b>	<b>(2,095,181)</b>	<b>(2,699)</b>	<b>(883,478)</b>
Cash and cash equivalents at the beginning of the year/period	69,500,526	1,344,827	42,798,625	2,247,893	118,822	10,799,612
<b>Cash and cash equivalents at the end of the year/period</b>	<b>146,089,929</b>	<b>235,364</b>	<b>122,837,862</b>	<b>152,712</b>	<b>116,123</b>	<b>9,916,134</b>
<b>Supplemental disclosure of cash flow information:</b>						
Interest received	33,368,231	4,085	10,034,301	5,987	(3)	6,711,397
Interest paid	(3,749,839)	(10,618)	(3,525,570)	(45,451)	-	(136,125)
Dividends received	214,737	-	-	44,395	-	-
Dividends paid	(666,789)	-	-	(54,106)	-	-

The Sub-Funds' abbreviated names as presented above are defined on page 3.

See accompanying notes to the financial statements

**STATEMENT OF CASH FLOWS (continued)**  
**For the year ended 31 December 2021**

	DYMON <sup>(3)</sup> USD	ACADEMY <sup>(4)</sup> USD	MARATHON USD	BLUESCALE USD
<b>Cash flows from operating activities:</b>				
Increase/(Decrease) in net assets attributable to holders of redeemable participating shares from operations	-	-	(15,114,340)	(14,705,776)
<b>Adjustments for:</b>				
Change in financial assets and liabilities held for trading at fair value through profit or loss	-	-	23,471,657	(231,853)
Payments on purchased investments	-	-	(789,017,134)	(129,491,438)
Proceeds from sold investments	-	-	844,137,281	142,478,486
<b>Changes in operating assets and liabilities:</b>				
(Increase)/Decrease in derivatives – net	-	-	(794,002)	1,535,921
Decrease/(Increase) in due from brokers	-	(135)	(1,458)	2,104,029
(Increase)/Decrease in interest receivable	-	-	311,169	-
Decrease/(Increase) in dividend receivable	-	-	-	6,791
Decrease/(Increase) in other receivables	-	-	-	-
(Decrease)/Increase in management fees payable	-	-	(66,779)	35,038
Increase/(Decrease) in performance fees payable	-	-	-	(337,858)
(Decrease)/Increase in due to brokers	-	-	-	(1,279,680)
(Decrease)/Increase in interest payable	-	-	-	-
Increase/(Decrease) in dividend payable	-	-	-	(104,013)
(Decrease)/Increase in administration fees payable	-	-	(239,637)	(71,126)
(Decrease)/Increase in interest payable	(2,407)	188	-	-
<b>Net cash provided by/(used in) operating activities</b>	<b>(2,407)</b>	<b>53</b>	<b>62,686,757</b>	<b>(61,479)</b>
<b>Cash flows from financing activities:</b>				
Net proceeds from subscriptions of redeemable participating shares	-	-	194,520,890	17,757,491
Net payments on redemptions of redeemable participating shares	-	-	(256,514,147)	(17,746,171)
<b>Net cash (used in)/provided by financing activities</b>	<b>-</b>	<b>-</b>	<b>(61,993,257)</b>	<b>11,320</b>
<b>Net change in cash and cash equivalents</b>	<b>(2,407)</b>	<b>53</b>	<b>693,500</b>	<b>(50,159)</b>
Cash and cash equivalents at the beginning of the year/period	2,407	41,527	3,064,251	9,082,562
<b>Cash and cash equivalents at the end of the year/period</b>	<b>-</b>	<b>41,580</b>	<b>3,757,751</b>	<b>9,032,403</b>

**Supplemental disclosure of cash flow information:**

Interest received	-	-	16,554,576	57,888
Interest paid	-	-	(15,852)	(16,223)
Dividend received	-	138	-	170,204
Dividend paid	-	-	-	(612,683)

The Sub-Funds' abbreviated names as presented above are defined on page 3

<sup>(1)</sup> Lyxor Evolution Fixed Income Fund: Terminated on 28 December 2018.  
<sup>(2)</sup> Lyxor/WNT Fund: Terminated on 19 July 2021.  
<sup>(3)</sup> Lyxor/Dymon Asia Macro Fund: Terminated on 2 October 2019.  
<sup>(4)</sup> Lyxor/Academy Quantitative Global UCITS Fund: Terminated on 13 January 2020.



# LYXOR NEWCITS IRL II PLC

## STATEMENT OF CASH FLOWS For the year ended 31 December 2020

	COMPANY TOTAL USD	WNT USD	CHENAVARI USD	LUTETIA USD	EVOLUTION <sup>(1)</sup> USD	KINGDON <sup>(5)</sup> USD	WELLS USD
<b>Cash flows from operating activities:</b>							
Increase/(Decrease) in net assets attributable to holders of redeemable participating shares from operations	51,116,212	(13,357,847)	28,728,837	(6,121,384)	-	(8,486,372)	12,856,922
<b>Adjustments for:</b>							
Change in financial assets and liabilities held for trading at fair value through profit or loss	(57,716,942)	(782,746)	(30,159,575)	(592,188)	-	7,201,724	(7,170,930)
Payments on purchased investments	(2,986,720,273)	(177,764,284)	(1,327,949,248)	(63,041,793)	-	(32,283,214)	(246,451,755)
Proceeds from sold investments	3,103,486,542	492,554,604	1,286,821,580	103,141,731	-	45,112,650	242,925,925
<b>Changes in operating assets and liabilities:</b>							
(Increase)/Decrease in derivatives – net	(12,542,578)	(788,452)	(7,490,823)	(2,286,645)	-	325,798	(302,297)
Decrease/(Increase) in due from brokers	87,442,542	49,957,567	(5,254,288)	42,200,863	9	1,538,451	(397,304)
(Increase)/Decrease in interest receivable	(989,073)	807,039	(1,042,014)	-	-	-	305,544
Decrease/(Increase) in dividend receivable	37,156	-	-	38,156	-	3,682	-
Decrease/(Increase) in other receivables	2,541	13	-	(180)	-	-	-
(Decrease)/Increase in management fees payable	(493,595)	(663,391)	298,358	(311,601)	-	(90,233)	81,402
Increase/(Decrease) in performance fees payable	2,604,951	115,127	2,217,443	(64,852)	-	(161)	-
(Decrease)/Increase in due to brokers	(9,480,491)	(9,520,988)	(107,410)	-	(33)	(212,484)	-
(Decrease)/Increase in interest payable	(307,324)	-	-	(307,324)	-	-	-
Increase/(Decrease) in dividend payable	102,820	(1,726)	-	180	-	(826)	-
(Decrease)/Increase in administration fees payable	(194,845)	(342,867)	106,969	(208,303)	-	(29,077)	53,491
Increase/(Decrease) in other payables and accrued expenses	109,808	95,492	-	-	11,727	(705)	-
<b>Net cash provided by/(used in) operating activities</b>	<b>176,457,451</b>	<b>340,307,541</b>	<b>(53,830,171)</b>	<b>72,446,660</b>	<b>11,703</b>	<b>13,079,233</b>	<b>1,900,998</b>
<b>Cash flows from financing activities:</b>							
Net proceeds from subscriptions of redeemable participating shares	734,203,800	38,083,640	127,947,094	68,780,438	-	550,000	75,525,623
Net payments on redemptions of redeemable participating shares	(989,779,651)	(407,685,842)	(63,400,580)	(155,233,142)	-	(17,739,721)	(70,822,555)
<b>Net cash (used in)/provided by financing activities</b>	<b>(255,575,851)</b>	<b>(369,602,202)</b>	<b>64,546,514</b>	<b>(86,452,704)</b>	<b>-</b>	<b>(17,189,721)</b>	<b>4,703,068</b>
<b>Net change in cash and cash equivalents</b>	<b>(79,118,400)</b>	<b>(29,294,661)</b>	<b>10,716,343</b>	<b>(14,006,044)</b>	<b>11,703</b>	<b>(4,110,488)</b>	<b>6,604,066</b>
Cash and cash equivalents at the beginning of the year/period	148,618,926	30,639,488	32,082,282	16,253,937	107,119	4,110,488	4,195,546
<b>Cash and cash equivalents at the end of the year/period</b>	<b>69,500,526</b>	<b>1,344,827</b>	<b>42,798,625</b>	<b>2,247,893</b>	<b>118,822</b>	<b>-</b>	<b>10,799,612</b>

### Supplemental disclosure of cash flow information :

Interest received	25,523,547	2,046,505	4,569,649	336,550	11,599	10,408	7,227,737
Interest paid	(3,897,471)	(56,211)	(2,354,764)	(999,063)	-	(20,044)	(295,227)
Dividends received	556,645	1,666	-	403,365	-	18,759	-
Dividends paid	(769,661)	(1,726)	-	(344,421)	-	(30,714)	-

The Sub-Funds' abbreviated names as presented above are defined on page 3.

See accompanying notes to the financial statements

**LYXOR NEWCITS IRL II PLC**

**STATEMENT OF CASH FLOWS (continued)  
For the year ended 31 December 2020**

	PORTLAND <sup>(2)</sup> EUR	DYMON <sup>(3)</sup> USD	ACADEMY <sup>(4)</sup> USD	MARATHON USD	BLUESCALE USD
<b>Cash flows from operating activities:</b>					
Increase/(Decrease) in net assets attributable to holders of redeemable participating shares from operations	-	-	10,307	27,191,798	10,293,951
<b>Adjustments for:</b>					
Change in financial assets and liabilities held for trading at fair value through profit or loss	-	-	(27)	(14,873,230)	(11,339,970)
Payments on purchased investments	-	-	-	(868,707,447)	(270,522,532)
Proceeds from sold investments	-	-	99,797	713,927,704	218,902,551
<b>Changes in operating assets and liabilities:</b>					
(Increase)/Decrease in derivatives – net	-	-	4,249	(370,060)	(1,634,348)
Decrease/(Increase) in due from brokers	-	62,430	90,138	1,269,456	(2,024,780)
(Increase)/Decrease in interest receivable	-	-	-	(1,059,642)	-
Decrease/(Increase) in dividend receivable	-	-	-	-	(4,682)
Decrease/(Increase) in other receivables	2,708	-	-	-	-
(Decrease)/Increase in management fees payable	-	-	(185,963)	306,197	71,636
Increase/(Decrease) in performance fees payable	-	-	(2,126)	-	339,520
(Decrease)/Increase in due to brokers	-	-	-	-	360,424
(Decrease)/Increase in interest payable	-	-	-	-	-
Increase/(Decrease) in dividend payable	-	-	(9)	-	105,201
(Decrease)/Increase in administration fees payable	-	-	(67,084)	202,674	89,352
(Decrease)/Increase in interest payable	-	2,293	1,542	-	(541)
<b>Net cash provided by/(used in) operating activities</b>	<b>2,708</b>	<b>64,723</b>	<b>(49,176)</b>	<b>(142,112,550)</b>	<b>(55,364,218)</b>
<b>Cash flows from financing activities:</b>					
Net proceeds from subscriptions of redeemable participating shares	-	-	-	360,176,685	63,140,320
Net payments on redemptions of redeemable participating shares	-	-	(59,445,859)	(215,451,952)	-
<b>Net cash (used in)/provided by financing activities</b>	<b>-</b>	<b>-</b>	<b>(59,445,859)</b>	<b>144,724,733</b>	<b>63,140,320</b>
<b>Net change in cash and cash equivalents</b>	<b>2,708</b>	<b>64,723</b>	<b>(59,495,035)</b>	<b>2,612,183</b>	<b>7,776,102</b>
Cash and cash equivalents at the beginning of the year/period	(2,708)	(62,316)	59,536,562	452,068	1,306,460
<b>Cash and cash equivalents at the end of the year/period</b>	<b>-</b>	<b>2,407</b>	<b>41,527</b>	<b>3,064,251</b>	<b>9,082,562</b>
<b>Supplemental disclosure of cash flow information:</b>					
Interest received	10	198	90,443	11,156,770	73,676
Interest paid	(40)	-	(75,804)	(85,633)	(10,679)
Dividend received	-	-	3,873	-	128,982
Dividend paid	-	-	(9)	-	(392,791)

The Sub-Funds' abbreviated names as presented above are defined on page 3.

<sup>(1)</sup>Lyxor Evolution Fixed Income Fund: Terminated on 28 December 2018.  
<sup>(2)</sup>Lyxor/Portland Hill Fund: Terminated on 3 July 2019.  
<sup>(3)</sup>Lyxor/Dymon Asia Macro Fund: Terminated on 2 October 2019.  
<sup>(4)</sup>Lyxor/Academy Quantitative Global UCITS Fund: Terminated on 13 January 2020.  
<sup>(5)</sup>Lyxor/Kingdon Global Long-Short Equity Fund: Terminated on 30 March 2020.

*See accompanying notes to the financial statements*

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2021****1. GENERAL INFORMATION**

Lyxor Newcits IRL II plc (the “Company”) was incorporated under the laws of Ireland, pursuant to the Companies Act 2014, on 21 November 2012 with registration number 520397. It was registered as an umbrella investment company with variable capital and segregated liability between sub-funds and is authorised by the Central Bank of Ireland (“Central Bank”) as an Undertaking for Collective Investment in Transferable Securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) (“UCITS”) Regulations, 2011 (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (UCITS) Regulations 2019 (the “Central Bank UCITS Regulations” or collectively the “UCITS Regulations”). The Directors may establish additional sub-funds, subject to the prior approval of the Central Bank.

As at 31 December 2021, the Company has 11 Sub-Funds: 5 active, 6 terminated (31 December 2020: 12 Sub-Funds: 6 active, 6 terminated). The terminated Sub-Funds remained authorised by the Central Bank as at year-end. One of the active Sub-Funds and three of the terminated Sub-Funds were not Swiss registered.

<b>Sub-Fund</b>	<b>Launch date</b>	<b>Termination date</b>
Lyxor/WNT Fund	23 January 2013	19 July 2021
Lyxor/Chenavari Credit Fund	18 June 2015	-
Lutetia Merger Arbitrage Fund	2 July 2015	-
Lyxor Evolution Fixed Income Fund	26 July 2016	28 December 2018
Kingdon Global Long-Short Equity Fund	8 August 2016	30 March 2020
Lyxor/Wells Capital Financial Credit Fund	15 September 2016	-
Lyxor/Portland Hill Fund	21 November 2017	3 July 2019
Lyxor/Dymon Asia Macro Fund	10 April 2018	2 October 2019
Lyxor/Academy Quantitative Global UCITS Fund	20 March 2019	13 January 2020
Lyxor/Marathon Emerging Markets Bond Fund	28 March 2019	-
Lyxor/Bluescale Global Equity Alpha Fund	18 December 2019	-

The Sub-Funds above are referred to as “Sub-Fund” or collectively “Sub-Funds” throughout these financial statements.

The investment objectives of the active Sub-Funds are set out below:

**Lyxor/Chenavari Credit Fund**

The investment objective of the Sub-Fund is to (i) seek medium term capital appreciation by analysing trading and/or investment opportunities (such as market inefficiencies where current prices do not reflect fair valuation, arbitrage situations to benefit from temporary unjustified valuation difference between maturities predominantly in credit markets) and (ii) benefit from trends, price movements and price volatilities where the current market valuation does not reflect the embedded value (fundamental and structural) as perceived by the sub-investment manager.

**Lutetia Merger Arbitrage Fund**

The investment objective of the Sub-Fund is to outperform the interest rate on the overnight interbank market in euros (EONIA - *Euro Overnight Index Average*) over a recommended investment horizon of three years, by actively investing in or obtaining exposure to the equity markets (primarily recognised markets in Europe and North America and to a lesser extent in other OECD - *Organisation for Economic Co-operation and Development* countries), primarily in the context of merger and acquisition transactions.

**Lyxor/Wells Capital Financial Credit Fund**

The investment objective of the Sub-Fund is to seek capital appreciation with superior returns over EURIBOR. EURIBOR is based on average interest rates established by a panel of around 50 European banks that lend and borrow from each other.

**Lyxor/Marathon Emerging Markets Bond Fund**

The Sub-Fund’s investment objective is to outperform the J.P. Morgan EMBI Global Diversified Index, the benchmark index over the medium to long term.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2021**

**1. GENERAL INFORMATION (continued)**

**Lyxor/Bluescale Global Equity Alpha Fund**

The Sub-Fund's investment objective is to seek capital appreciation over the medium to long term.

All of the Sub-Funds may achieve their investment objectives by investing in financial derivative instruments ("FDI"), which may be complex and sophisticated in nature. The detailed investment strategies of the Sub-Funds are discussed in their respective Supplements. There can be no assurance that the Sub-Funds will achieve their investment objectives.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and IFRS Interpretations Committee ("IFRS IC") interpretations as adopted by the EU and those parts of the Companies Act 2014 applicable to companies reporting under IFRS as adopted by the EU. These financial statements are also prepared in accordance with the UCITS Regulations.

The accounting policies set out below have been consistently applied in preparing these financial statements for the year ended 31 December 2021. The comparative information for the year ended 31 December 2020 have been prepared on a consistent basis.

These financial statements have been prepared on a going concern basis except for the terminated Sub-Funds, as discussed below. The Company has the resources to continue in business for the foreseeable future (refer to Note 10 Liquidity risk section and Note 21 Subsequent events).

As at 31 December 2021, following the termination of the Lyxor/WNT Fund during the year and the termination of the Lyxor/Academy Quantitative Global UCITS Fund, Lyxor/Dymon Asia Macro Fund and Lyxor Evolution Fixed Income Fund in the prior years; the assets of these closed Sub-Funds were classified as current and were stated at estimated recoverable amounts and all liabilities were classified as falling due within one year and were stated at net settlement value which approximated the fair value of the assets and liabilities. The financial statements of the terminated Sub-Funds were prepared on a non-going concern basis.

Subsequent to year end, the Lutetia Merger Arbitrage Fund was also terminated with all of its redeemable participating shares fully redeemed on 28 January 2022. The financial statements of the Sub-Fund were also prepared on a non-going concern basis.

**(b) Basis of aggregation**

The financial statements include the aggregated assets, liabilities, revenues and expenses of the Company and its Sub-Funds. The financial statements of the Company as a whole are presented in USD (Note 2(h)(i)).

**(c) Basis of measurement**

The financial statements have been prepared on a historical cost basis, except for financial assets and liabilities classified at fair value through profit or loss that have been measured at fair value.

**(d) Use of judgment and estimates**

The preparation of financial statements in conformity with IFRS as adopted by the EU, requires the use of certain critical accounting judgment and estimates. It also requires the Board of Directors (the "Board"), based on the advice of the Investment Manager, to exercise its judgement and make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses in the financial statements and accompanying notes. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in future years affected. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ from those estimates materially. Key estimate relates to the determination of fair values (Note 4).

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Standards, amendments and interpretations that are effective 1 January 2021 and have been adopted by the Company**

*Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16*

In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one.

The Phase 2 amendments provide the following reliefs:

- . When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement.
- . The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

Affected entities need to disclose information about the nature and extent of risks arising from IBOR reform to which the entity is exposed, how the entity manages those risks, and the entity's progress in completing the transition to alternative benchmark rates and how it is managing that transition.

Given the pervasive nature of IBOR-based contracts, the reliefs could affect companies in all industries.

The above amendment is not expected to have a significant impact on the Sub-Funds.

**(f) Standards, amendments and interpretations in issue that are not yet effective and have not been early adopted by the Company**

*Reference to the Conceptual Framework – Amendments to IFRS 3 (Effective 1 January 2022)*

Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and Interpretation 21 *Leases*. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

*Annual Improvements to IFRS Standards 2018-2020 (Effective 1 January 2022)*

The following improvements were finalised in May 2020:

- IFRS 9 Financial Instruments - clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
- IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.
- IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in the standard to discount cash flows on a posttax basis.

*Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (Effective 1 January 2023)*

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 *Making Materiality Judgements* to provide guidance on how to apply the concept of materiality to accounting policy disclosures.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) Standards, amendments and interpretations in issue that are not yet effective and have not been early adopted by the Company (continued)**

*Definition of Accounting Estimates – Amendments to IAS 8 (Effective 1 January 2023)*

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

*Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (Effective 1 January 2023)*

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the ‘settlement’ of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management’s intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

In July 2021, the Board agreed to publish an exposure draft in the fourth quarter of 2021 that would modify the requirements introduced by these amendments.

There are no new standards, interpretations or amendments to existing standards that are effective that is expected to have a significant impact on the Sub-Funds.

**(g) Financial instruments**

*(i) Classification*

In accordance with IFRS 9, Financial Instruments, (“IFRS 9”) the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

*Financial assets*

The Company classifies its financial assets as subsequently measured at fair value through profit or loss (“FVTPL”) or measured at amortised cost on the basis of both:

- (a) The Company’s business model for managing the financial assets
- (b) The contractual cash flow characteristics of the financial asset

*Financial assets measured at FVTPL*

A financial asset is measured at FVTPL if any of the following is met:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell
- (c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**


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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)****(g) Financial instruments (continued)**

The Company includes in this category equity securities and debt securities which are acquired principally for the purpose of generating a profit from short-term fluctuations in price. Debt securities include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains. The collection of contractual cash flows from debt securities is only incidental to achieving the Company's business model's objective. This category also includes derivative contracts in an asset position. The equity securities, debt securities and derivative contracts are held for trading and therefore classified mandatorily at FVTPL.

*Financial assets measured at amortised cost*

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company includes in this category cash and cash equivalents, due from brokers and other short-term receivables. Their carrying value, measured at amortised cost less any expected loss, is an approximation of fair value given their short-term nature.

Financial liabilities*Financial liabilities measured at FVTPL*

A financial liability is measured at FVTPL if it meets the definition of held for trading. The Company includes in this category, equity securities and debt securities sold short, if any, and derivative contracts in a liability position as they are classified as held for trading. The Company also includes its redeemable participating shares in this category. The Company's accounting policy regarding the redeemable participating shares is described in Note 2(m).

*Financial liabilities measured at amortised cost*

This category includes all financial liabilities other than those measured at fair value through profit or loss. The Company includes in this category bank overdraft, due to brokers and other short-term payables. Their carrying value, measured at amortised cost, is an approximation of fair value given their short-term nature.

*(ii) Recognition and initial measurement*

Financial assets and liabilities at fair value through profit and loss are recognised initially on the trade date at which the Company becomes a party to contracted provisions of the instruments. Other financial assets and liabilities are recognised on the date they originated.

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in the profit and loss. Financial assets or financial liabilities not at fair value through profit and loss are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

*(iii) Subsequent measurement*

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss at fair value (Note 4).

Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at FVTPL in the Statement of Comprehensive Income. Dividend and interest on financial assets and liabilities at FVTPL are presented separately in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****2. SIGNIFICANT ACCOUNTING POLICIES (continued)****(g) Financial instruments (continued)***(iv) Derecognition*

A financial asset is derecognised when the Company no longer has control over the contractual rights that comprise that asset. This occurs when the contractual rights to the cash flow from the asset expire or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. A financial liability is derecognised when it is extinguished or when the obligation specified in the contract is discharged, cancelled or expired.

*(v) Impairment of financial assets measured at amortised cost*

The Company holds financial assets at amortised cost, with no financing component and which have maturities of less than 12 months and as such, has chosen to apply the simplified approach for expected credit losses (ECLs) under IFRS 9 to all its financial assets at amortised cost. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company assesses the ECLs of groups of financial assets based on days past due and similar loss patterns. Any historical observed loss rates are adjusted for forward-looking estimates and applied over the expected life of the financial assets (refer to Note 10, Credit risk section).

**(h) Foreign currencies***(i) Functional and presentation currency*

Items included in the Sub-Funds' financial statements are measured using the currency of the primary economic environment in which they operate (the "functional currency"). If indicators of the primary economic environment are mixed, management uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The United States Dollar ("USD") is the functional and presentation currency of the active Sub-Funds and the Company.

The investment transactions are primarily denominated in the Sub-Funds' functional currency. The expenses (including management fees, performance fees and administration fees) are denominated and paid mostly in the Sub-Funds' functional currency.

*(ii) Foreign currency transactions*

Monetary assets and liabilities denominated in currencies other than the Sub-Funds' functional currencies are translated into their functional currencies at the closing rates of exchange at each year end. Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency translation gains and losses on investments are included in net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income. Other foreign exchange differences on cash and cash equivalents, if any, are included within net gain/(loss) on foreign exchange in the Statement of Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated in the Sub-Funds' functional currencies using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(i) Cash and cash equivalents/Bank overdrafts**

Cash comprises cash deposits on demand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investments or other purposes, with original maturities of three months or less. Bank overdrafts, if any, are shown as liabilities in the Statement of Financial Position.

**(j) Due from/to brokers**

Due from brokers include margin accounts and receivables for securities sold (in a regular way transaction) that have been contracted for but not yet delivered on the Statement of Financial Position date. Margin accounts represent cash deposits held with brokers as collateral against open derivative contracts.

Due to brokers include margin accounts and payables for securities purchased (in a regular way transaction) that have been contracted for but not yet settled on the Statement of Financial Position date. Margin accounts represent cash from brokers for derivative contracts.

These amounts are recognised initially at fair value and subsequently measured at amortised cost less impairment for due from brokers account, if any, at year end.

**(k) Subscriptions receivable and redemptions payable**

Subscriptions receivable represents subscriptions where shares have been issued but cash has yet been received from the investor. Redemptions payable represents redemptions where shares have been redeemed but cash has yet been paid to investor. Subscriptions receivable and redemptions payable are presented in the Statement of Financial Position.

**(l) Net asset value per redeemable participating share**

The net asset value ("NAV") per share disclosed on the Statement of Financial Position is calculated, in accordance with IFRS as adopted by the EU and the Company's Prospectus and Supplements, by dividing the net assets attributable to each share class by the number of redeemable participating shares outstanding at year end. Subscriber shares do not have a residual interest in the net assets of the Company and therefore do not affect the calculation of the NAV per redeemable participating share of the Sub-Funds.

**(m) Redeemable participating shares**

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities in accordance with IAS 32, Financial Instruments: Presentation. Redeemable participating shares are issued and redeemed at prices based on the Sub-Funds' NAV per redeemable participating share at the time of issue or redemption.

From 10 June 2021 onwards, redeemable participating shares were redeemable daily for the Lyxor/Wells Capital Financial Credit Fund, Lyxor/Marathon Emerging Markets Bond Fund, Lyxor/Bluescale Global Equity Alpha Fund and Lyxor/Chenavari Credit Fund. In the prior year up to 9 June 2021, the redeemable participating shares were redeemable weekly for the Lyxor/Chenavari Credit Fund. During the year, up to their termination, the redeemable participating shares were redeemable daily for Lyxor/WNT Fund and weekly for Lutetia Merger Arbitrage Fund.

**(n) Distribution to shareholders**

Dividend distribution to the shareholders is recognised as a liability in the financial statements in the period in which the dividends are declared. It is not intended to declare any dividends in respect of any issued share classes of the Sub-Funds.

**(o) Realised and unrealised gains and losses**

All realised and unrealised gains and losses from fair value changes and foreign exchange differences on investments are recognised on a first-in-first-out basis and included within net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(p) Interest income and expense, and interest on financial assets and liabilities at fair value through profit or loss**

Interest is recognised on a time-proportionate basis using the effective interest method.

Interest income and expense include interest from cash and cash equivalents. Interest on financial assets and liabilities at fair value through profit or loss includes interest from debt securities and derivatives.

**(q) Dividend income and expense**

Dividend income is recognised when the right to receive payment is established and presented in the Statement of Comprehensive Income on the dates on which the relevant securities are listed as “ex-dividend”. Dividend income is shown gross of any withholding taxes, which are disclosed separately in the Statement of Comprehensive Income.

Dividend expense on equity derivatives is disclosed separately in the Statement of Comprehensive Income.

**(r) Transaction costs**

Transaction costs are costs incurred to acquire financial assets and liabilities at fair value through profit or loss. These include broker charges and commission. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense.

**(s) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**(t) Taxation**

Under current law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a “chargeable event”. A chargeable event includes any distribution payments to shareholder or any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year period beginning with the acquisition of such shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

- A shareholder who is neither Irish resident and not ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act 1997, as amended, are held by the Company; or the Company has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations and;
- Certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**3. FINANCIAL ASSETS AND LIABILITIES**

The following table details the types of financial assets and liabilities held by the Company as at 31 December 2021:

	COMPANY TOTAL USD	CHENAVARI USD	LUTETIA USD	WELLS USD	MARATHON USD	BLUESCALE USD
<b>Financial assets at fair value through profit or loss:</b>						
<i>Investment in securities</i>						
Debt securities	988,317,035	508,853,909	1,364,758	129,048,529	292,126,393	56,923,446
Listed equity securities	458,984	-	-	-	-	458,984
Mutual fund	40	-	40	-	-	-
<b>Total Investment in securities</b>	<b>988,776,059</b>	<b>508,853,909</b>	<b>1,364,798</b>	<b>129,048,529</b>	<b>292,126,393</b>	<b>57,382,430</b>
<i>Financial derivative instruments</i>						
Listed options	7,150	7,150	-	-	-	-
Total return swaps	540,385	540,385	-	-	-	-
Credit default swaps	1,764,817	1,764,817	-	-	-	-
Equity swaps	1,854,121	-	-	-	-	1,854,121
Contracts for difference	198,977	-	198,977	-	-	-
Futures contracts	886,210	886,210	-	-	-	-
Foreign currency forwards	7,090,540	4,959,823	467	494,541	1,363,186	272,523
Swaptions	167,818	167,818	-	-	-	-
<b>Total Financial derivative instruments</b>	<b>12,510,018</b>	<b>8,326,203</b>	<b>199,444</b>	<b>494,541</b>	<b>1,363,186</b>	<b>2,126,644</b>
<b>Total financial assets at fair value through profit or loss</b>	<b>1,001,286,077</b>	<b>517,180,112</b>	<b>1,564,242</b>	<b>129,543,070</b>	<b>293,489,579</b>	<b>59,509,074</b>
<b>Financial liabilities at fair value through profit or loss:</b>						
<i>Financial derivative instruments</i>						
Listed options	-	-	-	-	-	-
Credit default swaps	11,072,065	10,391,102	-	680,963	-	-
Total return swaps	670,303	670,303	-	-	-	-
Equity swaps	1,854,489	-	-	-	-	1,854,489
Contracts for difference	70,009	-	70,009	-	-	-
Futures contracts	23,827	23,827	-	-	-	-
Foreign currency forwards	5,373,379	4,355,039	5	762,280	5,719	250,336
Swaptions	77,775	77,775	-	-	-	-
<b>Total Financial derivative instruments</b>	<b>19,141,847</b>	<b>15,518,046</b>	<b>70,014</b>	<b>1,443,243</b>	<b>5,719</b>	<b>2,104,825</b>
<b>Total financial liabilities at fair value through profit or loss</b>	<b>19,141,847</b>	<b>15,518,046</b>	<b>70,014</b>	<b>1,443,243</b>	<b>5,719</b>	<b>2,104,825</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**3. FINANCIAL ASSETS AND LIABILITIES**

The following table details the types of financial assets and liabilities held by the Company as at 31 December 2020:

	COMPANY TOTAL USD	WNT USD	CHENAVARI USD	LUTETIA USD	WELLS USD	MARATHON USD	BLUESCALE USD
<b>Financial assets at fair value through profit or loss:</b>							
<i>Investment in securities</i>							
Debt securities	752,315,208	4,937,211	166,980,084	12,106,725	127,435,366	370,718,197	70,137,625
Listed equity securities	235,428	-	-	235,428	-	-	-
Mutual fund	40	-	-	40	-	-	-
<b>Total Investment in securities</b>	<b>752,550,676</b>	<b>4,937,211</b>	<b>166,980,084</b>	<b>12,342,193</b>	<b>127,435,366</b>	<b>370,718,197</b>	<b>70,137,625</b>
<i>Financial derivative instruments</i>							
Listed options	258,076	-	258,076	-	-	-	-
Total return swaps	136,682	-	136,682	-	-	-	-
Credit default swaps	292,358	-	292,358	-	-	-	-
Equity swaps	4,392,942	-	-	-	-	-	4,392,942
Contracts for difference	1,156,635	-	-	1,156,635	-	-	-
Futures contracts	390,634	390,634	-	-	-	-	-
Foreign currency forwards	5,693,054	369,687	2,388,370	281,956	1,422,355	573,171	657,515
Swaptions	414,502	-	414,502	-	-	-	-
<b>Total Financial derivative instruments</b>	<b>12,734,883</b>	<b>760,321</b>	<b>3,489,988</b>	<b>1,438,591</b>	<b>1,422,355</b>	<b>573,171</b>	<b>5,050,457</b>
<b>Total financial assets at fair value through profit or loss</b>	<b>765,285,559</b>	<b>5,697,532</b>	<b>170,470,072</b>	<b>13,780,784</b>	<b>128,857,721</b>	<b>371,291,368</b>	<b>75,188,082</b>
<b>Financial liabilities at fair value through profit or loss:</b>							
<i>Financial derivative instruments</i>							
Listed options	-	-	-	-	-	-	-
Credit default swaps	4,766,683	-	4,766,683	-	-	-	-
Total return swaps	1,049,580	-	1,049,580	-	-	-	-
Equity swaps	2,534,194	-	-	-	-	-	2,534,194
Contracts for difference	1,093,561	-	-	1,093,561	-	-	-
Futures contracts	47,949	31,276	16,673	-	-	-	-
Foreign currency forwards	6,807,289	35,878	3,214,493	89,589	2,499,100	9,706	958,523
Swaptions	236,620	-	236,620	-	-	-	-
<b>Total Financial derivative instruments</b>	<b>16,535,876</b>	<b>67,154</b>	<b>9,284,049</b>	<b>1,183,150</b>	<b>2,499,100</b>	<b>9,706</b>	<b>3,492,717</b>
<b>Total financial liabilities at fair value through profit or loss</b>	<b>16,535,876</b>	<b>67,154</b>	<b>9,284,049</b>	<b>1,183,150</b>	<b>2,499,100</b>	<b>9,706</b>	<b>3,492,717</b>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2021**

**4. FAIR VALUE ESTIMATION**

The Company adopted a hierarchical disclosure framework which prioritises and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

The fair value hierarchy has the following levels as defined by IFRS 13, Fair Value Measurement:

**Level 1 - Quoted market price**

Quoted prices are available in active markets for identical investments from market sources as of the reporting date. When fair values of listed equity and debt securities as well as publicly traded derivatives at 31 December 2021 and 31 December 2020 are based on quoted market prices or binding dealer price quotations, without any deduction for transaction costs, the instruments are included in Level 1 of the hierarchy.

**Level 2 - Valuation technique using observable inputs**

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices).

**Level 3 - Valuation technique with significant unobservable inputs**

Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant judgment or estimation.

For all other financial instruments, fair value is determined using valuation techniques including the models developed internally by the independent Administrator and broker quotes. In instances where the Administrator, in the opinion of the Sub-Fund's portfolio manager, has been unable to obtain a fair value price, the Investment Manager determines the fair value of such financial instruments.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Changes in the observability of valuation inputs may result in a reclassification for certain financial assets or liabilities.

The Company invests in debt securities for which transactions may not occur on a regular basis. Investments in the debt securities are valued based on quoted market prices or binding dealer price quotations without any deduction for transaction costs.

Transfers between different levels of the fair value hierarchy are deemed to have occurred as of the beginning of the reporting period.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

## 4. FAIR VALUE ESTIMATION (continued)

The following tables analyse within the fair value hierarchy the Sub-Funds' financial assets and liabilities measured at fair value as at year end:

## Lyxor/WNT Fund

## 31 December 2021

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	-	-	-	-
<i>Financial derivative instruments</i>				
Futures contracts	-	-	-	-
Foreign currency forwards	-	-	-	-
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Futures contracts	-	-	-	-
Foreign currency forwards	-	-	-	-
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 31 December 2020

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	4,937,211	-	-	4,937,211
<i>Financial derivative instruments</i>				
Futures contracts	390,634	-	-	390,634
Foreign currency forwards	-	369,687	-	369,687
<b>Total financial assets at fair value through profit or loss</b>	<b>5,327,845</b>	<b>369,687</b>	<b>-</b>	<b>5,697,532</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Futures contracts	31,276	-	-	31,276
Foreign currency forwards	-	35,878	-	35,878
<b>Total financial liabilities at fair value through profit or loss</b>	<b>31,276</b>	<b>35,878</b>	<b>-</b>	<b>67,154</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

## 4. FAIR VALUE ESTIMATION (continued)

## Lyxor/Chenavari Credit Fund

31 December 2021	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	99,996,973	408,856,936	-	508,853,909
<i>Financial derivative instruments</i>				
Credit default swaps	-	1,764,817	-	1,764,817
Total return swaps	-	540,385	-	540,385
Listed options	7,150	-	-	7,150
Futures contracts	886,210	-	-	886,210
Foreign currency forwards	-	4,959,823	-	4,959,823
Swaptions	-	167,818	-	167,818
<b>Total financial assets at fair value through profit or loss</b>	<b>100,890,333</b>	<b>416,289,779</b>	<b>-</b>	<b>517,180,112</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Total return swaps	-	670,303	-	670,303
Futures contracts	23,827	-	-	23,827
Credit default swaps	-	10,391,102	-	10,391,102
Foreign currency forwards	-	4,355,039	-	4,355,039
Swaptions	-	77,775	-	77,775
<b>Total financial liabilities at fair value through profit or loss</b>	<b>23,827</b>	<b>15,494,219</b>	<b>-</b>	<b>15,518,046</b>
<b>31 December 2020</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	4,999,897	161,980,187	-	166,980,084
<i>Financial derivative instruments</i>				
Credit default swaps	-	292,358	-	292,358
Total return swaps	-	136,682	-	136,682
Listed options	258,076	-	-	258,076
Foreign currency forwards	-	2,388,370	-	2,388,370
Swaptions	-	414,502	-	414,502
<b>Total financial assets at fair value through profit or loss</b>	<b>5,257,973</b>	<b>165,212,099</b>	<b>-</b>	<b>170,470,072</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Total return swaps	-	1,049,580	-	1,049,580
Futures contracts	16,673	-	-	16,673
Credit default swaps	-	4,766,683	-	4,766,683
Foreign currency forwards	-	3,214,493	-	3,214,493
Swaptions	-	236,620	-	236,620
<b>Total financial liabilities at fair value through profit or loss</b>	<b>16,673</b>	<b>9,267,376</b>	<b>-</b>	<b>9,284,049</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

## 4. FAIR VALUE ESTIMATION (continued)

## Lutetia Merger Arbitrage Fund

31 December 2021	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	1,364,758	-	-	1,364,758
Mutual fund	40	-	-	40
<i>Financial derivative instruments</i>				
Contracts for difference	112,020	-	86,957	198,977
Foreign currency forwards	-	467	-	467
<b>Total financial assets at fair value through profit or loss</b>	<b>1,476,818</b>	<b>467</b>	<b>86,957</b>	<b>1,564,242</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Contracts for difference	70,009	-	-	70,009
Foreign currency forwards	-	5	-	5
<b>Total financial liabilities at fair value through profit or loss</b>	<b>70,009</b>	<b>5</b>	<b>-</b>	<b>70,014</b>
<b>31 December 2020</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	12,106,725	-	-	12,106,725
Mutual fund	40	-	-	40
Equity securities	235,428	-	-	235,428
<i>Financial derivative instruments</i>				
Contracts for difference	1,069,678	-	86,957	1,156,635
Foreign currency forwards	-	281,956	-	281,956
<b>Total financial assets at fair value through profit or loss</b>	<b>13,411,871</b>	<b>281,956</b>	<b>86,957</b>	<b>13,780,784</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Contracts for difference	1,093,561	-	-	1,093,561
Foreign currency forwards	-	89,589	-	89,589
<b>Total financial liabilities at fair value through profit or loss</b>	<b>1,093,561</b>	<b>89,589</b>	<b>-</b>	<b>1,183,150</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

## 4. FAIR VALUE ESTIMATION (continued)

## Lyxor/Wells Capital Financial Credit Fund

31 December 2021	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	-	129,048,529	-	129,048,529
<i>Financial derivative instruments</i>				
Foreign currency forwards	-	494,541	-	494,541
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>129,543,070</b>	<b>-</b>	<b>129,543,070</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Credit default swaps	-	680,963	-	680,963
Foreign currency forwards	-	762,280	-	762,280
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>1,443,243</b>	<b>-</b>	<b>1,443,243</b>
<b>31 December 2020</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	-	127,435,366	-	127,435,366
<i>Financial derivative instruments</i>				
Foreign currency forwards	-	1,422,355	-	1,422,355
<b>Total financial assets at fair value through profit or loss</b>	<b>-</b>	<b>128,857,721</b>	<b>-</b>	<b>128,857,721</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Foreign currency forwards	-	2,499,100	-	2,499,100
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>2,499,100</b>	<b>-</b>	<b>2,499,100</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**4. FAIR VALUE ESTIMATION (continued)**

**Lyxor/Marathon Emerging Markets Bond Fund**

<b>31 December 2021</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	246,457,595	45,668,798	-	292,126,393
<i>Financial derivative instruments</i>				
Foreign currency forwards	-	1,363,186	-	1,363,186
<b>Total financial assets at fair value through profit or loss</b>	<b>246,457,595</b>	<b>47,031,984</b>	<b>-</b>	<b>293,489,579</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Foreign currency forwards	-	5,719	-	5,719
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>5,719</b>	<b>-</b>	<b>5,719</b>
<b>31 December 2020</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	318,004,282	52,713,915	-	370,718,197
<i>Financial derivative instruments</i>				
Foreign currency forwards	-	573,171	-	573,171
<b>Total financial assets at fair value through profit or loss</b>	<b>318,004,282</b>	<b>53,287,086</b>	<b>-</b>	<b>371,291,368</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Foreign currency forwards	-	9,706	-	9,706
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>9,706</b>	<b>-</b>	<b>9,706</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

## 4. FAIR VALUE ESTIMATION (continued)

## Lyxor/Bluescale Global Equity Alpha Fund

31 December 2021	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	56,923,446	-	-	56,923,446
Equity securities	458,984	-	-	458,984
<i>Financial derivative instruments</i>				
Equity swaps	-	1,854,121	-	1,854,121
Foreign currency forwards	-	272,523	-	272,523
<b>Total financial assets at fair value through profit or loss</b>	<b>57,382,430</b>	<b>2,126,644</b>	<b>-</b>	<b>59,509,074</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Equity swaps	-	1,854,489	-	1,854,489
Foreign currency forwards	-	250,336	-	250,336
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>2,104,825</b>	<b>-</b>	<b>2,104,825</b>
<b>31 December 2020</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss:</b>				
<i>Investment in securities</i>				
Debt securities	70,137,625	-	-	70,137,625
<i>Financial derivative instruments</i>				
Equity swaps	-	4,392,942	-	4,392,942
Foreign currency forwards	-	657,515	-	657,515
<b>Total financial assets at fair value through profit or loss</b>	<b>70,137,625</b>	<b>5,050,457</b>	<b>-</b>	<b>75,188,082</b>
<b>Financial liabilities at fair value through profit or loss:</b>				
<i>Financial derivative instruments</i>				
Equity swaps	-	2,534,194	-	2,534,194
Foreign currency forwards	-	958,523	-	958,523
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>3,492,717</b>	<b>-</b>	<b>3,492,717</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****4. FAIR VALUE ESTIMATION (continued)**

The following tables present the movement in the Level 3 financial instruments for the year end by class of financial instruments:

**Lyxor/Lutetia Merger Arbitrage Fund****31 December 2021**

	<b>Contracts for difference USD</b>	<b>Total USD</b>
<b>Financial assets</b>		
<b>Fair value as of 1 January</b>	86,957	86,957
Unrealised gain/(loss)	-	-
<b>Fair value as of 31 December</b>	<b>86,957</b>	<b>86,957</b>
<b>Unrealised gain/(loss) on Level 3 financial instruments as of 31 December</b>	<b>-</b>	<b>-</b>

**31 December 2020**

	<b>Contracts for difference USD</b>	<b>Total USD</b>
<b>Financial assets</b>		
<b>Fair value as of 1 January</b>	-	-
Unrealised gain/(loss)	86,957	86,957
<b>Fair value as of 31 December</b>	<b>86,957</b>	<b>86,957</b>
<b>Unrealised gain/(loss) on Level 3 financial instruments as of 31 December</b>	<b>86,957</b>	<b>86,957</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**5. GAINS AND LOSSES ON FINANCIAL ASSETS AND LIABILITIES**

The following table details the gains and losses on financial assets and liabilities for the year ended 31 December 2021:

	COMPANY TOTAL USD	WNT <sup>(4)</sup> USD	CHENAVARI USD	LUTETIA USD	EVOLUTION <sup>(1)</sup> USD
Net realised gain/(loss) on investments in securities	8,430,474	3,323	7,689,902	(4,234)	-
Net change in unrealised gain/(loss) on investments in securities	(48,824,140)	(2,108)	(19,612,935)	(5,942)	-
Net realised gain/(loss) on financial derivative instruments	(9,308,485)	458,148	1,983,301	302,189	-
Net change in unrealised gain/(loss) on financial derivative instruments	(98,582)	(354,353)	2,114,243	65,894	-
Net realised gain/(loss) on forward currency contracts*	(20,864,438)	76,244	(10,727,785)	(298,472)	-
Net change in unrealised gain/(loss) on forward currency contracts*	2,831,395	(333,809)	1,430,908	(191,905)	-
<b>Net gain/(loss) on financial assets and liabilities at fair value through profit or loss</b>	<b>(67,833,776)</b>	<b>(152,555)</b>	<b>(17,122,366)</b>	<b>(132,470)</b>	<b>-</b>
Net realised gain/(loss) on foreign exchange	(1,394,896)	(61,942)	(1,871,861)	86,649	16
Net change in unrealised gain/(loss) on foreign exchange	1,268	40,260	(9,472)	(43,199)	(52)
<b>Net gain/(loss) on foreign exchange</b>	<b>(1,393,628)</b>	<b>(21,682)</b>	<b>(1,881,333)</b>	<b>43,450</b>	<b>(36)</b>

	WELLS USD	DYMON <sup>(2)</sup> USD	ACADEMY <sup>(3)</sup> USD	MARATHON USD	BLUESCALE USD
Net realised gain/(loss) on investments in securities	3,150,399	-	-	(2,575,970)	167,054
Net change in unrealised gain/(loss) on investments in securities	(8,336,130)	-	-	(20,882,823)	15,798
Net realised gain/(loss) on financial derivative instruments	(239,647)	-	-	-	(11,812,476)
Net change in unrealised gain/(loss) on financial derivative instruments	(50,431)	-	-	-	(1,873,935)
Net realised gain/(loss) on forward currency contracts*	(3,455,222)	-	-	(5,861,393)	(597,810)
Net change in unrealised gain/(loss) on forward currency contracts*	809,005	-	-	794,001	323,195
<b>Net gain/(loss) on financial assets and liabilities at fair value through profit or loss</b>	<b>(8,122,026)</b>	<b>-</b>	<b>-</b>	<b>(28,526,185)</b>	<b>(13,778,174)</b>
Net realised gain/(loss) on foreign exchange	171,345	-	-	241,903	38,994
Net change in unrealised gain/(loss) on foreign exchange	28,485	18	(2)	14,727	(29,497)
<b>Net gain/(loss) on foreign exchange</b>	<b>199,830</b>	<b>18</b>	<b>(2)</b>	<b>256,630</b>	<b>9,497</b>

\*The above gains/(losses) on forward currency contracts includes those related to foreign exchange contracts placed for share class hedging purposes.

<sup>(1)</sup>Lyxor Evolution Fixed Income Fund: Terminated on 28 December 2018. Gains and losses relate to cash and cash equivalents held by the Sub-Fund during the year.

<sup>(2)</sup>Lyxor/Dymon Asia Macro Fund: Terminated on 2 October 2019. Gains and losses pertain to undisposed investments and cash and cash equivalents held by the Sub-Fund during the year.

<sup>(3)</sup>Lyxor/Academy Quantitative Global UCITS Fund: Terminated on 13 January 2020. Gains and losses relate to cash and cash equivalents held by the Sub-Fund during the year.

<sup>(4)</sup>Lyxor/WNT Fund: Terminated on 19 July 2021. Includes gains and losses relating to cash and cash equivalents and other assets and liabilities held by the Sub-Fund post termination.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**5. GAINS AND LOSSES ON FINANCIAL ASSETS AND LIABILITIES**

The following table details the gains and losses on financial assets and liabilities for the year ended 31 December 2020:

	COMPANY TOTAL USD	WNT USD	CHENAVARI USD	LUTETIA USD	EVOLUTION <sup>(1)</sup> USD	KINGDON <sup>(4)</sup> USD
Net realised gain/(loss) on investments in securities	40,834,451	652,717	22,634,787	6,958,196	-	(4,765,960)
Net change in unrealised gain/(loss) on investments in securities	17,164,099	(476,168)	7,636,828	(6,386,883)	-	(2,435,764)
Net realised gain/(loss) on financial derivative instruments	(17,128,272)	(5,309,317)	1,340,150	(9,864,053)	-	(883,356)
Net change in unrealised gain/(loss) on financial derivative instruments	8,612,659	4,661,340	(937,664)	3,215,374	-	(266,495)
Net realised gain/(loss) on forward currency contracts*	2,463,692	(5,541,500)	1,926,935	1,139,678	-	53,538
Net change in unrealised gain/(loss) on forward currency contracts*	(6,835,146)	(3,820,011)	(1,142,019)	(928,730)	-	15,767
<b>Net gain/(loss) on financial assets and liabilities at fair value through profit or loss</b>	<b>45,111,483</b>	<b>(9,832,939)</b>	<b>31,459,017</b>	<b>(5,866,418)</b>	<b>-</b>	<b>(8,282,270)</b>
Net realised gain/(loss) on foreign exchange	(2,353,218)	(2,295,160)	549,252	115,895	(6)	2,834
Net change in unrealised gain/(loss) on foreign exchange	484,092	(163,695)	33,631	631,594	4	837
<b>Net gain/(loss) on foreign exchange</b>	<b>(1,869,126)</b>	<b>(2,458,855)</b>	<b>582,883</b>	<b>747,489</b>	<b>(2)</b>	<b>3,671</b>

	WELLS USD	DYMON <sup>(2)</sup> USD	ACADEMY <sup>(3)</sup> USD	MARATHON USD	BLUESCALE USD
Net realised gain/(loss) on investments in securities	(570,182)	-	99,797	4,149,882	11,675,214
Net change in unrealised gain/(loss) on investments in securities	7,860,868	-	(99,770)	11,170,274	(105,286)
Net realised gain/(loss) on financial derivative instruments	(1,387,125)	21,401	11	-	(1,045,983)
Net change in unrealised gain/(loss) on financial derivative instruments	(1,881)	(22,852)	-	-	1,964,837
Net realised gain/(loss) on forward currency contracts*	3,945,922	(78)	2,100	1,595,810	(658,713)
Net change in unrealised gain/(loss) on forward currency contracts*	(1,027,713)	-	(4,249)	370,060	(298,251)
<b>Net gain/(loss) on financial assets and liabilities at fair value through profit or loss</b>	<b>8,819,889</b>	<b>(1,529)</b>	<b>(2,111)</b>	<b>17,286,026</b>	<b>11,531,818</b>
Net realised gain/(loss) on foreign exchange	(800,111)	92	(1,340)	767	74,559
Net change in unrealised gain/(loss) on foreign exchange	(14,415)	100	(1,146)	(2,708)	(110)
<b>Net gain/(loss) on foreign exchange</b>	<b>(814,526)</b>	<b>192</b>	<b>(2,486)</b>	<b>(1,941)</b>	<b>74,449</b>

\*The above gains/(losses) on forward currency contracts includes those related to foreign exchange contracts placed for share class hedging purposes.

<sup>(1)</sup>Lyxor Evolution Fixed Income Fund: Terminated on 28 December 2018. Gains and losses relate to cash and cash equivalents held by the Sub-Fund during the year.

<sup>(2)</sup>Lyxor/Dymon Asia Macro Fund: Terminated on 2 October 2019. Gains and losses pertain to undisposed investments and cash and cash equivalents held by the Sub-Fund during the year.

<sup>(3)</sup>Lyxor/Academy Quantitative Global UCITS Fund: Terminated on 13 January 2020. Includes gains and losses post termination.

<sup>(4)</sup>Lyxor/Kingdon Global Long-Short Equity Fund: Terminated on 30 March 2020. Includes gains and losses post termination.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****6. FEES AND EXPENSES PAYABLE**

The following table details the fees and expenses payable as at 31 December 2021:

	<b>COMPANY TOTAL USD</b>	<b>WNT USD</b>	<b>CHENAVARI USD</b>	<b>LUTETIA USD</b>	<b>EVOLUTION USD</b>	<b>WELLS USD</b>
Administration fees payable	261,957	-	166,922	513	-	30,173
Management fees payable	2,847,017	-	1,834,533	73,910	-	323,002
Performance fees payable	1,961,679	-	1,959,954	63	-	-
Other payables and accrued expenses	480,314	235,364	74,876	11,917	116,442	-
<b>Total</b>	<b>5,550,967</b>	<b>235,364</b>	<b>4,036,285</b>	<b>86,403</b>	<b>116,442</b>	<b>353,175</b>

	<b>DYMON USD</b>	<b>ACADEMY USD</b>	<b>MARATHON USD</b>	<b>BLUESCALE USD</b>
Administration fees payable	-	-	44,873	19,476
Management fees payable	-	-	508,005	107,567
Performance fees payable	-	-	-	1,662
Other payables and accrued expenses	-	41,715	-	-
<b>Total</b>	<b>-</b>	<b>41,715</b>	<b>552,878</b>	<b>128,705</b>

The following table details the fees and expenses payable as at 31 December 2020:

	<b>COMPANY TOTAL USD</b>	<b>WNT USD</b>	<b>CHENAVARI USD</b>	<b>LUTETIA USD</b>	<b>EVOLUTION USD</b>	<b>WELLS USD</b>
Administration fees payable	1,054,504	230,936	290,797	29,283	-	128,376
Management fees payable	1,869,522	26,482	794,432	62,120	-	339,175
Performance fees payable	3,797,354	213,437	3,244,397	-	-	-
Other payables and accrued expenses	258,860	95,492	-	-	119,434	-
<b>Total</b>	<b>6,980,240</b>	<b>566,347</b>	<b>4,329,626</b>	<b>91,403</b>	<b>119,434</b>	<b>467,551</b>

	<b>DYMON USD</b>	<b>ACADEMY USD</b>	<b>MARATHON USD</b>	<b>BLUESCALE USD</b>
Administration fees payable	-	-	284,510	90,602
Management fees payable	-	-	574,784	72,529
Performance fees payable	-	-	-	339,520
Other payables and accrued expenses	2,407	41,527	-	-
<b>Total</b>	<b>2,407</b>	<b>41,527</b>	<b>859,294</b>	<b>502,651</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****6. FEES AND EXPENSES PAYABLE (continued)****Management fees**

A management fee is charged in each share class of the Sub-Funds, out of which will be paid the fees and expenses of the Manager, the Investment Manager, the Distributor and each of their delegates, which may include the appointed Sub-Investment Managers, in respect of the management, investment management services and distribution services provided to the Company (collectively, the “management fee”).

The management fee will not exceed an amount equal to the net asset value of the relevant share class multiplied by the management fee rate and multiplied by the number of calendar days for the relevant period divided by 365. The management fee shall accrue on each valuation day and be payable quarterly in arrears in the Sub-Funds’ functional currency. Such management fee will be payable to the Manager regardless of the performance of the relevant share class. The Manager shall be responsible for discharging from the management fee the remuneration due to the parties mentioned above which includes the Investment Manager and the Sub-Investment Managers, as appropriate. The Manager also acts as the Distributor of the Company.

The maximum management fee rates of each share class of the Sub-Funds are presented below:

Share class	% Per annum			
	WNT	CHENAVARI	LUTETIA	WELLS
Class I (USD)	0.85%	1.70%	1.50%	0.75%
Hedged Class I (EUR)	0.85%	1.60%	1.50%	0.75%
Class A (USD)	1.70%	2.15%	-	1.50%
Hedged Class A (EUR)	1.70%	2.15%	-	1.50%
Hedged Class I (GBP)	0.85%	-	-	-
Class SI (USD)	-	1.20%	-	0.65%
Class AA (USD)	-	2.30%	-	-
Class IA (USD)	-	1.80%	-	-
Hedged Class SIP (EUR)	-	1.20%	-	-
Hedged Class A (CHF)	1.70%	-	-	-
Class O (USD)	-	0.30%	-	-
Hedged Class O (EUR)	-	0.30%	-	-
Hedged Class SI (EUR)	-	1.20%	-	-
Hedged Class SI (GBP)	-	1.20%	-	-
Hedged Class SSI (EUR)	-	1.00%	-	-
Hedged Class I (NOK)	-	1.60%	-	-
Hedged Class P (EUR)	-	0.90%	-	-

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**
**6. FEES AND EXPENSES PAYABLE (continued)**
**Management fees (continued)**

Share class	% Per annum	
	MARATHON	BLUESCALE
Class I (USD)	0.70%	1.00%
Hedged Class EB (EUR)	-	-
Class EB (USD)	-	0.60%
Hedged Class I (EUR)	0.70%	-
Class A (USD)	1.40%	1.75%
Hedged Class A (EUR)	1.40%	-
Hedged Class I (GBP)	0.70%	-
Class F (USD)	0.40%	0.25%
Class AA (USD)	1.55%	-
Class IA (USD)	0.85%	-
Class O (USD)	-	-
Hedged Class O (EUR)	-	-
Hedged Class O (CHF)	-	-
Class SI (USD)	0.60%	-
Class A (EUR)	-	1.75%
Class SID (CHF)	0.60% <sup>(2)</sup>	-
Class SID (EUR)	0.60% <sup>(1)</sup>	-
Class SID (GBP)	0.60% <sup>(2)</sup>	-
Class SID (USD)	0.60% <sup>(1)</sup>	-

<sup>(1)</sup> On 21 March 2021, Class SID (EUR) and Class SID (USD) was launched.

<sup>(2)</sup> On 22 March 2021, Class SID (CHF) and Class SID (GBP) was launched.

During the year, the Company recognised total management fees of USD 9,447,866 (2020: USD 7,127,132) of which USD 2,847,017 (2020: USD 1,869,522) is payable at year-end.

**Performance fees**

The Manager may, for one or more Sub-Funds, charge a performance fee. The detailed performance fee calculation of the Sub-Funds is set out in their respective Prospectus Supplements, a summary is presented below.

The maximum performance fee rates of the share classes of the Sub-Funds are as follows:

Sub-Fund	Performance fee rate per annum
WNT	18.00%
CHENAVARI	20.00%
LUTETIA	20.00%
BLUESCALE	17.5% or 20.00% <sup>(1)</sup>

<sup>(1)</sup> Up to 17.5% for Class I and Class EB. No performance fee is to be recognised for Class F

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2021**

**6. FEES AND EXPENSES PAYABLE (continued)**

**Performance fees (continued)**

Performance fee for the Sub-Funds is equal to the relevant performance fee rate per annum multiplied by the net realised and unrealised appreciation of the net asset value of the relevant share class (or in the case of Lutetia Merger Arbitrage Fund only, above EONIA - the “Hurdle Rate”) (but before accrual for performance fee; referred herein as the “Gross NAV”) shall be calculated in the relevant currency of each share class and payable in USD at the end of each fee period (as defined below). The performance fee should be calculated subject to the high water mark mechanism.

The performance fee is calculated on each valuation day and paid only on new net gains with respect to the relevant share class, i.e., a high water mark will be employed so that no performance fee will be paid until any decline in the Gross NAV of the relevant share class below the highest Gross NAV of the relevant share class as of the end of any fee period, adjusted for any subsequent subscriptions and redemption, is offset by subsequent net increases in such Gross NAV of the relevant share class (with a Hurdle Rate provision in the case of Lutetia Merger Arbitrage Fund). The performance fee will apply again once the highest adjusted Gross NAV of the relevant share class (increased by the Hurdle Rate in the case of Lutetia Merger Arbitrage Fund) has been reached again and is only payable on the gains in excess of the high-water mark. For the initial fee period, the Gross NAV shall initially be equal to the initial offer price of the relevant share class multiplied by the number of shares issued in that share class at the end of the initial offer period.

The performance fee is payable to the Manager yearly for all the Sub-Funds. In the prior year, performance fee was payable quarterly for the Lyxor/WNT Fund, the Sub-Fund was terminated during the year. The Manager is responsible for discharging from this fee the remuneration due to the Sub-Investment Manager.

The Sub-Funds do not perform equalisation for the purposes of determining the performance fee. The current methodology for calculating the performance fee involves accruing the performance fee on each valuation day.

No performance fee is to be recognised for any of the share classes of the Lyxor/Wells Capital Financial Credit Fund and Lyxor/Marathon Emerging Markets Bond Fund.

During the year, the Company recognised total performance fees of USD 1,961,413 (2020: USD 4,141,559) of which USD 1,961,679 (2020: USD 3,797,354) is payable at year-end.

Fee periods for the active Sub-Funds are defined as follows:

Lyxor/WNT Fund

Each quarter ending the last valuation day of March, June, September and December.

Lyxor/Chenavari Credit Fund and Lutetia Merger Arbitrage Fund

Each calendar year ending on the last valuation day of December.

Lyxor/Bluescale Global Equity Alpha Fund

Each year ending on the last valuation day of December with the initial fee period starting at the end of the initial offer period and ending on the last valuation day of the relevant calendar year.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**
**6. FEES AND EXPENSES PAYABLE (continued)**
**Administrative expenses fees**

The Company charges an administrative expenses fee calculated as a percentage of the net asset value of each share class of the Sub-Funds, out of which will be paid the fees and expenses of the Administrator, the Depositary, the Registrar and Transfer Agent and each of their delegates or any other delegate of the Manager in respect of the performance of their duties on behalf of the Company.

The maximum administrative expenses fee rates of the Sub-Funds are as follows:

<b>Sub-Fund</b>	<b>Administrative expenses fees rate per annum</b>
WNT	0.35%
CHENA VARI	0.35%
LUTETIA	Up to 50,00 EUR p.a. with additional 0.20%
WELLS	0.25%
MARATHON	0.25%
BLUESCALE	0.35%

The administrative expenses fee accrues on each valuation day and payable quarterly in arrears.

During the year, the Company recognised total administration fees of USD 2,621,497 (2020: USD 2,101,131) of which USD 261,957 (2020: USD 1,054,504) is payable at year-end.

**Directors' fees**

The Directors shall be entitled to a fee as remuneration for their services at a rate to be determined from time to time by the Directors, provided that the amount of remuneration payable to the Directors in any one year in respect of the Company shall not exceed EUR 15,000 per Sub-Fund per Director or such other amount as the Directors may from time to time determine and disclose to the shareholders in the latest annual or semi-annual report. The Directors, and any alternate Directors, shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in attending Directors or shareholders' meetings or any other meetings in connection with the business of the Company. None of the Directors have entered into a service contract with the Company nor is any such contract proposed and none of the Directors is an executive of the Company. The Directors' fees are recognised and incurred by the Manager.

During the year, the Directors received directors' fees of EUR 32,666.67 (2020: EUR 29,000). The Directors, Moez Bousarsar and Olivier Germain are employees of the Manager (Note 11). They did not receive any Directors' fees.

**Auditor's remuneration**

Fees paid to statutory auditors, PricewaterhouseCoopers, in respect of the financial year are as follows:

	<b>31 December 2021 EUR</b>	<b>31 December 2020 EUR</b>
Statutory audit of financial statements	75,433	75,600
Tax advisory services	24,831	-
<b>Total</b>	<b>100,264</b>	<b>75,600</b>

The fees in the above table are calculated exclusive of VAT.

The fees are recognised and paid by the Manager.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

## 7. DUE FROM AND TO BROKERS

The following table details the amounts due from and to brokers as at 31 December 2021:

	COMPANY TOTAL USD	WNT USD	CHENAVARI USD	LUTETIA USD	EVOLUTION USD
<b>Due from brokers</b>					
Cash collateral pledged	81,079,963	-	73,818,484	190,000	-
Margin cash	5,543,400	-	5,409,060	2,367	319
<b>Total</b>	<b>86,623,363</b>	<b>-</b>	<b>79,227,544</b>	<b>192,367</b>	<b>319</b>
<b>Due to brokers</b>					
Margin cash	53,263	-	-	-	-
<b>Total</b>	<b>53,263</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	WELLS USD	ACADEMY USD	MARATHON USD	BLUESCALE USD	
<b>Due from brokers</b>					
Cash collateral pledged	4,700,000	-	1,458	2,370,021	
Margin cash	-	135	-	131,519	
<b>Total</b>	<b>4,700,000</b>	<b>135</b>	<b>1,458</b>	<b>2,501,540</b>	
<b>Due to brokers</b>					
Margin cash	-	-	-	53,263	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53,263</b>	

The following table details the amounts due from and to brokers as at 31 December 2020:

	COMPANY TOTAL USD	WNT USD	CHENAVARI USD	LUTETIA USD	EVOLUTION USD
<b>Due from brokers</b>					
Receivable for securities sold but yet not settled	346,288	-	740	-	-
Cash collateral pledged	40,517,987	440,000	29,097,966	890,000	-
Margin cash	17,053,713	13,531,245	2,118,440	1,315,028	612
<b>Total</b>	<b>57,917,988</b>	<b>13,971,245</b>	<b>31,217,146</b>	<b>2,205,028</b>	<b>612</b>
<b>Due to brokers</b>					
Payables for securities purchased but yet not settled	1,740,895	404,876	3,076	-	-
Margin cash	5	5	-	-	-
<b>Total</b>	<b>1,740,900</b>	<b>404,881</b>	<b>3,076</b>	<b>-</b>	<b>-</b>
	WELLS USD	BLUESCALE USD			
<b>Due from brokers</b>					
Receivable for securities sold but yet not settled	-	345,548			
Cash collateral pledged	5,830,000	4,260,021			
Margin cash	88,388	-			
<b>Total</b>	<b>5,918,388</b>	<b>4,605,569</b>			
<b>Due to brokers</b>					
Payables for securities purchased but yet not settled	-	1,332,943			
<b>Total</b>	<b>-</b>	<b>1,332,943</b>			

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2021**

**8. SHARE CAPITAL**

The authorised capital of the Company is 500,000,000,002 is divided into 500,000,000,000 redeemable participating shares of no par value and two subscriber shares at no par value. As only the redeemable participating shares can represent an interest in the Sub-Funds, the subscriber shares are non-participating and have no entitlement or interest in any of the Sub-Funds.

The subscriber shares entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up.

The redeemable participating shares entitle the holders to attend and vote at general meetings of the Company and to participate equally (subject to any differences between fees, charges and expenses applicable to different share classes) in the profits and assets of the Sub-Funds to which the redeemable participating shares relate.

The Company's objective is managing the redeemable participating share capital to ensure a stable and strong base to maximise returns to all investors, and to manage liquidity risk arising from redemptions. The Company is a UCITS company and the minimum capital requirement is met by taking into account the participating and non-participating shares.

At 31 December 2021 and 2020, none of the Directors or employees had an interest in the shares of the Sub-Funds.

The movement in the number of redeemable participating shares for the year ended 31 December 2021 is as follows:

	At 1 January 2021	Shares Issued	Shares Redeemed	At 31 December 2021
<b>Lyxor/WNT Fund</b>				
Class I (USD)	11,440	-	(11,440)	-
Hedged Class EB (EUR)	-	-	-	-
Hedged Class EB (GBP)	-	-	-	-
Hedged Class A (EUR)	7,307	-	(7,307)	-
Hedged Class I (EUR)	102,241	9,941	(112,182)	-
Hedged Class A (CHF)	500	-	(500)	-
Hedged Class I (GBP)	30,760	4	(30,764)	-
Class A (USD)	2,032	-	(2,032)	-
Hedged Class C2 (EUR)	-	-	-	-
Class C2 (USD)	-	-	-	-
<b>Lyxor/Chenavari Credit Fund</b>				
Class I (USD)	21,853	48,993	(9,105)	61,741
Hedged Class I (EUR)	322,082	1,151,463	(186,247)	1,287,298
Hedged Class A (EUR)	280,773	237,986	(152,860)	365,899
Class SI (USD)	267,459	66,265	(54,956)	278,768
Class A (USD)	20,234	55,662	(9,975)	65,921
Hedged Class SIP (EUR)	80,000	-	-	80,000
Hedged Class SI (EUR)	355,456	755,710	(150,980)	960,186
Hedged Class SI (GBP)	-	127,999	(5,938)	122,061
Class O (USD)	81,536	-	(49,380)	32,156
Hedged Class O (EUR)	21,501	48,742	(18,660)	51,583
Class IA (USD)	1,000	170	-	1,170
Class AA (USD)	100	-	-	100
Hedged Class SSI (EUR)	320,633	1,553,574	(124,853)	1,749,354
Class I (NOK)	-	41,009	-	41,009
Class P (EUR)	-	500,000	-	500,000
<b>Lutetia Merger Arbitrage Fund</b>				
Class I (USD)	27,790	-	(17,252)	10,538
Hedged Class I (EUR)	117,714	-	(117,152)	562



**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****8. SHARE CAPITAL (continued)**

The movement in the number of redeemable participating shares for the year ended 31 December 2021 is as follows:

	At 1 January 2021	Shares Issued	Shares Redeemed	At 31 December 2021
<b>Lyxor/Wells Capital Financial Credit Fund</b>				
Class A (USD)	28,392	9,275	(10,556)	27,111
Class I (USD)	134,736	17,477	(19,234)	132,979
Hedged Class I (EUR)	643,649	95,778	(91,036)	648,391
Hedged Class A (EUR)	159,184	61,318	(33,837)	186,665
Class SI (USD)	39,164	1,833	(710)	40,287
<b>Lyxor/Marathon Emerging Markets Bond Fund</b>				
Class F (USD)	1,571,765	61,936	(513,237)	1,120,464
Hedged Class A (EUR)	158,040	26,092	(134,057)	50,075
Class I (USD)	541,416	232,836	(589,514)	184,738
Hedged Class I (EUR)	199,279	215,944	(26,139)	389,084
Hedged Class I (GBP)	4,616	-	(501)	4,115
Class A (USD)	24,162	440	(11,759)	12,843
Class SI (USD)	736,854	421,000	(916,000)	241,854
Class A1 (EUR)	-	100	-	100
Class A1 (USD)	-	100	-	100
Class SID (CHF)	-	118,648	(6,865)	111,783
Class SID (EUR)	-	52,209	(2,590)	49,619
Class SID (GBP)	-	294,417	(12,376)	282,041
Class SID (USD)	-	212,850	(31,422)	181,428
Class SSI (EUR)	-	100	-	100
Class SSI (USD)	-	100	-	100
Class SSID (GBP)	-	100	-	100
Class SSID (USD)	-	100	-	100
<b>Lyxor/Bluescale Global Equity Alpha Fund</b>				
Class I (USD)	10	42,003	(739)	41,274
Class F (USD)	498,701	-	(92,601)	406,100
Class EB (USD)	196,758	21,982	(65,137)	153,603
Hedged Class A (EUR)	14,340	79,677	(3,550)	90,467
Class A (USD)	10,090	21,961	(4,080)	27,971

The movement in the number of redeemable participating shares for the year ended 31 December 2020 is as follows:

	At 1 January 2020	Shares Issued	Shares Redeemed	At 31 December 2020
<b>Lyxor/WNT Fund</b>				
Class I (USD)	83,794	4,876	(77,230)	11,440
Hedged Class EB (EUR)	3,886	-	(3,886)	-
Hedged Class EB (GBP)	2,360	-	(2,360)	-
Hedged Class A (EUR)	44,917	211	(37,821)	7,307
Hedged Class I (EUR)	756,095	46,255	(700,109)	102,241
Hedged Class A (CHF)	650	-	(150)	500
Hedged Class I (GBP)	48,465	2,590	(20,295)	30,760
Class A (USD)	6,827	2,329	(7,124)	2,032
Hedged Class C2 (EUR)	1,694,062	18,125	(1,712,187)	-
Class C2 (USD)	741,438	42,900	(784,338)	-
<b>Lyxor/Chenavari Credit Fund</b>				
Class I (USD)	15,399	9,041	(2,587)	21,853
Hedged Class I (EUR)	280,997	174,772	(133,687)	322,082
Hedged Class A (EUR)	325,306	47,672	(92,205)	280,773
Class SI (USD)	258,159	92,353	(83,053)	267,459
Class A (USD)	870	27,637	(8,273)	20,234
Hedged Class SIP (EUR)	38,000	42,000	-	80,000
Hedged Class SI (EUR)	182,700	285,953	(113,197)	355,456
Hedged Class SI (GBP)	11,730	-	(11,730)	-
Class O (USD)	72,539	9,651	(654)	81,536
Hedged Class O (EUR)	18,008	4,662	(1,169)	21,501
Class AA (USD)	100	-	-	100
Class IA (USD)	1,000	-	-	1,000
Hedged Class SSI (EUR)	-	342,283	(21,650)	320,633

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

## 8. SHARE CAPITAL (continued)

The movement in the number of redeemable participating shares for the year ended 31 December 2020 is as follows:

	At 1 January 2020	Shares Issued	Shares Redeemed	At 31 December 2020
<b>Lutetia Merger Arbitrage Fund</b>				
Class I (USD)	101,355	293,291	(366,856)	27,790
Hedged Class I (EUR)	767,188	100,556	(750,030)	117,714
Hedged Class S (EUR)	93,443	45,189	(138,632)	-
<b>Kingdon Global Long-Short Equity Fund</b>				
Class I (USD)	245,336	5,250	(250,586)	-
Hedged Class I (EUR)	989	-	(989)	-
<b>Lyxor/Wells Capital Financial Credit Fund</b>				
Class A (USD)	41,614	25,146	(38,368)	28,392
Class I (USD)	129,325	90,274	(84,863)	134,736
Hedged Class I (EUR)	607,445	396,137	(359,933)	643,649
Hedged Class A (EUR)	159,683	39,166	(39,665)	159,184
Class SI (USD)	47,931	2,465	(11,232)	39,164
<b>Lyxor/Academy Quantitative Global UCITS Fund</b>				
Hedged Class O (EUR)	199	-	(199)	-
Hedged Class EB (EUR)	102	-	(102)	-
Class O (USD)	873	-	(873)	-
Hedged Class I (GBP)	2	-	(2)	-
Class I (USD)	120	-	(120)	-
Hedged Class I (EUR)	2	-	(2)	-
Hedged Class O (CHF)	5	-	(5)	-
<b>Lyxor/Marathon Emerging Markets Bond Fund</b>				
Class F (USD)	1,378,792	739,768	(546,795)	1,571,765
Hedged Class A (EUR)	62,212	190,518	(94,690)	158,040
Class I (USD)	254,383	1,069,953	(782,920)	541,416
Class IA (USD)	1,000	-	(1,000)	-
Hedged Class I (EUR)	79,450	167,895	(48,066)	199,279
Hedged Class I (GBP)	9,371	3,945	(8,700)	4,616
Class AA (USD)	100	-	(100)	-
Class A (USD)	98,825	62,096	(136,759)	24,162
Class SI (USD)	-	1,086,854	(350,000)	736,854
<b>Lyxor/Bluescale Global Equity Alpha Fund</b>				
Class I (USD)	10	-	-	10
Class F (USD)	99,980	398,721	-	498,701
Class EB (USD)	10	196,748	-	196,758
Hedged Class A (EUR)	-	14,340	-	14,340
Class A (USD)	-	10,090	-	10,090

## 9. DERIVATIVE CONTRACTS

To the extent permitted by the investment objectives and policies of the Sub-Funds of the Company and subject to the limits set down by the Central Bank from time to time and to the provisions of the Prospectus and Supplements, utilisation of financial derivative instruments and investment techniques shall be employed for efficient portfolio management purposes by the Sub-Funds. Each Sub-Fund may use these financial derivative instruments and investment techniques to hedge against changes in interest rates, non-functional currency exchange rates or securities prices or as part of their overall investment strategies. The financial derivative instruments held at year-end and the Company's derivative counterparties are disclosed below. The realised gains and losses on financial instruments used for efficient portfolio management purposes are disclosed in Note 5.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2021**

**9. DERIVATIVE CONTRACTS (continued)**

The following financial derivative instruments were included in the Company's Statement of Financial Position at fair value through profit or loss as at 31 December 2021:

	CHENAVARI USD		LUTETIA USD	
	Assets	Liabilities	Assets	Liabilities
<b>Financial derivative instruments</b>				
Listed options	7,150	-	-	-
Total return swaps	540,385	670,303	-	-
Credit default swaps	1,764,817	10,391,102	-	-
Contracts for difference	-	-	198,977	70,009
Futures contracts	886,210	23,827	-	-
Foreign currency forwards	4,959,823	4,355,039	467	5
Swaptions	167,818	77,775	-	-
<b>Total</b>	<b>8,326,203</b>	<b>15,518,046</b>	<b>199,444</b>	<b>70,014</b>

	WELLS USD		MARATHON USD		BLUESCALE USD	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
<b>Financial derivative instruments</b>						
Credit default swaps	-	680,963	-	-	-	-
Equity swaps	-	-	-	-	1,854,121	1,854,489
Futures contracts	-	-	-	-	-	-
Foreign currency forwards	494,541	762,280	1,363,186	5,719	272,523	250,336
<b>Total</b>	<b>494,541</b>	<b>1,443,243</b>	<b>1,363,186</b>	<b>5,719</b>	<b>2,126,644</b>	<b>2,104,825</b>

The following financial derivative instruments were included in the Company's Statement of Financial Position at fair value through profit or loss as at 31 December 2020:

	WNT USD		CHENAVARI USD		LUTETIA USD	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
<b>Financial derivative instruments</b>						
Listed options	-	-	258,076	-	-	-
Total return swaps	-	-	136,682	1,049,580	-	-
Credit default swaps	-	-	292,358	4,766,683	-	-
Contracts for difference	-	-	-	-	1,156,635	1,093,561
Futures contracts	390,634	31,276	-	16,673	-	-
Foreign currency forwards	369,687	35,878	2,388,370	3,214,493	281,956	89,589
Swaptions	-	-	414,502	236,620	-	-
<b>Total</b>	<b>760,321</b>	<b>67,154</b>	<b>3,489,988</b>	<b>9,284,049</b>	<b>1,438,591</b>	<b>1,183,150</b>

	WELLS USD		MARATHON USD		BLUESCALE USD	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
<b>Financial derivative instruments</b>						
Equity swaps	-	-	-	-	4,392,942	2,534,194
Futures contracts	-	-	-	-	-	-
Foreign currency forwards	1,422,355	2,499,100	573,171	9,706	657,515	958,523
<b>Total</b>	<b>1,422,355</b>	<b>2,499,100</b>	<b>573,171</b>	<b>9,706</b>	<b>5,050,457</b>	<b>3,492,717</b>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**9. DERIVATIVE CONTRACTS (continued)**

*Futures contracts*

Future contracts are exchange traded derivative contracts whereby the seller agrees to make delivery at a specified future date of the respective asset or liability (e.g. a commodity or instrument) at a specified price.

During a period in which future contracts are open, changes in the value of the contracts are recognised as unrealised gains or losses by marking-to-market on a daily basis to reflect the value of the contracts at the end of each day's trading. Futures contracts are valued at the settlement price established each day by the exchange on which they are traded. Gains and losses are recognised in the Statement of Comprehensive Income and the unrealised gains or losses on open positions are included in the Statement of Financial Position. Upon expiry or settlement of the obligation under the contracts, realised gains or losses are recorded in the Statement of Comprehensive Income. Commission charges to open such contracts are expensed at the time that the contracts are opened.

*Foreign currency forwards*

Foreign currency forwards are over the counter derivative contracts whereby the seller agrees to make delivery at a specified future date certain currency at a specified rate. Foreign currency forwards are fair valued by reference to the forward price at which a new forward contract of the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open foreign currency forwards is calculated as the difference between the forward rate for the transaction specified in the contract and the forward rate on the valuation date as reported in published sources, multiplied by the face amount of the forward contract. The unrealised gains or losses on open foreign currency forwards are included in the Statement of Financial Position with the related change during the year included in the Statement of Comprehensive Income. Upon expiry or settlement of the obligation under the contracts, realised gains or losses are recorded in the Statement of Comprehensive Income.

*Contracts for difference*

Contracts for difference is a contract between two parties, typically described as "buyer" and "seller", stipulating that the seller will pay to the buyer the difference between the current value of an asset and its value at contract time. Contracts for difference are valued on the date of valuation by reference to the underlying instrument. The unrealised gains or losses on open contracts for difference are included in the Statement of Financial Position with the related change during the year included in the Statement of Comprehensive Income. Upon expiry or settlement of the obligation under the contracts, realised gains or losses are recorded in the Statement of Comprehensive Income.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**


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**9. DERIVATIVE CONTRACTS (continued)***Options*

When the Sub-Funds write or purchase put or call options, an amount equal to the premium received or paid is recorded as an asset or liability and is subsequently re-measured at fair value in the Statement of Financial Position. Premiums received or paid from writing or purchasing put or call options that expire or were unexercised are recognised on the expiration date as realised gains or losses in the Statement of Comprehensive Income. If an option is exercised, the premium received or paid is included with the proceeds or the cost of the transaction to determine whether the Sub-Funds have realised a gain or loss on the related investment transaction in the Statement of Comprehensive Income. When the Sub-Funds enter into a closing transaction, the Sub-Funds will realise a gain or loss in the Statement of Comprehensive Income depending upon whether the amount from the closing transaction is greater or less than the premium received or paid. The resulting unrealised gains and losses on open options are included in the Statement of Financial Position and the change in unrealised gains and losses for the year are included in the Statement of Comprehensive Income.

The Investment Manager considered the option positions held by the Sub-Funds to be covered option positions.

*Credit default swaps*

Credit default swaps may be centrally cleared or traded on the Over-the-counter ("OTC") market. The fair value of credit default swaps is determined using prices from one or more pricing services, recently executed transactions, quotations (where observable) provided by one or more dealers, or an income or market approach that considers multiple inputs including specific contract terms, interest rate yield curves, interest rates, credit curves, recovery rates, current credit spreads, and the counterparty's credit worthiness. Many inputs into the model do not require material subjectivity as they are observable in the marketplace or set per the contract. Other than the contract terms, valuation is affected by the difference between the contract spread and the current market spread. The contract spread (or rate) is generally fixed and the market spread is determined by the credit risk of the underlying debt or reference entity. The unrealised gains or losses on open credit default swaps are included in the Statement of Financial Position with the related change during the year included in the Statement of Comprehensive Income. Upon expiry or settlement of the obligation under the contracts, realised gains or losses are recorded in the Statement of Comprehensive Income.

*Equity swaps*

An equity swap is an exchange of future cash flows between two parties that allows each party to diversify its income for a specified period of time while still holding its original assets. An equity swap is similar to an interest rate swap, but rather than one leg being the "fixed" side, it is based on the return of an equity index. The two sets of nominally equal cash flows are exchanged as per the terms of the swap, which may involve an equity-based cash flow (such as from a stock asset, called the reference equity) that is traded for fixed-income cash flow (such as a benchmark interest rate). Equity swaps are valued on the date of valuation by reference to the underlying instrument. The unrealised gains or losses on open equity swaps are included in the Statement of Financial Position with the related change during the year included in the Statement of Comprehensive Income. Upon expiry or settlement of the obligation under the contracts, realised gains or losses are recorded in the Statement of Comprehensive Income.

*Swaptions*

A swaption, also known as a swap option, refers to an option to enter into an interest rate swap or some other type of swap. In exchange for an options premium, the buyer gains the right but not the obligation to enter into a specified swap agreement with the issuer on a specified future date. The Sub-Funds value swaptions using a model that considers the terms of the contract (including the notional amount, strike price, and contract maturity) and multiple inputs, including interest rates, currency exchange rates, and volatility. The unrealised gains or losses on open swaptions are included in the Statement of Financial Position with the related change during the year included in the Statement of Comprehensive Income. Upon expiry or settlement of the obligation under the contracts, realised gains or losses are recorded in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****9. DERIVATIVE CONTRACTS (continued)***Total return swaps*

Total return swap contracts involve an agreement to exchange cash flows based on the change in the value or total return on individual stocks or other financial instruments. The Sub-Funds enter into total return swaps either to manage its exposure to the market or certain sectors of the market, or to create exposure to certain equity securities to which it is otherwise not exposed. In some cases, entering into a total return swap is a more effective financing alternative than purchasing the actual underlying position outright. The unrealised gains or losses on open total return swaps are included in the Statement of Financial Position with the related change during the year included in the Statement of Comprehensive Income. Upon expiry or settlement of the obligation under the contracts, realised gains or losses are recorded in the Statement of Comprehensive Income.

As discussed, gains and losses on the above derivative instruments are recorded by the Company based upon market fluctuations and are recorded as net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income. The Company uses financial derivative instruments to economically hedge its risks associated, primarily, with foreign currency, equity prices and interest rate fluctuations. The Company maintains positions in a variety of derivative and non-derivative financial instruments in accordance with the investment strategy of the Sub-Funds.

All positions are valued according to the pricing policy and compared to prime broker and Investment Manager valuation. For the OTC positions, the Administrator prices the positions using its own model and reconciles the price with counterparties and Investment Manager prices.

*Collateral pledged*

A pledged account is used by the Lyxor/Bluescale Global Equity Alpha Fund where US Government T-Bills are pledged as collateral in case of default with a certain counterparty. This pledged account is opened in favour of the counterparty as segregated account at the Depositary. At 31 December 2021, USD 12,998,183 (2020: USD 8,996,387) in US Government T-Bills was pledged to Goldman Sachs International and USD 8,898,576 (2020: Nil) in US Government T-Bills was pledged to Citigroup Global Markets Inc. When the US Government T-Bills come close to maturity, they are rolled by the Investment Manager to avoid any cash settlement.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**9. DERIVATIVE CONTRACTS (continued)**

The counterparties to the OTC financial derivative instruments as at 31 December 2021 are as follows:

	CHENAVARI USD	LUTETIA USD	WELLS USD
<b>Total return swaps</b>			
BNP Paribas	(79,694)	-	-
Goldman Sachs International	304,707	-	-
JP Morgan Chase Bank	(354,931)	-	-
<b>Credit default swaps</b>			
Barclays Capital Inc.	(9,696,958)	-	-
Citigroup Global Markets Inc.	(127,566)	-	-
Goldman Sachs International	748,900	-	(680,963)
JP Morgan Chase Bank	449,339	-	-
<b>Contracts for difference</b>			
Société Générale Securities Services	-	128,968	-
<b>Foreign currency forwards</b>			
BNP Paribas	-	-	(755,132)
Credit Agricole CIB	-	-	6,015
Goldman Sachs International	-	-	475,297
JP Morgan Chase Bank	-	-	6,081
Societe Generale, London	4,949,314	-	-
Société Générale Securities Services	(4,344,530)	462	-
<b>Swaptions</b>			
Morgan Stanley Capital Services Inc.	90,043	-	-
<b>Total</b>	<b>(8,061,376)</b>	<b>129,430</b>	<b>(948,702)</b>

	MARATHON USD	BLUESCALE USD
<b>Equity swaps</b>		
Citigroup Global Markets Inc.	-	(304,760)
Goldman Sachs International	-	304,392
<b>Foreign currency forwards</b>		
Société Générale Securities Services	-	(41,760)
Societe Generale, London	1,357,467	63,947
<b>Total</b>	<b>1,357,467</b>	<b>21,819</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**
**9. DERIVATIVE CONTRACTS (continued)**

The counterparties to the OTC financial derivative instruments as at 31 December 2020 are as follows:

	WNT USD	CHENAVARI USD	LUTETIA USD
<b>Total return swaps</b>			
BNP Paribas	-	49,801	-
Goldman Sachs International	-	(847,160)	-
JP Morgan Chase Bank	-	(115,539)	-
<b>Credit default swaps</b>			
BNP Paribas	-	(88,007)	-
Citigroup Global Markets Inc.	-	(188,463)	-
JPM FCM	-	(4,197,855)	-
<b>Contracts for difference</b>			
Société Générale Securities Services	-	-	63,074
<b>Foreign currency forwards</b>			
Barclays Capital Inc.	16,368	-	-
BNP Paribas	10,892	-	-
Deutsche Bank AG	(7,092)	-	-
Goldman Sachs International	272,578	(234,355)	-
HSBC	17,038	-	-
JP Morgan - New York	15,023	(2,706,126)	-
JP Morgan Chase Bank	(4,189)	-	-
Morgan Stanley Capital Services Inc.	12,360	-	-
Morgan Stanley Inc.	-	2,171,188	-
UBS Limited	831	-	-
Bank of America Merrill Lynch	-	(56,830)	-
Credit Agricole CIB	-	-	203,218
Société Générale Securities Services	-	-	(10,851)
<b>Swaptions</b>			
Bank of America Merrill Lynch	-	164,440	-
BNP Paribas	-	7,393	-
Citigroup Global Markets Inc	-	6,049	-
<b>Total</b>	<b>333,809</b>	<b>(6,035,464)</b>	<b>255,441</b>
	WELLS USD	MARATHON USD	BLUESCALE USD
<b>Equity swaps</b>			
Citigroup Global Markets Inc.	-	-	960,959
Goldman Sachs International	-	-	897,789
<b>Foreign currency forwards</b>			
CSFB International	55,135	-	-
Goldman Sachs International	(2,466,584)	23,773	(108,964)
JP Morgan Chase Bank	(265)	29	-
Morgan Stanley Inc.	-	539,663	936
Morgan Stanley Capital Services Inc.	-	-	18,581
Citigroup Global Markets Inc.	-	-	(211,538)
Credit Agricole Cib	1,336,126	-	(23)
JP Morgan - New York	(1,157)	-	-
<b>Total</b>	<b>(1,076,745)</b>	<b>563,465</b>	<b>1,557,740</b>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2021**

**10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS**

Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The Sub-Funds are exposed to market risk (which can include interest rate risk, currency risk and price risk), credit risk and liquidity risk arising from the financial instruments they hold.

**Risk mitigation**

The Company and the Sub-Funds are subject to a process for assessing, controlling and periodically re-evaluating the adequacy and efficiency of the risk management policy. Investments guidelines are set up at the launch of each sub-fund to frame each risk factor in accordance with the Investment Manager's strategy, the liquidity of the Fund and the global fund risk level. Prior to any investment, the Investment Manager shall ensure the compliance with investment guidelines as agreed and is accountable for performing a pre-trade monitoring when allocating. Using the transparency of the Lyxor Managed Account Platform, Lyxor Risk Management also realises post trade a full second level control. A comprehensive range of portfolio limits are monitored on a daily or weekly basis including stress tests, volatility, leverage, diversification and liquidity. In case of breach, a procedure is in place to notify the Investment Manager and find a solution in the best interests of investors (cure request, one-off agreement).

**Investment strategy**

The detailed investment strategies of the Sub-Funds are documented in their respective Prospectus Supplements.

**Market risk**

Market risk embodies the potential for both gains and losses and includes interest rate risk, currency risk and price risk. Each Sub-Fund's market risk is managed on a daily basis by the Investment Manager subject to the investment objective and investment policies set out in each Sub-Fund's Prospectus Supplement.

*Interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Lyxor Risk team set up limits and performs stress-test of interest rate to manage interest rate risk. Stress-test scenarios include parallel shift on rate curve, interest rate steepening and interest rate flattening.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**
**10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**
**Market risk (continued)**
*Interest rate risk (continued)*

The following tables detail the Sub-Funds' exposure to interest rate risk at 31 December 2021 and 2020. It includes the Sub-Funds' assets and liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity date measured by the carrying value of assets and liabilities.

**Lyxor/WNT Fund**
**31 December 2021**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Financial assets at fair value through profit or loss:						
Debt securities	235,364	-	-	-	-	235,364
Futures contracts	-	-	-	-	-	-
Foreign currency forwards	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	-
Due from brokers	-	-	-	-	-	-
<b>Total assets</b>	<b>235,364</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>235,364</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:	-	-	-	-	-	-
Foreign currency forwards	-	-	-	-	-	-
Futures contracts	-	-	-	-	-	-
Management fees payable	-	-	-	-	-	-
Performance fees payable	-	-	-	-	-	-
Due to brokers	-	-	-	-	-	-
Redemptions payable	-	-	-	-	-	-
Administration fees payable	-	-	-	-	-	-
Other payable and accrued expenses	-	-	-	-	235,364	235,364
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>235,364</b>	<b>235,364</b>
<b>Total Interest sensitivity gap</b>	<b>235,364</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(235,364)</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**
**10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**
**Market risk (continued)**
*Interest rate risk (continued)*
**Lyxor/WNT Fund (continued)**
**31 December 2020**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Financial assets at fair value through profit or loss:						
Debt securities	2,999,743	1,937,468	-	-	-	4,937,211
Futures contracts	-	-	-	-	390,634	390,634
Foreign currency forwards	-	-	-	-	369,687	369,687
Cash and cash equivalents	1,344,827	-	-	-	-	1,344,827
Due from brokers	13,971,245	-	-	-	-	13,971,245
<b>Total assets</b>	<b>18,315,815</b>	<b>1,937,468</b>	<b>-</b>	<b>-</b>	<b>760,321</b>	<b>21,013,604</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:						
Foreign currency forwards	-	-	-	-	35,878	35,878
Futures contracts	-	-	-	-	31,276	31,276
Management fees payable	-	-	-	-	26,482	26,482
Performance fees payable	-	-	-	-	213,437	213,437
Due to brokers	5	-	-	-	404,876	404,881
Redemptions payable	-	-	-	-	124,580	124,580
Administration fees payable	-	-	-	-	230,936	230,936
Other payable and accrued expenses	-	-	-	-	95,492	95,492
<b>Total liabilities</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,162,957</b>	<b>1,162,962</b>
<b>Total Interest sensitivity gap</b>	<b>18,315,810</b>	<b>1,937,468</b>	<b>-</b>	<b>-</b>	<b>(402,636)</b>	<b>19,850,642</b>

Management has determined that a fluctuation in interest rates of 50 basis points is reasonably possible, considering the economic environment in which the Sub-Fund operates. As at 31 December 2021, if interest rates had been 50 basis points lower/higher with all other variables held constant, the increase/(decrease) in net assets attributable to holders of redeemable participating shares would have been USD 1,177 (2020: USD 101,266) higher/lower.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

## 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

## Market risk (continued)

## Interest rate risk (continued)

## Lyxor/Chenavari Credit Fund

31 December 2021

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Financial assets at fair value through profit or loss:						
Debt securities	99,996,972	-	110,726,112	298,130,825	-	508,853,909
Listed options	-	-	-	-	7,150	7,150
Total return swaps	-	-	-	-	540,385	540,385
Credit default swaps	-	-	-	-	1,764,817	1,764,817
Swaptions	-	-	-	-	167,818	167,818
Foreign currency forwards	-	-	-	-	4,959,823	4,959,823
-Futures	-	-	-	-	886,210	886,210
Cash and cash equivalents	123,163,215	-	-	-	-	123,163,215
Due from brokers	79,227,544	-	-	-	-	79,227,544
Interest receivable	-	-	-	-	6,011,487	6,011,487
Subscription receivable	-	-	-	-	3,677,431	3,677,431
<b>Total assets</b>	<b>302,387,731</b>	<b>-</b>	<b>110,726,112</b>	<b>298,130,825</b>	<b>18,015,121</b>	<b>729,259,789</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:						
Foreign currency forwards	-	-	-	-	4,355,039	4,355,039
Credit default swaps	-	-	-	-	10,391,102	10,391,102
Total return swaps	-	-	-	-	670,303	670,303
Futures contracts	-	-	-	-	23,827	23,827
Swaptions	-	-	-	-	77,775	77,775
Bank over draft	325,353	-	-	-	-	325,353
Management fees payable	-	-	-	-	1,834,533	1,834,533
Performance fees payable	-	-	-	-	1,959,954	1,959,954
Redemptions payable	-	-	-	-	6,178,713	6,178,713
Other payable and accrued expenses	-	-	-	-	74,876	74,876
Administration fees payable	-	-	-	-	166,922	166,922
<b>Total liabilities</b>	<b>325,353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,733,044</b>	<b>26,058,397</b>
<b>Total Interest sensitivity gap</b>	<b>302,062,378</b>	<b>-</b>	<b>110,726,112</b>	<b>298,130,825</b>	<b>(7,717,923)</b>	<b>703,201,392</b>



## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

## 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

## Market risk (continued)

## Interest rate risk (continued)

## Lyxor/Chenavari Credit Fund (continued)

31 December 2020

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Financial assets at fair value through profit or loss:						
Debt securities	4,999,897	-	38,125,450	123,854,737	-	166,980,084
Listed options	-	-	-	-	258,076	258,076
Total return swaps	-	-	-	-	136,682	136,682
Credit default swaps	-	-	-	-	292,358	292,358
Swaptions	-	-	-	-	414,502	414,502
Foreign currency forwards	-	-	-	-	2,388,370	2,388,370
Cash and cash equivalents	42,803,098	-	-	-	-	42,803,098
Due from brokers	31,216,406	-	-	-	740	31,217,146
Interest receivable	-	-	-	-	2,241,934	2,241,934
<b>Total assets</b>	<b>79,019,401</b>	<b>-</b>	<b>38,125,450</b>	<b>123,854,737</b>	<b>5,732,662</b>	<b>246,732,250</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:						
Foreign currency forwards	-	-	-	-	3,214,493	3,214,493
Credit default swaps	-	-	-	-	4,766,683	4,766,683
Total return swaps	-	-	-	-	1,049,580	1,049,580
Futures contracts	-	-	-	-	16,673	16,673
Swaptions	-	-	-	-	236,620	236,620
Bank overdraft	4,473	-	-	-	-	4,473
Management fees payable	-	-	-	-	794,432	794,432
Performance fees payable	-	-	-	-	3,244,397	3,244,397
Due to brokers	-	-	-	-	3,076	3,076
Redemptions payable	-	-	-	-	152,999	152,999
Administration fees payable	-	-	-	-	290,797	290,797
<b>Total liabilities</b>	<b>4,473</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,769,750</b>	<b>13,774,223</b>
<b>Total Interest sensitivity gap</b>	<b>79,014,928</b>	<b>-</b>	<b>38,125,450</b>	<b>123,854,737</b>	<b>(8,037,088)</b>	<b>232,958,027</b>

Management has determined that a fluctuation in interest rates of 50 basis points is reasonably possible, considering the economic environment in which the Sub-Fund operates. As at 31 December 2021, if interest rates had been 50 basis points lower/higher with all other variables held constant, the increase/(decrease) in net assets attributable to holders of redeemable participating shares would have been USD 3,554,597 (2020: USD 1,204,976) higher/lower.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**
**10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**
**Market risk (continued)**
*Interest rate risk (continued)*
**Lutetia Merger Arbitrage Fund**
**31 December 2021**

	Less than 3 months	3 months to 1 year	1 to 5 years	Greater than 5 years	Non-interest bearing	Total
	USD	USD	USD	USD	USD	USD
<b>Assets</b>						
Financial assets at fair value through profit or loss:						
Debt securities	964,962	399,796	-	-	-	1,364,758
Equity securities	-	-	-	-	-	-
Mutual fund	-	-	-	-	40	40
Foreign currency forwards	-	-	-	-	467	467
Contracts for difference	-	-	-	-	198,977	198,977
Cash and cash equivalents	180,783	-	-	-	-	180,783
Due from brokers	192,367	-	-	-	-	192,367
Dividend receivable	-	-	-	-	233	233
Other receivable	-	-	-	-	-	-
<b>Total assets</b>	<b>1,338,112</b>	<b>399,796</b>	<b>-</b>	<b>-</b>	<b>199,717</b>	<b>1,937,625</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:						
Contracts for difference	-	-	-	-	70,009	70,009
Foreign currency forwards	-	-	-	-	5	5
Due to broker	28,071	-	-	-	-	28,071
Management fees payable	-	-	-	-	73,910	73,910
Performance Fees payable	-	-	-	-	63	63
Interest payable	-	-	-	-	593	593
Redemption Payable	-	-	-	-	549,996	549,996
Administration fees payable	-	-	-	-	513	513
Other payable and accrued expenses	-	-	-	-	11,917	11,917
<b>Total liabilities</b>	<b>28,071</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>707,006</b>	<b>735,077</b>
<b>Total Interest sensitivity gap</b>	<b>1,310,041</b>	<b>399,796</b>	<b>-</b>	<b>-</b>	<b>(507,289)</b>	<b>1,202,548</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)****Market risk (continued)***Interest rate risk (continued)***Lutetia Merger Arbitrage Fund (continued)****31 December 2020**

	Less than 3 months	3 months to 1 year	1 to 5 years	Greater than 5 years	Non-interest bearing	Total
	USD	USD	USD	USD	USD	USD
<b>Assets</b>						
Financial assets at fair value through profit or loss:						
Debt securities	3,999,807	8,106,918	-	-	-	12,106,725
Equity securities	-	-	-	-	235,428	235,428
Mutual fund	-	-	-	-	40	40
Foreign currency forwards	-	-	-	-	281,956	281,956
Contracts for difference	-	-	-	-	1,156,635	1,156,635
Cash and cash equivalents	2,284,773	-	-	-	-	2,284,773
Due from brokers	2,205,028	-	-	-	-	2,205,028
Dividend receivable	-	-	-	-	2,544	2,544
Other receivable	-	-	-	-	180	180
<b>Total assets</b>	<b>8,489,608</b>	<b>8,106,918</b>	<b>-</b>	<b>-</b>	<b>1,676,783</b>	<b>18,273,309</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:						
Contracts for difference	-	-	-	-	1,093,561	1,093,561
Foreign currency forwards	-	-	-	-	89,589	89,589
Bank overdraft	36,880	-	-	-	-	36,880
Management fees payable	-	-	-	-	62,120	62,120
Interest payable	-	-	-	-	3,433	3,433
Dividend payable	-	-	-	-	180	180
Administration fees payable	-	-	-	-	29,283	29,283
<b>Total liabilities</b>	<b>36,880</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,278,166</b>	<b>1,315,046</b>
<b>Total Interest sensitivity gap</b>	<b>8,452,728</b>	<b>8,106,918</b>	<b>-</b>	<b>-</b>	<b>398,617</b>	<b>16,958,263</b>

Management has determined that a fluctuation in interest rates of 50 basis points is reasonably possible, considering the economic environment in which the Sub-Fund operates. As at 31 December 2021, if interest rates had been 50 basis points lower/higher with all other variables held constant, the increase/(decrease) in net assets attributable to holders of redeemable participating shares would have been USD 8,549 (2020: USD 82,798) higher/lower.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)****Market risk (continued)***Interest rate risk (continued)***Lyxor Evolution Fixed Income Fund****31 December 2021**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Cash and cash equivalents	116,185	-	-	-	-	116,185
Due from brokers	319	-	-	-	-	319
<b>Total assets</b>	<b>116,504</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116,504</b>
<b>Liabilities</b>						
Bank over draft	62	-	-	-	-	62
Other payables	-	-	-	-	116,442	116,442
<b>Total liabilities</b>	<b>62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116,442</b>	<b>116,504</b>
<b>Total Interest sensitivity gap</b>	<b>116,442</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(116,442)</b>	<b>-</b>

**31 December 2020**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Cash and cash equivalents	118,822	-	-	-	-	118,822
Due from brokers	612	-	-	-	-	612
<b>Total assets</b>	<b>119,434</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119,434</b>
<b>Liabilities</b>						
Other payables	-	-	-	-	119,434	119,434
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119,434</b>	<b>119,434</b>
<b>Total Interest sensitivity gap</b>	<b>119,434</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(119,434)</b>	<b>-</b>

Management has determined that a fluctuation in interest rates of 50 basis points is reasonably possible, considering the economic environment in which the Sub-Fund operates. As at 31 December 2021, if interest rates had been 50 basis points lower/higher with all other variables held constant, the increase/(decrease) in net assets attributable to holders of redeemable participating shares would have been USD 582 (2020: USD 597) higher/lower.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

**Market risk (continued)**

*Interest rate risk (continued)*

**Lyxor/Wells Capital Financial Credit Fund**

**31 December 2021**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Financial assets at fair value through profit or loss:						
Debt securities	-	-	-	129,048,529	-	129,048,529
Foreign currency forwards	-	-	-	-	494,541	494,541
Cash and cash equivalents	9,916,497	-	-	-	-	9,916,497
Due from brokers	4,700,000	-	-	-	-	4,700,000
Interest receivable	-	-	-	-	1,425,380	1,425,380
Subscription Receivable	-	-	-	-	-	-
<b>Total assets</b>	<b>14,616,497</b>	<b>-</b>	<b>-</b>	<b>129,048,529</b>	<b>1,919,921</b>	<b>145,584,947</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:						
Foreign currency forwards	-	-	-	-	762,280	762,280
Credit Default Swap investments	-	-	-	-	680,963	680,963
Bank overdraft	363	-	-	-	-	363
Management fees payable	-	-	-	-	323,002	323,002
Administration fees payable	-	-	-	-	30,173	30,173
<b>Total liabilities</b>	<b>363</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,796,418</b>	<b>1,796,781</b>
<b>Total Interest sensitivity gap</b>	<b>14,616,134</b>	<b>-</b>	<b>-</b>	<b>129,048,529</b>	<b>123,503</b>	<b>143,788,166</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)****Market risk (continued)***Interest rate risk (continued)***Lyxor/Wells Capital Financial Credit Fund (continued)****31 December 2020**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Financial assets at fair value through profit or loss:						
Debt securities	-	-	-	127,435,366	-	127,435,366
Foreign currency forwards	-	-	-	-	1,422,355	1,422,355
Cash and cash equivalents	10,799,942	-	-	-	-	10,799,942
Due from brokers	5,918,388	-	-	-	-	5,918,388
Interest receivable	-	-	-	-	1,690,404	1,690,404
Subscription Receivable	-	-	-	-	370,485	370,485
<b>Total assets</b>	<b>16,718,330</b>	<b>-</b>	<b>-</b>	<b>127,435,366</b>	<b>3,483,244</b>	<b>147,636,940</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:						
Foreign currency forwards	-	-	-	-	2,499,100	2,499,100
Bank overdraft	330	-	-	-	-	330
Management fees payable	-	-	-	-	339,175	339,175
Redemptions payable	-	-	-	-	1,700,053	1,700,053
Administration fees payable	-	-	-	-	128,376	128,376
<b>Total liabilities</b>	<b>330</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,666,704</b>	<b>4,667,034</b>
<b>Total Interest sensitivity gap</b>	<b>16,718,000</b>	<b>-</b>	<b>-</b>	<b>127,435,366</b>	<b>(1,183,460)</b>	<b>142,969,906</b>

Management has determined that a fluctuation in interest rates of 50 basis points is reasonably possible, considering the economic environment in which the Sub-Fund operates. As at 31 December 2021, if interest rates had been 50 basis points lower/higher with all other variables held constant, the increase/(decrease) in net assets attributable to holders of redeemable participating shares would have been USD 718,323 (2020: USD 720,767) higher/lower.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**
**10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**
**Market risk (continued)**
*Interest rate risk (continued)*
**Lyxor/Dymon Asia Macro Fund**
**31 December 2021**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Cash and cash equivalents	-	-	-	-	-	-
<b>Total assets</b>	-	-	-	-	-	-
<b>Liabilities</b>						
Other payables	-	-	-	-	-	-
<b>Total liabilities</b>	-	-	-	-	-	-
<b>Total Interest sensitivity gap</b>	-	-	-	-	-	-

**31 December 2020**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Cash and cash equivalents	2,407	-	-	-	-	2,407
<b>Total assets</b>	2,407	-	-	-	-	2,407
<b>Liabilities</b>						
Other payables	-	-	-	-	2,407	2,407
<b>Total liabilities</b>	-	-	-	-	2,407	2,407
<b>Total Interest sensitivity gap</b>	2,407	-	-	-	(2,407)	-

Management has determined that a fluctuation in interest rates of 50 basis points is reasonably possible, considering the economic environment in which the Sub-Fund operates. As at 31 December 2021, if interest rates had been 50 basis points lower/higher with all other variables held constant, the increase/(decrease) in net assets attributable to holders of redeemable participating shares would have been USD Nil (2020: USD 12) higher/lower.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)****Market risk (continued)***Interest rate risk (continued)***Lyxor/Academy Quantitative Global UCITS Fund****31 December 2021**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Cash and cash equivalents	41,580	-	-	-	-	41,580
Due from broker	135	-	-	-	-	135
<b>Total assets</b>	<b>41,715</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,715</b>
<b>Liabilities</b>						
Other payables	-	-	-	-	41,715	41,715
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,715</b>	<b>41,715</b>
<b>Total Interest sensitivity gap</b>	<b>41,715</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,715)</b>	<b>-</b>

**31 December 2020**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Cash and cash equivalents	41,527	-	-	-	-	41,527
<b>Total assets</b>	<b>41,527</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,527</b>
<b>Liabilities</b>						
Other payables	-	-	-	-	41,527	41,527
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,527</b>	<b>41,527</b>
<b>Total Interest sensitivity gap</b>	<b>41,527</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,527)</b>	<b>-</b>

Management has determined that a fluctuation in interest rates of 50 basis points is reasonably possible, considering the economic environment in which the Sub-Fund operates. As at 31 December 2021, if interest rates had been 50 basis points lower/higher with all other variables held constant, the increase/(decrease) in net assets attributable to holders of redeemable participating shares would have been USD 209 (2020: USD 208) higher/lower.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)****Market risk (continued)***Interest rate risk (continued)***Lyxor/Marathon Emerging Markets Bond Fund****31 December 2021**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Financial assets at fair value through profit or loss:						
Debt securities	2,260,839	3,012,606	30,990,382	255,862,566	-	292,126,393
Foreign currency forwards	-	-	-	-	1,363,186	1,363,186
Cash and cash equivalents	3,757,751	-	-	-	-	3,757,751
Due from broker	1,458	-	-	-	-	1,458
Interest receivable	-	-	-	-	3,611,502	3,611,502
Subscription receivable	-	-	-	-	937,589	937,589
<b>Total assets</b>	<b>6,020,048</b>	<b>3,012,606</b>	<b>30,990,382</b>	<b>255,862,566</b>	<b>5,912,277</b>	<b>301,797,879</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:						
Foreign currency forwards	-	-	-	-	5,719	5,719
Management fees payable	-	-	-	-	508,005	508,005
Redemptions payable	-	-	-	-	203,889	203,889
Administration fees payable	-	-	-	-	44,873	44,873
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>762,486</b>	<b>762,486</b>
<b>Total Interest sensitivity gap</b>	<b>6,020,048</b>	<b>3,012,606</b>	<b>30,990,382</b>	<b>255,862,566</b>	<b>5,149,791</b>	<b>301,035,393</b>

**31 December 2020**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Financial assets at fair value through profit or loss:						
Debt securities	6,448,816	3,490,941	66,895,885	293,882,555	-	370,718,197
Foreign currency forwards	-	-	-	-	573,171	573,171
Cash and cash equivalents	3,064,251	-	-	-	-	3,064,251
Interest receivable	-	-	-	-	3,922,671	3,922,671
Subscription receivable	-	-	-	-	100,615	100,615
<b>Total assets</b>	<b>9,513,067</b>	<b>3,490,941</b>	<b>66,895,885</b>	<b>293,882,555</b>	<b>4,596,457</b>	<b>378,378,905</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:						
Foreign currency forwards	-	-	-	-	9,706	9,706
Management fees payable	-	-	-	-	574,784	574,784
Redemptions payable	-	-	-	-	553,612	553,612
Administration fees payable	-	-	-	-	284,510	284,510
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,422,612</b>	<b>1,422,612</b>
<b>Total Interest sensitivity gap</b>	<b>9,513,067</b>	<b>3,490,941</b>	<b>66,895,885</b>	<b>293,882,555</b>	<b>3,173,845</b>	<b>376,956,293</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)****Market risk (continued)***Interest rate risk (continued)***Lyxor/Marathon Emerging Markets Bond Fund (continued)**

Management has determined that a fluctuation in interest rates of 50 basis points is reasonably possible, considering the economic environment in which the Sub-Fund operates. As at 31 December 2021, if interest rates had been 50 basis points lower/higher with all other variables held constant, the increase/(decrease) in net assets attributable to holders of redeemable participating shares would have been USD 1,479,428 (2020: USD 1,868,912) higher/lower.

**Lyxor/Bluescale Global Equity Alpha Fund****31 December 2021**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Financial assets at fair value through profit or loss:						
Debt securities	24,449,419	32,474,027	-	-	-	56,923,446
Equities	458,984	-	-	-	-	458,984
Equity swaps	-	-	-	-	1,854,121	1,854,121
Foreign currency forwards	-	-	-	-	272,523	272,523
Cash and cash equivalents	9,032,596	-	-	-	-	9,032,596
Due from brokers	2,501,540	-	-	-	-	2,501,540
Dividend receivable	-	-	-	-	-	-
Subscription receivable	-	-	-	-	-	-
<b>Total assets</b>	<b>36,442,539</b>	<b>32,474,027</b>	<b>-</b>	<b>-</b>	<b>2,126,644</b>	<b>71,043,210</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:						
Equity swaps	-	-	-	-	1,854,489	1,854,489
Foreign currency forwards	-	-	-	-	250,336	250,336
Bank Over Draft	193	-	-	-	-	193
Management fees payable	-	-	-	-	107,567	107,567
Performance Fees payable	-	-	-	-	1,662	1,662
Administration fees payable	-	-	-	-	19,476	19,476
Due to broker	53,263	-	-	-	-	53,263
Dividend payable	-	-	-	-	1,188	1,188
Redemption Payable	-	-	-	-	70,739	70,739
<b>Total liabilities</b>	<b>53,456</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,305,457</b>	<b>2,358,913</b>
<b>Total Interest sensitivity gap</b>	<b>36,389,083</b>	<b>32,474,027</b>	<b>-</b>	<b>-</b>	<b>(178,813)</b>	<b>68,684,297</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**
**10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**
**Market risk (continued)**
*Interest rate risk (continued)*
**Lyxor/Bluescale Global Equity Alpha Fund (continued)**
**31 December 2020**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	Non-interest bearing USD	Total USD
<b>Assets</b>						
Financial assets at fair value through profit or loss:						
Debt securities	46,247,426	23,890,199	-	-	-	70,137,625
Equity swaps	-	-	-	-	4,392,942	4,392,942
Foreign currency forwards	-	-	-	-	657,515	657,515
Cash and cash equivalents	9,082,562	-	-	-	-	9,082,562
Due from brokers	4,605,569	-	-	-	-	4,605,569
Dividend receivable	-	-	-	-	6,791	6,791
Subscription receivable	-	-	-	-	400,000	400,000
<b>Total assets</b>	<b>59,935,557</b>	<b>23,890,199</b>	<b>-</b>	<b>-</b>	<b>5,457,248</b>	<b>89,283,004</b>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss:						
Equity swaps	-	-	-	-	2,534,194	2,534,194
Foreign currency forwards	-	-	-	-	958,523	958,523
Management fees payable	-	-	-	-	72,529	72,529
Performance fees payable	-	-	-	-	339,520	339,520
Administration fees payable	-	-	-	-	90,602	90,602
Due to broker	1,332,943	-	-	-	-	1,332,943
Dividend payable	-	-	-	-	105,201	105,201
<b>Total liabilities</b>	<b>1,332,943</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,100,569</b>	<b>5,433,512</b>
<b>Total Interest sensitivity gap</b>	<b>58,602,614</b>	<b>23,890,199</b>	<b>-</b>	<b>-</b>	<b>1,356,679</b>	<b>83,849,492</b>

Management has determined that a fluctuation in interest rates of 50 basis points is reasonably possible, considering the economic environment in which the Sub-Fund operates. As at 31 December 2021, if interest rates had been 50 basis points lower/higher with all other variables held constant, the increase/(decrease) in net assets attributable to holders of redeemable participating shares would have been USD 344,316 (2020: USD 412,464) higher/lower.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)****Market risk (continued)***Currency risk*

Each Sub-Fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, each Sub-Fund is exposed to the risk that the exchange rate of its functional currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Sub-Fund's assets or liabilities denominated in currencies other than the functional currency. Currency risk is managed either by controlling the exposure of "unhedged currency" under the predefined limit, or by doing stress test of FX and controlling the compliance with the predefined limit.

The Sub-Funds' currency risk is managed and monitored on a daily basis by the Investment Manager.

The Sub-Funds had the following currency risk exposures:

**Lyxor/WNT Fund****31 December 2021**

<b>Currency Monetary/Non Monetary</b>	<b>Total Exposure USD</b>	<b>Hedging USD</b>	<b>Net Exposure USD</b>
CHF	82	-	82
EUR	(82)	-	(82)
USD	16	-	16
SEK	(6)	-	(6)
Others	(11)	-	(11)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**31 December 2020**

<b>Currency Monetary/Non Monetary</b>	<b>Total Exposure USD</b>	<b>Hedging USD</b>	<b>Net Exposure USD</b>
USD	18,883,196	22,929,918	41,813,114
JPY	214,352	-	214,352
GBP	171,273	(4,458,020)	(4,286,747)
AUD	165,819	-	165,819
Others	416,002	(18,471,898)	(18,055,896)
<b>Total</b>	<b>19,850,642</b>	<b>-</b>	<b>19,850,642</b>

*Sensitivity analysis*

Management deems that a +/-5% threshold is reasonable for the Sub-Fund. If exchange rates at 31 December 2021 had changed by +/-5% with all other variables held constant, this would have changed net assets attributable to holders of redeemable shares by approximately USD +/- 1 (2020: USD +/- 1,098,124).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

## 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

## Market risk (continued)

## Currency risk (continued)

## Lyxor/Chenavari Credit Fund

## 31 December 2021

Currency Monetary/Non Monetary	Total Exposure USD	Hedging USD	Net Exposure USD
EUR	308,837,614	(321,506,049)	(12,668,435)
USD	288,432,462	239,681,944	528,114,407
GBP	106,122,027	86,739,717	192,861,743
NOK	(190,711)	(4,915,612)	(5,106,323)
<b>Total</b>	<b>703,201,392</b>	<b>-</b>	<b>703,201,392</b>

## 31 December 2020

Currency Monetary/Non Monetary	Total Exposure USD	Hedging USD	Net Exposure USD
USD	81,246,178	39,139,945	120,386,123
GBP	15,104,600	14,229,804	29,334,404
EUR	136,607,249	(53,369,749)	83,237,500
<b>Total</b>	<b>232,958,027</b>	<b>-</b>	<b>232,958,027</b>

## Sensitivity analysis

Management deems that a +/-5% threshold is reasonable for the Sub-Fund. If exchange rates at 31 December 2020 had changed by +/-5% with all other variables held constant, this would have changed net assets attributable to holders of redeemable shares by approximately USD +/- 8,754,349 (2019: USD +/- 5,628,595).

## Lutetia Merger Arbitrage Fund

## 31 December 2021

Currency Monetary/Non Monetary	Total Exposure USD	Hedging USD	Net Exposure USD
USD	1,198,779	61,442	1,260,221
EUR	(29,563)	(61,442)	(91,005)
GBP	10,761	-	10,761
CAD	10,559	-	10,559
DKK	6,576	-	6,576
CHF	5,129	-	5,129
Others	307	-	307
<b>Total</b>	<b>1,202,548</b>	<b>-</b>	<b>1,202,548</b>

## 31 December 2020

Currency Monetary/Non Monetary	Total Exposure USD	Hedging USD	Net Exposure USD
USD	15,276,763	13,242,678	28,519,441
EUR	1,682,622	(13,242,678)	(11,560,056)
CAD	(99,821)	-	(99,821)
SEK	80,927	-	80,927
GBP	7,207	-	7,207
Others	10,565	-	10,565
<b>Total</b>	<b>16,958,263</b>	<b>-</b>	<b>16,958,263</b>



## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

## 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

## Market risk (continued)

*Currency risk (continued)*

## Lutetia Merger Arbitrage Fund (continued)

*Sensitivity analysis*

Management deems that a +/-5% threshold is reasonable for the Sub-Fund. If exchange rates at 31 December 2021 had changed by +/-5% with all other variables held constant, this would have changed net assets attributable to holders of redeemable shares by approximately USD +/- 2,884 (2020: USD +/- 578,059).

## Lyxor/Wells Capital Financial Credit Fund

## 31 December 2021

Currency Monetary/Non Monetary	Total Exposure USD	Hedging USD	Net Exposure USD
EUR	69,766,268	(47,599,084)	22,167,184
USD	38,179,354	12,147,050	50,326,404
GBP	35,842,544	35,452,034	71,294,578
<b>Total</b>	<b>143,788,166</b>	<b>-</b>	<b>143,788,166</b>

## 31 December 2020

Currency Monetary/Non Monetary	Total Exposure USD	Hedging USD	Net Exposure USD
USD	43,768,536	22,370,509	66,139,045
EUR	74,638,963	(46,217,071)	28,421,892
GBP	24,562,407	23,846,562	48,408,969
<b>Total</b>	<b>142,969,906</b>	<b>-</b>	<b>142,969,906</b>

*Sensitivity analysis*

Management deems that a +/-5% threshold is reasonable for the Sub-Fund. If exchange rates at 31 December 2021 had changed by +/-5% with all other variables held constant, this would have changed net assets attributable to holders of redeemable shares by approximately USD +/- 4,673,088 (2020: USD +/- 3,841,543).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

## 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

## Market risk (continued)

## Currency risk (continued)

## Lyxor/Marathon Emerging Markets Bond Fund

31 December 2021

	Total Exposure USD	Hedging USD	Net Exposure USD
Currency Monetary/Non Monetary			
USD	298,638,873	108,395,657	407,034,530
EUR	1,518,712	(57,082,477)	(55,563,765)
GBP	702,200	(39,108,060)	(38,405,860)
Others	175,608	(12,205,120)	(12,029,512)
<b>Total</b>	<b>301,035,393</b>	<b>-</b>	<b>301,035,393</b>

31 December 2020

	Total Exposure USD	Hedging USD	Net Exposure USD
Currency Monetary/Non Monetary			
USD	376,306,987	47,791,472	424,098,459
EUR	628,637	(47,098,247)	(46,469,610)
GBP	20,669	(693,225)	(672,556)
<b>Total</b>	<b>376,956,293</b>	<b>-</b>	<b>376,956,293</b>

## Sensitivity analysis

Management deems that a +/-5% threshold is reasonable for the Sub-Fund. If exchange rates at 31 December 2021 had changed by +/-5% with all other variables held constant, this would have changed net assets attributable to holders of redeemable shares by approximately USD +/- 5,299,957 (2020: USD +/- 2,357,108).

## Lyxor/Bluescale Global Equity Alpha Fund

31 December 2021

	Total Exposure USD	Hedging USD	Net Exposure USD
Currency Monetary/Non Monetary			
USD	67,703,266	2,505,745	70,209,011
NOK	628,670	1,344,001	1,972,671
TWD	431,953	-	431,953
EUR	213,613	(6,613,396)	(6,399,783)
Others	(293,204)	2,763,650	2,470,446
<b>Total</b>	<b>68,684,298</b>	<b>-</b>	<b>68,684,298</b>

31 December 2020

	Total Exposure USD	Hedging USD	Net Exposure USD
Currency Monetary/Non Monetary			
USD	82,558,593	(8,128,383)	74,430,210
CAD	581,855	2,449,317	3,031,172
JPY	330,808	(347,094)	(16,286)
TWD	(328,911)	-	(328,911)
Others	707,147	6,026,160	6,733,307
<b>Total</b>	<b>83,849,492</b>	<b>-</b>	<b>83,849,492</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 December 2021**

**10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

**Market risk (continued)**

*Currency risk (continued)*

**Lyxor/Bluescale Global Equity Alpha Fund (continued)**

*Sensitivity analysis*

Management deems that a +/-5% threshold is reasonable for the Sub-Fund. If exchange rates at 31 December 2021 had changed by +/-5% with all other variables held constant, this would have changed net assets attributable to holders of redeemable shares by approximately USD +/- 76,236 (2020: USD +/- 470,964).

**Market risk (continued)**

*Price risk*

Price risk is the risk that value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As the majority of the Company's financial instruments are carried at fair value with fair value changes recognised in the Statement of Comprehensive Income, all changes in market conditions will directly affect change in net assets attributable to holders of redeemable participating shares.

The Investment Manager manages price risk in accordance with the investment objectives and policies set out in the Sub-Funds' Prospectus Supplements. This risk is managed by ensuring appropriate processes and procedures are in place to effectively manage the Sub-Funds' risks.

**Value at risk (VaR)**

Global exposure for each Sub-Fund is calculated using a Value at Risk (VaR) model. VaR will be monitored in terms of absolute VaR, as defined below:

- Absolute VaR is defined as percentage of NAV, the VaR of the Sub-Fund is limited as a percentage of NAV. The absolute VaR of each Sub-Fund cannot be greater than 20% of the NAV.
- The market risks of each Sub-Fund's financial asset and liability positions are monitored by the Investment Manager on a daily basis. VaR analysis represents the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR represents a statistical estimate of the potential losses from adverse changes in market factors for a specified time period and confidence level.

*Limitation of VaR calculation*

Whilst in the opinion of the Investment Manager VaR is a good general risk measure, it is acknowledged that it does have certain limitations, including:

- The measure is a point-in-time calculation, reflecting positions as recorded at that date, which do not necessarily reflect the risk positions held at any other time.
- If a 99% confidence interval is applied, losses are not expected to exceed the calculated VaR on 99% of occasions, but on the other 1%, losses are expected to be greater and may substantially exceed the calculated VaR. VaR is a statistical estimation and therefore it is possible that there could be, in any period, a greater number of days in which losses could exceed the calculated VaR.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)****Market risk (continued)***Price risk (continued)***Value at risk (VaR) (continued)***VaR analysis (historical simulation) 2021*

	<b>Absolute VaR%</b>	<b>Average VaR%</b>	<b>Minimum VaR%</b>	<b>Maximum VaR%</b>		<b>Leverage employed during the year ended 31 December 2021 (%)</b>
<b>Sub-Fund</b>	<b>(% of NAV)</b>	<b>(Limit utilisation)</b>	<b>(Limit utilisation)</b>	<b>(Limit utilisation)</b>	<b>VaR% Limit</b>	
WNT	0.15%	52.15%	0.75%	96.71%	20.00%	N/A
CHENAVARI	1.18%	10.77%	2.69%	40.05%	20.00%	1018.97%
LUTETIA	4.50%	41.10%	12.64%	57.91%	20.00%	105.33%
WELLS	3.01%	22.42%	3.67%	71.07%	20.00%	379.85%
BLUESCALE	5.95%	44.65%	26.83%	96.71%	20.00%	138.77%

*VaR analysis (historical simulation) 2020*

	<b>Absolute VaR%</b>	<b>Average VaR%</b>	<b>Minimum VaR%</b>	<b>Maximum VaR%</b>		<b>Leverage employed during the year ended 31 December 2020 (%)</b>
<b>Sub-Fund</b>	<b>(% of NAV)</b>	<b>(Limit utilisation)</b>	<b>(Limit utilisation)</b>	<b>(Limit utilisation)</b>	<b>VaR% Limit</b>	
WNT	17.14%	30.86%	9.35%	85.70%	20.00%	3,115.09%
CHENAVARI	5.57%	17.64%	5.21%	34.85%	20.00%	532.83%
LUTETIA	9.76%	80.97%	35.09%	155.90%	20.00%	420.65%
WELLS	12.97%	57.28%	6.69%	90.00%	20.00%	349.94%
BLUESCALE	14.64%	65.80%	14.74%	111.06%	20.00%	316.51%

The Lyxor/WNT Fund was terminated on 19 July 2021, no leverage percentage was calculated in 2021.

It is not envisaged that the Lyxor/Marathon Emerging Markets Bond Fund will employ leverage, except as part of its currency hedging strategy for share classes that are not in the Sub-Fund's functional currency.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The below value of financial assets best represent the maximum credit risk exposure at the balance sheet date.

31 December 2021

	COMPANY TOTAL USD	WNT USD	CHENAVARI USD	LUTETIA USD	EVOLUTION USD	WELLS USD	PORTLAND EUR	DYMON USD	ACADEMY USD	MARATHON USD	BLUESCALE USD
<i>Investment in securities</i>											
Debt securities	988,317,035	-	508,853,909	1,364,758	-	129,048,529	-	-	-	292,126,393	56,923,446
Listed equity securities	458,984	-	-	-	-	-	-	-	-	-	458,984
Mutual fund	40	-	-	40	-	-	-	-	-	-	-
Total Investment in securities	988,776,059	-	508,853,909	1,364,798	-	129,048,529	-	-	-	292,126,393	57,382,430
<i>Financial derivative instruments*</i>											
Listed options	7,150	-	7,150	-	-	-	-	-	-	-	-
Total return swaps	240,589,450	-	240,589,450	-	-	-	-	-	-	-	-
Credit default swaps	204,524,750	-	198,836,000	-	-	5,688,750	-	-	-	-	-
Equity swaps	85,535,753	-	157	-	-	-	-	-	-	-	85,535,596
Contracts for difference	1,989,086	-	-	1,989,086	-	-	-	-	-	-	-
Futures contracts	269,262,894	-	269,262,894	-	-	-	-	-	-	-	-
Foreign currency forwards	1,440,928,058	-	1,055,276,281	62,874	-	225,295,781	-	-	-	110,263,257	50,029,865
Swaptions	455,100,000	-	455,100,000	-	-	-	-	-	-	-	-
Total Financial derivative instruments	2,697,937,141	-	2,219,071,932	2,051,960	-	230,984,531	-	-	-	110,263,257	135,565,461
Cash and cash equivalents	146,443,971	235,364	123,163,215	180,783	116,185	9,916,497	-	-	41,580	3,757,751	9,032,596
Due from brokers	86,623,363	-	79,227,544	192,367	319	4,700,000	-	-	135	1,458	2,501,540
Interest receivable	11,048,369	-	6,011,487	-	-	1,425,380	-	-	-	3,611,502	-
Dividend receivable	233	-	-	233	-	-	-	-	-	-	-
Subscription receivable	4,615,020	-	3,677,431	-	-	-	-	-	-	937,589	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-
Total	3,935,444,157	235,364	2,940,005,519	3,790,141	116,504	376,074,937	-	-	41,715	410,697,950	204,482,027

\*The financial derivative instruments are stated at their notional amounts. The other financial assets are stated at their fair value as presented in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Credit risk (continued)

31 December 2020

	COMPANY TOTAL USD	WNT USD	CHENAVARI USD	LUTETIA USD	EVOLUTION USD	KINGDON USD	WELLS USD	PORTLAND EUR	DYMON USD	ACADEMY USD	MARATHON USD	BLUESCALE USD
<i>Investment in securities</i>												
Debt securities	752,315,208	4,937,211	166,980,084	12,106,725	-	-	127,435,366	-	-	-	370,718,197	70,137,625
Listed equity securities	235,428	-	-	235,428	-	-	-	-	-	-	-	-
Mutual fund	40	-	-	40	-	-	-	-	-	-	-	-
Total Investment in securities	<b>752,550,676</b>	<b>4,937,211</b>	<b>166,980,084</b>	<b>12,342,193</b>	<b>-</b>	<b>-</b>	<b>127,435,366</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>370,718,197</b>	<b>70,137,625</b>
<i>Financial derivative instruments*</i>												
Listed options	258,076	-	258,076	-	-	-	-	-	-	-	-	-
Total return swaps	82,097,687	-	82,097,687	-	-	-	-	-	-	-	-	-
Credit default swaps	96,077,501	-	96,077,501	-	-	-	-	-	-	-	-	-
Equity swaps	105,873,034	-	-	-	-	-	-	-	-	-	-	105,873,034
Contracts for difference	14,060,463	-	-	14,060,463	-	-	-	-	-	-	-	-
Futures contracts	307,830,639	285,232,664	22,597,975	-	-	-	-	-	-	-	-	-
Foreign currency forwards	749,434,132	32,332,761	363,042,717	19,660,056	-	-	220,413,436	-	-	-	49,464,120	64,521,042
Swaptions	1,013,886,500	-	1,013,886,500	-	-	-	-	-	-	-	-	-
Total Financial derivative instruments	<b>2,369,518,032</b>	<b>317,565,425</b>	<b>1,577,960,456</b>	<b>33,720,519</b>	<b>-</b>	<b>-</b>	<b>220,413,436</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,464,120</b>	<b>170,394,076</b>
Cash and cash equivalents	69,542,209	1,344,827	42,803,098	2,284,773	118,822	-	10,799,942	-	2,407	41,527	3,064,251	9,082,562
Due from brokers	57,917,988	13,971,245	31,217,146	2,205,028	612	-	5,918,388	-	-	-	-	4,605,569
Interest receivable	7,855,009	-	2,241,934	-	-	-	1,690,404	-	-	-	3,922,671	-
Dividend receivable	9,335	-	-	2,544	-	-	-	-	-	-	-	6,791
Subscription receivable	871,100	-	-	-	-	-	370,485	-	-	-	100,615	400,000
Other receivables	180	-	-	180	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,258,264,529</b>	<b>337,818,708</b>	<b>1,821,202,718</b>	<b>50,555,237</b>	<b>119,434</b>	<b>-</b>	<b>366,628,021</b>	<b>-</b>	<b>2,407</b>	<b>41,527</b>	<b>427,269,854</b>	<b>254,626,623</b>

\* The financial derivative instruments are stated at their notional amounts. The other financial assets are stated at their fair value as presented in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Credit risk (continued)

The following table details the name and credit rating of the financial institutions holding the net cash and cash equivalents of each Sub-Fund.

31 December 2021

CREDIT RATING	COMPANY TOTAL USD	WNT USD	CHENAVARI USD	LUTETIA USD	EVOLUTION USD	WELLS USD	DYMON USD	ACADEMY USD	MARATHON USD	BLUESCALE USD
A+	4,597,255	-	-	-	-	-	-	-	-	4,597,255
A+	6,284,449	235,364	4,883,620	45,152	116,123	272,875	-	1	731,452	(138)
A+	23,583,330	-	23,583,330	-	-	-	-	-	-	-
A+	111,624,895	-	94,370,912	107,560	-	9,643,259	-	41,579	3,026,299	4,435,286
<b>Total</b>	<b>146,089,929</b>	<b>235,364</b>	<b>122,837,862</b>	<b>152,712</b>	<b>116,123</b>	<b>9,916,134</b>	<b>-</b>	<b>41,580</b>	<b>3,757,751</b>	<b>9,032,403</b>

31 December 2020

CREDIT RATING	COMPANY TOTAL USD	WNT USD	CHENAVARI USD	LUTETIA USD	EVOLUTION USD	WELLS USD	DYMON USD	ACADEMY USD	MARATHON USD	BLUESCALE USD
A+	2,669,215	-	-	-	-	-	-	-	-	2,669,215
A+	10,098,993	-	10,098,993	-	-	-	-	-	-	-
A+	7,795,145	1,344,827	3,748,278	20,918	118,823	349,165	2,407	-	584,620	1,626,107
A+	48,937,173	-	28,951,354	2,226,975	(1)	10,450,447	-	41,527	2,479,631	4,787,240
<b>Total</b>	<b>69,500,526</b>	<b>1,344,827</b>	<b>42,798,625</b>	<b>2,247,893</b>	<b>118,822</b>	<b>10,799,612</b>	<b>2,407</b>	<b>41,527</b>	<b>3,064,251</b>	<b>9,082,562</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
For the year ended 31 December 2021

**10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

**Credit risk (continued)**

The following table details the name and credit rating of the financial institutions holding the net due from/to balances of each Sub-Fund.

**31 December 2021**

	CREDIT RATING	COMPANY TOTAL USD	WNT USD	CHENAVARI USD	LUTETIA USD	EVOLUTION USD	WELLS USD	ACADEMY USD	MARATHON USD	BLUESCALE USD
UBS AG	AA-	-	-	-	-	-	-	-	-	-
Goldman Sachs & Co.	A+	11,783,638	-	4,713,483	-	-	4,700,000	135	-	2,370,020
JP Morgan Chase	A+	52,399,060	-	52,399,060	-	-	-	-	-	-
Société Générale	A+	136,738	-	-	190,000	-	-	-	-	(53,262)
Citibank N.A.	A+	870,000	-	870,000	-	-	-	-	-	-
Société Générale	A+	131,519	-	-	-	-	-	-	-	131,519
Securities Services	A+	-	-	-	-	-	-	-	-	-
NewEdge	A+	2,686	-	-	2,367	319	-	-	-	-
Bank of America	A+	770,001	-	770,001	-	-	-	-	-	-
BNP Paribas	AA-	16,906,000	-	16,906,000	-	-	-	-	-	-
Morgan Stanley & Co	BB+	641,458	-	640,000	-	-	-	-	1,458	-
Ms - Morgan Stanley Int	-	-	-	-	-	-	-	-	-	-
London	BB+	2,929,000	-	2,929,000	-	-	-	-	-	-
Credit Suisse AG	A+	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>86,542,029</b>	<b>-</b>	<b>79,227,544</b>	<b>192,367</b>	<b>319</b>	<b>4,700,000</b>	<b>135</b>	<b>1,458</b>	<b>2,448,277</b>

**31 December 2020**

	CREDIT RATING	COMPANY TOTAL USD	WNT USD	CHENAVARI USD	LUTETIA USD	EVOLUTION USD	WELLS USD	BLUESCALE USD
UBS AG	AA-	11,026,015	11,026,015	-	-	-	-	-
Goldman Sachs & Co.	A+	13,263,504	440,000	2,893,483	-	-	5,670,000	4,260,021
JP Morgan Chase	A+	11,848,440	-	11,848,440	-	-	-	-
Société Générale	A+	(614,592)	(404,876)	-	890,000	-	-	(1,099,716)
Citibank N.A.	A+	1,350,000	-	1,350,000	-	-	-	-
Société Générale	A+	109,985	-	(2,336)	-	-	-	112,321
Securities Services	A+	-	-	-	-	-	-	-
Société Générale	A+	3,909,253	2,505,225	-	1,315,028	612	88,388	-
International Limited	A+	-	-	-	-	-	-	-
Bank of America Merrill	A+	143,483	-	143,483	-	-	-	-
Lynch	AA-	8,616,000	-	8,616,000	-	-	-	-
BNP Paribas	A+	5,845,000	-	5,845,000	-	-	-	-
Morgan Stanley & Co	A+	680,000	-	520,000	-	-	160,000	-
Credit Suisse AG	A+	-	-	-	-	-	-	-
<b>Total</b>		<b>56,177,088</b>	<b>13,566,364</b>	<b>31,214,070</b>	<b>2,205,028</b>	<b>612</b>	<b>5,918,388</b>	<b>3,272,626</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Credit risk (continued)

The following table details the name and credit rating of the OTC derivative counterparties of each Sub-Fund.

31 December 2021

	CREDIT RATING	COMPANY TOTAL USD	WNT USD	CHENAVARI USD	LUTETIA USD	WELLS USD	MARATHON USD	BLUESCALE USD
Barclays Capital Inc.	A	(9,696,958)	-	(9,696,958)	-	-	-	-
BNP Paribas	AA-	(79,694)	-	(79,694)	-	-	-	-
Citigroup Global Markets Inc.	A+	(432,326)	-	(127,566)	-	-	-	(304,760)
Credit Agricole CIB	AA-	6,015	-	-	-	6,015	-	-
Goldman Sachs International	A+	1,152,333	-	1,053,607	-	(205,666)	-	304,392
JP Morgan Chase Bank	A+	100,489	-	94,408	-	6,081	-	-
JP Morgan - New York	A+	(755,132)	-	-	-	(755,132)	-	-
Morgan Stanley Capital Services Inc.	A+	90,043	-	90,043	-	-	-	-
Société Générale Securities Services	A+	(2,899,393)	-	(4,344,530)	129,430	-	1,357,467	(41,760)
Société Générale - London	A+	5,013,261	-	4,949,314	-	-	-	63,947
		<b>(7,501,362)</b>	<b>-</b>	<b>(8,061,376)</b>	<b>129,430</b>	<b>(948,702)</b>	<b>1,357,467</b>	<b>21,819</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Credit risk (continued)

31 December 2020

	CREDIT RATING	COMPANY TOTAL USD	WNT USD	CHENAVARI USD	LUTETIA USD	WELLS USD	MARATHON USD	BLUESCALE USD
Bank of America Merrill Lynch	A+	107,610	-	107,610	-	-	-	-
Barclays Capital Inc.	A	16,368	16,368	-	-	-	-	-
BNP Paribas	AA-	(19,921)	10,892	(30,813)	-	-	-	-
Citigroup Global Markets Inc.	A+	567,007	-	(182,414)	-	-	-	749,421
Credit Agricole CIB	AA-	1,539,321	-	-	203,218	1,336,126	-	(23)
CSFB International	A+	55,135	-	-	-	55,135	-	-
Deutsche Bank AG	A-	(7,092)	(7,092)	-	-	-	-	-
Goldman Sachs International	A+	(2,462,923)	272,578	(1,081,515)	-	(2,466,584)	23,773	788,825
HSBC	AA-	17,038	17,038	-	-	-	-	-
JP Morgan Chase Bank	A+	(119,964)	(4,189)	(115,539)	-	(265)	29	-
JP Morgan - New York	A+	(2,692,260)	15,023	(2,706,126)	-	(1,157)	-	-
JP Morgan - FCM	A+	(4,197,855)	-	(4,197,855)	-	-	-	-
Morgan Stanley Capital Services Inc.	A+	30,941	12,360	-	-	-	-	18,581
Morgan Stanley Inc.	A+	2,711,787	-	2,171,188	-	-	539,663	936
Société Générale Securities Services	A+	52,223	-	-	52,223	-	-	-
UBS Limited	AA-	831	831	-	-	-	-	-
		<b>(4,401,754)</b>	<b>333,809</b>	<b>(6,035,464)</b>	<b>255,441</b>	<b>(1,076,745)</b>	<b>563,465</b>	<b>1,557,740</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)****Credit risk (continued)**

The tables below analyse the Sub-Funds' portfolio of debt securities by rating agency category.

**Lyxor/WNT Fund**

As at 31 December 2021, there were no debt securities held as the Fund terminated on 19 July 2021.

**31 December 2020**

<b>Credit rating</b>	<b>Debt securities</b>	
	<b>Fair value</b>	<b>% of NAV</b>
	<b>USD</b>	
AAA	4,937,211	24.87%
<b>Total</b>	<b>4,937,211</b>	

**Lyxor/Chenavari Credit Fund****31 December 2021**

<b>Credit rating</b>	<b>Debt securities</b>	
	<b>Fair value</b>	<b>% of NAV</b>
	<b>USD</b>	
AAA	99,996,973	14.22%
B	110,795,625	15.76%
B-	34,769,674	4.94%
B+	30,876,583	4.39%
BB	43,228,801	6.15%
BB-	57,286,005	8.15%
BB+	63,023,140	8.96%
BBB	6,328,979	0.90%
BBB-	8,316,407	1.18%
NR	54,231,722	7.71%
<b>Total</b>	<b>508,853,909</b>	

**31 December 2020**

<b>Credit rating</b>	<b>Debt securities</b>	
	<b>Fair value</b>	<b>% of NAV</b>
	<b>USD</b>	
AAA	4,999,897	2.15%
B	34,946,654	15.00%
B-	13,755,484	5.90%
B+	20,534,706	8.81%
BB	18,377,852	7.89%
BB-	15,076,337	6.47%
BB+	13,489,561	5.79%
BBB	2,218,561	0.95%
BBB-	12,847,075	5.51%
NR	30,733,957	13.19%
<b>Total</b>	<b>166,980,084</b>	

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

## 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

## Credit risk (continued)

The tables below analyse the Sub-Funds' portfolio of debt securities by rating agency category.

## Lutetia Merger Arbitrage Fund

31 December 2021

Credit rating	Debt securities	
	Fair value	% of NAV
	USD	
AAA	1,364,758	113.49%
<b>Total</b>	<b>1,364,758</b>	

31 December 2020

Credit rating	Debt securities	
	Fair value	% of NAV
	USD	
AAA	12,106,725	71.39%
<b>Total</b>	<b>12,106,725</b>	

## Lyxor/Wells Capital Financial Credit Fund

31 December 2021

Credit rating	Debt securities	
	Fair value	% of NAV
	USD	
B+	11,536,689	8.02%
BB	7,799,072	5.42%
BB-	6,831,796	4.75%
BB+	31,361,226	21.81%
BBB	10,515,260	7.31%
BBB-	19,500,903	13.56%
BBB+	8,712,788	6.06%
NR	32,790,795	22.80%
<b>Total</b>	<b>129,048,529</b>	

31 December 2020

Credit rating	Debt securities	
	Fair value	% of NAV
	USD	
A	2,334,681	1.63%
B-	2,450,442	1.71%
B+	13,977,816	9.78%
BB	11,055,135	7.73%
BB-	8,653,908	6.05%
BB+	20,408,642	14.27%
BBB	5,644,325	3.95%
BBB-	22,630,259	15.83%
BBB+	10,372,631	7.26%
NR	29,907,527	20.92%
<b>Total</b>	<b>127,435,366</b>	

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2021

**10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)****Credit risk (continued)**

The tables below analyse the Sub-Funds' portfolio of debt securities by rating agency category.

**Lyxor/Marathon Emerging Markets Bond Fund****31 December 2021**

<b>Credit rating</b>	<b>Debt securities</b>	
	<b>Fair value</b>	<b>% of NAV</b>
	<b>USD</b>	
A	21,205,560	7.04%
A+	2,688,782	0.89%
A-	10,231,917	3.40%
AA	10,641,753	3.54%
AA-	10,056,605	3.34%
B	23,168,509	7.70%
B-	18,600,226	6.18%
B+	22,048,611	7.32%
BB	5,350,133	1.78%
BB-	36,227,459	12.03%
BB+	20,476,199	6.80%
BBB	42,007,735	13.95%
BBB-	30,110,666	10.00%
CCC	307,065	0.10%
CCC+	6,636,592	2.20%
CCC-	2,903,359	0.96%
NR	29,465,222	9.79%
	<b>292,126,393</b>	

**31 December 2020**

<b>Credit rating</b>	<b>Debt securities</b>	
	<b>Fair value</b>	<b>% of NAV</b>
	<b>USD</b>	
A	27,516,716	7.30%
A+	11,432,878	3.03%
A-	14,128,270	3.75%
AA	10,138,493	2.69%
AA-	16,247,219	4.31%
B	30,619,091	8.12%
B-	21,968,526	5.83%
B+	26,064,206	6.91%
BB	14,148,230	3.75%
BB-	41,506,116	11.01%
BB+	9,048,338	2.40%
BBB	48,688,151	12.92%
BBB-	40,278,767	10.69%
BBB+	12,052,944	3.20%
CCC	3,848,750	1.02%
CCC+	1,352,343	0.36%
NR	41,679,159	11.06%
	<b>370,718,197</b>	

**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)****Credit risk (continued)**

The tables below analyse the Sub-Funds' portfolio of debt securities by rating agency category.

**Lyxor/Bluescale Global Equity Alpha Fund****31 December 2021**

<b>Credit rating</b>	<b>Debt securities</b>	
	<b>Fair value</b>	<b>% of NAV</b>
	<b>USD</b>	
AAA	56,923,446	82.88%
	<b>56,923,446</b>	

**31 December 2020**

<b>Credit rating</b>	<b>Debt securities</b>	
	<b>Fair value</b>	<b>% of NAV</b>
	<b>USD</b>	
AAA	70,137,625	83.65%
	<b>70,137,625</b>	

The Depositary network holds securities (i.e. bonds), cash, and/or collateral for the Company. Bankruptcy, insolvency or other credit default events of the Depositary or its Sub-Depositary network ("Institution") may cause the Company's rights with respect to securities and other assets (including collateral) held by the Depositary to be delayed or limited. In the event of the insolvency or bankruptcy of the Institution, the Company will be treated as a general creditor with respect to cash. The maximum exposure to this risk at the 31 December 2021 and 2020 is the carrying value of the relevant assets other than derivatives.

The Sub-Funds monitor their risk by periodically reviewing the credit quality of the Depositary and its parent company, Société Générale S.A. At 31 December 2021, the long term senior debt credit rating of Société Générale S.A. from Standard & Poor's was A+ (2020: A+). In respect of the cash held with any institution, including the Depositary, the Company will be exposed to the credit risk of that institution.

The Company is required to disclose the impact of offsetting assets and liabilities represented in the Statement of Financial Position to enable users of the financial statements to evaluate the effect or potential effect of netting arrangements on its financial position for recognised assets and liabilities. These recognised assets and liabilities are financial instruments and derivative instruments that are either subject to an enforceable master netting agreement or similar agreement or meet the following right of set off criteria: if the Company currently has a legally enforceable right to set off the recognised amounts; and if it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

As at 31 December 2021, the Company does not hold financial instruments and derivative instruments that are eligible for offset in the Statement of Financial Position but does hold those which are subject to a master netting arrangement or similar arrangements.



**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)****Credit risk (continued)**

The following tables present the Company's financial assets and liabilities subject to enforceable master netting arrangements and similar agreements. The tables are presented by type of financial instrument.

*Offsetting financial instruments***31 December 2021**

Financial assets subject to enforceable master netting arrangements and similar agreements:

Sub-Fund	Sub-Fund's Functional Currency	Description of type of Financial Asset	Gross amount of recognised Financial Asset	Gross amount of Financial Liabilities offset in the Statement of Financial Position	Net amount of Financial Assets presented in the Statement of Financial Position	Gross amounts not offset in the Statement of Financial Positioin		Net amount
						Financial Instrument	Collateral received	
Derivative financial instruments:								
WNT	USD	Derivatives	-	-	-	-	-	-
CHENAVARI	USD	Derivatives	8,326,203	-	8,326,203	(465,024)	-	7,861,179
LUTETIA	USD	Derivatives	199,444	-	199,444	(70,014)	-	129,430
WELLS	USD	Derivatives	494,541	-	494,541	(7,149)	-	487,392
MARATHON	USD	Derivatives	1,363,186	-	1,363,186	(5,719)	-	1,357,467
BLUESCALE	USD	Derivatives	2,126,644	-	2,126,644	(1,755,955)	-	370,689

Financial liabilities subject to enforceable master netting arrangements and similar agreements:

Sub-Fund	Sub-Fund's Functional Currency	Description of type of Financial Liabilities	Gross amount of recognised Financial Liabilities	Gross amount of Financial Assets offset in the Statement of Financial Position	Net amount of Financial Liabilities presented in the Statement of Financial Position	Gross amounts not offset in the Statement of Financial Position		Net amount
						Financial Instrument	Collateral pledged	
Derivative financial instruments:								
WNT	USD	Derivatives	-	-	-	-	-	-
CHENAVARI	USD	Derivatives	(15,518,046)	-	(15,518,046)	465,024	79,696	(14,973,326)
LUTETIA	USD	Derivatives	(70,014)	-	(70,014)	70,014	-	-
WELLS	USD	Derivatives	(1,443,243)	-	(1,443,243)	7,149	1,436,094	-
MARATHON	USD	Derivatives	(5,719)	-	(5,719)	5,719	-	-
BLUESCALE	USD	Derivatives	(2,104,825)	-	(2,104,825)	1,755,955	(304,759)	(653,629)

The cash collateral balances of the Sub-Funds are disclosed in Note 7.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

## 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

## Credit risk (continued)

## Offsetting financial instruments (continued)

31 December 2020

Financial assets subject to enforceable master netting arrangements and similar agreements:

Sub-Fund	Sub-Fund's Functional Currency	Description of type of Financial Asset	Gross amount of recognised Financial Asset	Gross amount of Financial Liabilities offset in the Statement of Financial Position	Net amount of Financial Assets presented in the Statement of Financial Position	Gross amounts not offset in the Statement of Financial Position		Net amount
						Financial Instrument	Collateral received	
Derivative financial instruments:								
WNT	USD	Derivatives	760,321	-	760,321	(67,154)	-	693,167
CHENAVARI	USD	Derivatives	3,489,988	-	3,489,988	(911,898)	-	2,578,090
LUTETIA	USD	Derivatives	1,438,591	-	1,438,591	(1,172,299)	-	266,292
WELLS	USD	Derivatives	1,422,355	-	1,422,355	(31,092)	-	1,391,263
MARATHON	USD	Derivatives	573,171	-	573,171	(9,706)	-	563,465
BLUESCALE	USD	Derivatives	5,050,457	-	5,050,457	(3,172,190)	-	1,878,267

Financial liabilities subject to enforceable master netting arrangements and similar agreements:

Sub-Fund	Sub-Fund's Functional Currency	Description of type of Financial Liabilities	Gross amount of recognised Financial Liabilities	Gross amount of Financial Assets offset in the Statement of Financial Position	Net amount of Financial Liabilities presented in the Statement of Financial Position	Gross amounts not offset in the Statement of Financial Position		Net amount
						Financial Instrument	Collateral pledged	
Derivative financial instruments:								
WNT	USD	Derivatives	(67,154)	-	(67,154)	67,154	-	-
CHENAVARI	USD	Derivatives	(9,284,049)	-	(9,284,049)	911,898	993,512	(7,378,639)
LUTETIA	USD	Derivatives	(1,183,150)	-	(1,183,150)	1,172,299	10,851	-
WELLS	USD	Derivatives	(2,499,100)	-	(2,499,100)	31,092	2,466,586	(1,422)
MARATHON	USD	Derivatives	(9,706)	-	(9,706)	9,706	-	-
BLUESCALE	USD	Derivatives	(3,492,717)	-	(3,492,717)	3,172,190	108,964	(211,563)

The cash collateral balances of the Sub-Funds are disclosed in Note 7.

## Expected credit losses

At 31 December 2021 and 2020, the cash and cash equivalents, due from brokers and other short-term receivables are held with counterparties with a credit rating of A+ or higher and are due to be settled within one week. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Company.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)****Liquidity risk****Residual contractual maturities of assets and liabilities**

The tables below analyse the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant. Note the liquidity analysis does not take account of the secondary market liquidity of investments.

If redemption applications on any dealing day exceed 10% of the redeemable participating shares in a Sub-Fund, the Company may defer the excess redemption applications to subsequent dealing days.

The period over which positions are expected to be held may differ to the actual period of holding thereby impacting the calculated VaR. Inputs are restricted to conditions or events occurring in the past 12 months. Therefore, any condition or event outside this time period will not have been included in the calculation.

**Lyxor/WNT Fund****31 December 2021**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Other payable and accrued expenses	235,364	-	-	-	-	235,364
<b>Total liabilities</b>	<b>235,364</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>235,364</b>

**31 December 2020**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	61,824	18	5,312	-	-	67,154
Management fees payable	26,482	-	-	-	-	26,482
Performance fees payable	213,437	-	-	-	-	213,437
Due to brokers	404,881	-	-	-	-	404,881
Redemptions payable	124,580	-	-	-	-	124,580
Administration fees payable	230,936	-	-	-	-	230,936
Other payable and accrued expenses	95,492	-	-	-	-	95,492
Net assets attributable to holders of redeemable participating shares	19,850,642	-	-	-	-	19,850,642
<b>Total liabilities</b>	<b>21,008,274</b>	<b>18</b>	<b>5,312</b>	<b>-</b>	<b>-</b>	<b>21,013,604</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

## 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

## Liquidity risk (continued)

## Lyxor/Chenavari Credit Fund

31 December 2021

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	4,819,829	-	10,509,893	188,324	-	15,518,046
Bank overdraft	325,353	-	-	-	-	325,353
Management fees payable	1,834,533	-	-	-	-	1,834,533
Performance fees payable	1,959,954	-	-	-	-	1,959,954
Redemptions payable	6,178,713	-	-	-	-	6,178,713
Administration fees payable	166,922	-	-	-	-	166,922
Other payable and accrued expenses	74,876	-	-	-	-	74,876
Net assets attributable to holders of redeemable participating shares	703,201,392	-	-	-	-	703,201,392
<b>Total liabilities</b>	<b>718,561,572</b>	<b>-</b>	<b>10,509,893</b>	<b>188,324</b>	<b>-</b>	<b>729,259,789</b>

31 December 2020

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	4,430,484	-	4,789,754	63,811	-	9,284,049
Bank overdraft	4,473	-	-	-	-	4,473
Management fees payable	794,432	-	-	-	-	794,432
Performance fees payable	3,244,397	-	-	-	-	3,244,397
Due to brokers	3,076	-	-	-	-	3,076
Redemptions payable	152,999	-	-	-	-	152,999
Administration fees payable	290,797	-	-	-	-	290,797
Net assets attributable to holders of redeemable participating shares	232,958,027	-	-	-	-	232,958,027
<b>Total liabilities</b>	<b>241,878,685</b>	<b>-</b>	<b>4,789,754</b>	<b>63,811</b>	<b>-</b>	<b>246,732,250</b>

## Lutetia Merger Arbitrage Fund

31 December 2021

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	5	-	-	-	70,009	70,014
Bank overdraft	28,071	-	-	-	-	28,071
Management fees payable	73,910	-	-	-	-	73,910
Performance Fees payable	63	-	-	-	-	63
Interest payable	593	-	-	-	-	593
Redemption Payable	549,996	-	-	-	-	549,996
Administration fees payable	513	-	-	-	-	513
Other payable and accrued expenses	11,917	-	-	-	-	11,917
Net assets attributable to holders of redeemable participating shares	1,202,548	-	-	-	-	1,202,548
<b>Total liabilities</b>	<b>1,867,616</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,009</b>	<b>1,937,625</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Liquidity risk (continued)

Lutetia Merger Arbitrage Fund (continued)

31 December 2020

	Less than 3 months	3 months to 1 year	1 to 5 years	Greater than 5 years	No stated maturity	Total
	USD	USD	USD	USD	USD	USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	89,588	-	-	-	1,093,562	1,183,150
Bank overdraft	36,880	-	-	-	-	36,880
Management fees payable	62,120	-	-	-	-	62,120
Interest payable	3,433	-	-	-	-	3,433
Dividend payable	180	-	-	-	-	180
Administration fees payable	29,283	-	-	-	-	29,283
Net assets attributable to holders of redeemable participating shares	16,958,263	-	-	-	-	16,958,263
<b>Total liabilities</b>	<b>17,179,747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,093,562</b>	<b>18,273,309</b>

Lyxor Evolution Fixed Income Fund

31 December 2021

	Less than 3 months	3 months to 1 year	1 to 5 years	Greater than 5 years	No stated maturity	Total
	USD	USD	USD	USD	USD	USD
<b>Liabilities</b>						
Bank over draft	62	-	-	-	-	62
Other payable and accrued expenses	116,442	-	-	-	-	116,442
<b>Total liabilities</b>	<b>116,504</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116,504</b>

31 December 2020

	Less than 3 months	3 months to 1 year	1 to 5 years	Greater than 5 years	No stated maturity	Total
	USD	USD	USD	USD	USD	USD
<b>Liabilities</b>						
Other payable and accrued expenses	119,434	-	-	-	-	119,434
<b>Total liabilities</b>	<b>119,434</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119,434</b>

Lyxor/Wells Capital Financial Credit Fund

31 December 2021

	Less than 3 months	3 months to 1 year	1 to 5 years	Greater than 5 years	No stated maturity	Total
	USD	USD	USD	USD	USD	USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	762,279	-	680,964	-	-	1,443,243
Bank overdraft	363	-	-	-	-	363
Management fees payable	323,002	-	-	-	-	323,002
Administration fees payable	30,173	-	-	-	-	30,173
Net assets attributable to holders of redeemable participating shares	143,788,166	-	-	-	-	143,788,166
<b>Total liabilities</b>	<b>144,903,983</b>	<b>-</b>	<b>680,964</b>	<b>-</b>	<b>-</b>	<b>145,584,947</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

## 10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

## Liquidity risk (continued)

## Lyxor/Wells Capital Financial Credit Fund

31 December 2020

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	2,499,100	-	-	-	-	2,499,100
Bank overdraft	330	-	-	-	-	330
Management fees payable	339,175	-	-	-	-	339,175
Redemptions payable	1,700,053	-	-	-	-	1,700,053
Administration fees payable	128,376	-	-	-	-	128,376
Net assets attributable to holders of redeemable participating shares	142,969,906	-	-	-	-	142,969,906
<b>Total liabilities</b>	<b>147,636,940</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147,636,940</b>

## Lyxor/Dymon Asia Macro Fund

There were no liabilities held as at 31 December 2021.

31 December 2020

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Other payables and accrued expenses	2,407	-	-	-	-	2,407
<b>Total liabilities</b>	<b>2,407</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,407</b>

## Lyxor/Academy Quantitative Global UCITS Fund

31 December 2021

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Other payable and accrued expenses	41,715	-	-	-	-	41,715
<b>Total liabilities</b>	<b>41,715</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,715</b>

31 December 2020

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Other payable and accrued expenses	41,527	-	-	-	-	41,527
<b>Total liabilities</b>	<b>41,527</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,527</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)****Liquidity risk (continued)****Lyxor/Marathon Emerging Markets Bond Fund****31 December 2021**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	5,717	-	2	-	-	5,719
Management fees payable	508,005	-	-	-	-	508,005
Redemptions payable	203,889	-	-	-	-	203,889
Administration fees payable	44,873	-	-	-	-	44,873
Net assets attributable to holders of redeemable participating shares	301,035,393	-	-	-	-	301,035,393
<b>Total liabilities</b>	<b>301,797,877</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>301,797,879</b>

**31 December 2020**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	9,706	-	-	-	-	9,706
Management fees payable	574,784	-	-	-	-	574,784
Redemptions payable	553,612	-	-	-	-	553,612
Administration fees payable	284,510	-	-	-	-	284,510
Net assets attributable to holders of redeemable participating shares	376,956,293	-	-	-	-	376,956,293
<b>Total liabilities</b>	<b>378,378,905</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>378,378,905</b>

**Lyxor/Bluescale Global Equity Alpha Fund****31 December 2021**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	2,104,825	-	-	-	-	2,104,825
Bank Over Draft	193	-	-	-	-	193
Management fees payable	107,567	-	-	-	-	107,567
Performance fees payable	1,662	-	-	-	-	1,662
Due to broker	53,263	-	-	-	-	53,263
Dividend payable	1,188	-	-	-	-	1,188
Redemption Payable	70,739	-	-	-	-	70,739
Administration fees payable	19,476	-	-	-	-	19,476
Net assets attributable to holders of redeemable participating shares	68,684,297	-	-	-	-	68,684,297
<b>Total liabilities</b>	<b>71,043,210</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,043,210</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**10. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)**

**Liquidity risk (continued)**

**Lyxor/Bluescale Global Equity Alpha Fund (continued)**

**31 December 2020**

	Less than 3 months USD	3 months to 1 year USD	1 to 5 years USD	Greater than 5 years USD	No stated maturity USD	Total USD
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	3,492,717	-	-	-	-	3,492,717
Management fees payable	72,529	-	-	-	-	72,529
Performance fees payable	339,520	-	-	-	-	339,520
Due to broker	1,332,943	-	-	-	-	1,332,943
Dividend payable	105,201	-	-	-	-	105,201
Administration fees payable	90,602	-	-	-	-	90,602
Net assets attributable to holders of redeemable participating shares	83,849,492	-	-	-	-	83,849,492
<b>Total liabilities</b>	<b>89,283,004</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89,283,004</b>

**11. RELATED PARTY DISCLOSURES**

IAS 24, Related Party Disclosures – Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

**Directors and dependents thereof**

Mr. Moez Bousarsar and Mr. Olivier Germain (resigned 4 February 2022) are employees of Lyxor Asset Management S.A.S., the Manager.

The Directors' fees are recognised and incurred by the Manager (Note 6).

None of the Directors hold shares in any of the Company's Sub-Funds during the year ended 31 December 2021 (December 2020: Nil).

**Significant shareholders**

The number of significant shareholders and the percentage of their shareholdings per Sub-Fund at the financial year end date follow:

Sub-Fund	31 <sup>st</sup> December 2021		31 <sup>st</sup> December 2020	
	No. of shareholders	Holdings %	No. of shareholders	Holdings %
Lutetia Merger Arbitrage Fund	1	100%	1	100%
Lyxor/Wells Capital Financial Credit Fund	1	36%	1	40%
Lyxor/Marathon Emerging Markets Bond Fund	1	33%	1	28%
Lyxor/Bluescale Global Equity Alpha Fund	1	59%	1	69%
Lyxor/WNT Fund	-	-	1	24%

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**11. RELATED PARTY DISCLOSURES (continued)**

**Manager, Distributor and Investment Manager**

Lyxor Asset Management S.A.S., the Manager, is a wholly-owned subsidiary of Société Générale S.A. The Manager is responsible for the day to day management, administration and investment management of the Company. The Manager provides or procures the provision of management, administration, accounting, registration, transfer agency, distribution, investment management or advisory and shareholder services to or for the benefit of the Company.

The Manager also acts as the Distributor of the Company.

The Manager appointed Lyxor International Asset Management S.A.S. to act as Investment Manager to provide such investment management and advisory services to the Company as the Manager may from time to time require. The Investment Manager is owned by the Manager (95.06%) and by Société Générale S.A. (4.94%).

The Investment Management Agreement appoints the Investment Manager to provide cash management services to certain Sub-Funds and to provide such other services as may be agreed between the Manager and the Investment Manager from time to time.

The management fees recognised during the year were disclosed in Note 6.

**Depository**

The Company has entered into a Depository Agreement with Société Générale S.A., Dublin Branch (the "Depository"). Pursuant to which the Depository provides safekeeping for the Company's assets in accordance with the UCITS Regulations and will collect any income arising on such assets on the Company's behalf. The Depository has responsibility for receiving subscription monies, making payment of redemption monies, distributions and other sums payable out of the assets of the Sub-Funds. Subject to certain conditions, the Depository may appoint sub-depositary or prime brokers in respect of the assets of the Sub-Funds.

Depository fees are included within administration fees as disclosed in Note 6.

**Registrar and Transfer Agent**

The Manager has appointed Société Générale Securities Services, SGSS (Ireland) Limited, a wholly-owned subsidiary of Société Générale S.A., as Registrar and Transfer Agent, providing registration, transfer agency and related shareholder services to the Company.

Registrar and transfer agent fees are included within administration fees as disclosed in Note 6.

**Other related parties**

The primary counterparty for the futures contracts held by the Company/Sub-Funds at year end and throughout the year was Societe Generale International Limited (*formerly Société Générale Newedge UK Limited*), a wholly-owned subsidiary of Société Générale S.A.

During the year, the Company recognised and paid a fee of USD 569,840 (2020: USD 459,616), relating to a trade execution platform provided by Lyxor Intermediation, a wholly-owned subsidiary of the Manager.

**12. DIVIDEND AND DISTRIBUTION POLICY**

The Directors are empowered to declare and pay distributions on any class of shares in the Company.

For the Lyxor/Marathon Emerging Markets Bond Fund it is intended that dividends, if declared, would be declared for the SID GBP, SID CHF, SID EUR and SID USD Class on an annual basis in line with the completion of the preparation of the audited financial statements. It is not the current intention of the Directors to distribute dividends to shareholders in any of the other share classes of the Sub-Fund.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**
**12. DIVIDEND AND DISTRIBUTION POLICY (continued)**

The dividends declared and paid during the year ended 31 December 2021 were as follows:

Sub-Fund	Share Class	Date	Dividend per share	Gross amount
Marathon Emerging Markets Bond Fund	SID GBP Class	27 July 2021	GBP 0.97	USD 110,257
Marathon Emerging Markets Bond Fund	SID CHF Class	27 July 2021	CHF 0.96	USD 48,231
Marathon Emerging Markets Bond Fund	SID EUR Class	27 July 2021	EUR 0.96	USD 366,520
Marathon Emerging Markets Bond Fund	SID USD Class	27 July 2021	USD 0.97	USD 187,032

**13. CROSS INVESTMENTS**

As at 31 December 2021 and 2020, the Company's Sub-Funds did not hold any cross investments.

**14. EXCHANGE RATES**

The following exchange rates (against the USD) were used to convert the investments and other assets and liabilities denominated in currencies other than USD as at year end:

Currency	31 December 2021	31 December 2020
ARS	0.0097	0.0119
AUD	0.7270	0.7709
BRL	0.1795	0.1925
CAD	0.7909	0.7854
CHF	1.0964	1.1295
CLP	0.0012	0.0014
CNH	0.1571	0.1538
CNY	0.1573	0.1532
CZK	0.0457	0.0465
DKK	0.1530	0.1641
EUR	1.1378	1.2216
GBP	1.3530	1.3675
HKD	0.1283	0.1290
HUF	0.0031	0.0034
IDR	0.0001	0.0001
ILS	0.3221	0.3113
INR	0.0135	0.0137
JPY	0.0087	0.0097
KRW	0.0008	0.0009
MXN	0.0488	0.0503
MYR	0.2400	0.2487
NOK	0.1135	0.1166
NZD	0.6844	0.7193
PEN	0.2501	0.2764
PHP	0.0196	0.0208
PLN	0.2479	0.2679
RUB	0.0133	0.0135
SEK	0.1106	0.1215
SGD	0.7418	0.7566
TRY	0.0754	0.1344
TWD	0.0361	0.0356
ZAR	0.0627	0.0681

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**
**15. SOFT COMMISSION ARRANGEMENTS AND RESEARCH FEES***Soft commission arrangements*

The following table details the soft commission arrangements that are in place for each Sub-Fund as at 31 December 2021 and 2020:

<b>Sub-Funds</b>	<b>Sub-Investment Manager</b>	<b>2021 USD</b>	<b>2020 USD</b>
Kingdon Global Long-Short Equity Fund	Kingdon Capital Management LLC	-	1,707
Lyxor/Bluescale Global Equity Alpha Fund	The Putnam Advisory Company LLC	2,450.31	75,588

*Research fees*

None of the Sub-Funds recognised research fees during the year. In the prior year, research fees of USD 32 was recognised for the Lyxor/Academy Quantitative Global UCITS Fund and included within other expenses in the Statement of Comprehensive Income. The Sub-Fund was terminated on 13 January 2020.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2021**

**16. TOTAL NAV AND NAV PER SHARE HISTORY**

The net asset values and net asset values per redeemable participating share of each Sub-Fund for the three-year period, 31 December 2021, 2020 and 2019 follow:

	WNT			CHENAVARI			LUTETIA		
	2021 USD	2020 USD	2019 USD	2021 USD	2020 USD	2019 USD	2021 USD	2020 USD	2019 USD
<b>Net asset value</b>	-	19,850,642	422,845,500	703,201,392	232,958,027	139,300,642	1,202,548	16,958,263	109,532,351
<b>NAV per redeemable participating share:</b>									
Class I (USD)	-	115.33	130.99	124.49	120.78	111.73	108.30	106.53	109.78
Hedged Class EB (EUR)	-	-	122.45	-	-	-	-	-	-
Hedged Class EB (GBP)	-	-	125.76	-	-	-	-	-	-
Hedged Class A (EUR)	-	103.18	119.24	112.79	110.77	104.26	-	-	-
Hedged Class I (EUR)	-	103.18	118.68	113.06	110.37	103.21	96.60	97.34	101.06
Hedged Class A (CHF)	-	89.42	104.18	-	-	-	-	-	-
Hedged Class I (GBP)	-	106.48	122.26	-	-	-	-	-	-
Class A (USD)	-	97.83	112.02	119.23	116.37	108.31	-	-	-
Class SI (USD)	-	-	-	126.80	122.83	113.43	-	-	-
Hedged Class SIP (EUR)	-	-	-	118.26	115.27	107.62	-	-	-
Hedged Class C2 (EUR)	-	-	110.94	-	-	-	-	-	-
Class C2 (USD)	-	-	114.35	-	-	-	-	-	-
Hedged Class SI (EUR)	-	-	-	113.66	110.78	103.46	-	-	-
Hedged Class SI (GBP)	-	-	-	101.77	-	104.65	-	-	-
Class O (USD)	-	-	-	128.68	122.55	110.01	-	-	-
Hedged Class O (EUR)	-	-	-	119.86	115.04	104.70	-	-	-
Hedged Class S (EUR)	-	-	-	-	-	-	-	-	109.16
Class AA (USD)	-	-	-	116.34	113.69	105.95	-	-	-
Class IA (USD)	-	-	-	117.81	114.59	106.28	-	-	-
Hedged Class SSI (EUR)	-	-	-	108.09	105.18	-	-	-	-
Class I (NOK)	-	-	-	998.84	-	-	-	-	-
Class P (EUR)	-	-	-	100.06	-	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
For the year ended 31 December 2021

**16. TOTAL NAV AND NAV PER SHARE HISTORY (continued)**

KINGDON	WELLS		
2019 USD	2021 USD	2020 USD	2019 USD

Net asset value 25,676,093 143,788,166 142,969,906 126,672,376

**NAV per redeemable participating share:**

Class SI (USD) - 123.1007 117.94 112.44  
Class I (USD) 104.22 138.9366 127.15  
Hedged Class A (EUR) - 119.4274 114.00  
Hedged Class I (EUR) 95.82 124.1102 116.71  
Class A (USD) - 126.6040 117.62

ACADEMY	MARATHON			BLUESCALE		
2019 USD	2021 USD	2020 USD	2019 USD	2021 USD	2020 USD	2019 USD

Net asset value 1,235,998 301,035,393 376,956,293 206,009,536 68,684,297 83,849,492 10,015,221

**NAV per redeemable participating share:**

Class I (USD) 100.79 110.73 114.68 107.92 93.4744 113.65 100.10  
Hedged Class I (USD) - - - - - -  
Hedged Class EB (EUR) 1,041.99 - - - 93.91 113.71 100.12  
Class EB (USD) - - - - - -  
Hedged Class I (EUR) 106.29 105.26 110.03 105.68 - -  
Hedged Class I (GBP) 114.07 106.51 110.46 106.53 - -  
Hedged Class O (EUR) 1,057.73 - - - - -  
Class O (USD) 988.97 - - - - -  
Hedged Class O (CHF) 954.90 - - - - -  
Class F (USD) - 112.07 115.72 108.58 97.46 117.63 100.15  
Hedged Class A (EUR) - 103.26 108.67 105.18 82.58 102.09 -  
Class IA (USD) - - - 107.93 - -  
Class AA (USD) - - - 107.38 - -  
Class A (USD) - 109.07 113.76 107.78 82.99 101.71 -  
Class SI USD - 107.25 110.97 - - -

NOTES TO THE FINANCIAL STATEMENTS (continued)  
For the year ended 31 December 2021

16. TOTAL NAV AND NAV PER SHARE HISTORY (continued)

	ACADEMY		MARATHON		BLUESCALE		
	2019 USD	2021 USD	2020 USD	2019 USD	2021 USD	2020 USD	2019 USD
Hedged Class A1 (EUR)	-	97.20	-	-	-	-	-
Class A1 (USD)	-	96.46	-	-	-	-	-
Hedged Class SID (CHF)	-	99.76	-	-	-	-	-
Hedged Class SID (EUR)	-	100.00	-	-	-	-	-
Hedged Class SID (GBP)	-	100.54	-	-	-	-	-
Class SID (USD)	-	100.81	-	-	-	-	-
Hedged Class SSI (EUR)	-	97.37	-	-	-	-	-
Class SSI (USD)	-	96.63	-	-	-	-	-
Hedged Class SSID (GBP)	-	97.58	-	-	-	-	-
Class SSID (USD)	-	96.63	-	-	-	-	-



**NOTES TO THE FINANCIAL STATEMENTS (continued)****For the year ended 31 December 2021****17. PROSPECTUS CHANGES**

The details of changes in the Prospectus and Supplements are disclosed in Note 20, Significant events during the year.

**18. CHARGES OVER ASSETS**

There are no liens or encumbrances on the Company's assets other than:

- (i) standard general liens that the Company, in relation to the Sub-Funds, has provided to the Depositary under the terms of the market standard agreement for the provision of certain depositary services in respect of any fees and expenses or credit exposures incurred in the performance of services under such agreement and;
- (ii) standard security interests over the assets of certain Sub-Funds of the Company that the Company has provided to relevant counterparties pursuant to the standard market terms of the relevant trading agreements in place for such Sub-Funds.

Refer to Note 7 for collateral and margin posted by each of the Sub-Funds against financial derivative instruments.

**19. COMMITMENT AND CONTINGENCIES**

The Company and the Sub-Funds did not have commitments and contingencies as at 31 December 2021 (31 December 2020: Nil).

**20. SIGNIFICANT EVENTS DURING THE YEAR**

On 1 March 2021, the Company issued a revised Prospectus and Supplements for the Sub-Funds in order to comply with Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation (SFDR)) that applies from 10 March 2021.

During the year, the following share classes were launched:

<b>Sub-Fund</b>	<b>Date</b>
Lyxor/Chenavari Credit Fund	
Hedged Class I (NOK)	Launched on 27 October 2021
Hedged Class P (EUR)	Launched on 16 December 2021
Lyxor/Marathon Emerging Markets Bond Fund	
Hedged Class A1 (EUR)	Launched on 24 September 2021
Class A1 (USD)	Launched on 17 September 2021
Hedged Class SID (CHF)	Launched on 23 March 2021
Hedged Class SID (EUR)	Launched on 20 March 2021
Hedged Class SID (GBP)	Launched on 23 March 2021
Class SID (USD)	Launched on 20 March 2021
Hedged Class SSI (EUR)	Launched on 24 September 2021
Class SSI (USD)	Launched on 17 September 2021
Hedged Class SSID (GBP)	Launched on 24 September 2021
Class SSID (USD)	Launched on 17 September 2021

In June 2021, Société Générale and Amundi Asset Management have agreed on the sale of Lyxor Group's activities, together with the commercial and support functions dedicated to them. Although a small portion will remain at Société Générale and the whole acquisition is subject to regulatory clearances, it will lead to a change of 100% of shareholding of the Lyxor Group from Société Générale to Amundi Asset Management.

Effective from 10 June 2021, the dealing frequency for the Lyxor/Chenavari Credit Fund changed from weekly to daily.

On 19 July 2021, the Lyxor/WNT Fund Ltd was liquidated. On the same date, the services of Winton Capital Management Limited were terminated.

**20. SIGNIFICANT EVENTS DURING THE YEAR (continued)**

During the period, the world has experienced a global pandemic of Covid-19 affecting all continents without distinction. Managers have adapted their working organisation to this new environment to maintain an efficient operating, trading and investment process. The Board of Directors and manager continue to monitor the COVID pandemic effects on financial markets and how local governments and regional organisations are supporting global economies. Investment managers have adjusted their trading and operating set up over the last 24 months and evidenced a lot of flexibility in their working organisation.

There have been no other significant events during the year.

**21. SUBSEQUENT EVENTS**

Subsequent to year end, the management has taken the decision to close the Lutetia Merger Arbitrage Fund with effect from 28 January 2022.

In June 2021, Société Générale and Amundi Asset Management have agreed on the sale of Lyxor Group's activities, together with the commercial and support functions dedicated to them. Although a small portion will remain at Société Générale and the whole acquisition is subject to regulatory clearances, it will lead to a change of 100% of shareholding of the Lyxor Group from Société Générale to Amundi Asset Management.

Lyxor/ Marathon Emerging Markets Bond Fund: The ongoing Russia-Ukraine crisis has led to financial markets turmoil and increase of volatility. The Sub-Fund has been moderately exposed to this region through Ukrainian and Russian sovereign debts in USD hard currency since the beginning of the conflict at the end of February 2022. The Sub-Investment Manager did not divest Russian and Ukrainian exposures as these countries were still part of the fund's benchmark J.P Morgan EMBI Global Diversified Index. As the result, the Sub-fund's performance has been negatively impacted by this event and it could experience additional losses if the situation worsens.

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on 24 February 2022.

The situation, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, has driven a sharp increase in volatility across markets. The Board of Directors of the General Partner regards these events for the Compartment as non-adjusting events after the reporting period.

Although neither the Sub-Funds' performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Directors continue to monitor the evolving situation and its impact on the financial position of the Sub-Funds.

Following directors were appointed and resigned subsequent to the year end:

<b>Name of the Director</b>	<b>Date of Appointment</b>	<b>Date of resignation</b>
Colm Callaly (Irish)	4 February 2022	-
Declan Murray (Irish)	4 February 2022	-
John O'Toole (Irish)	4 February 2022	-
Paul Webber (Irish)	4 February 2022	-
Olivier Germain (French)	-	4 February 2022

The dividends declared and paid subsequent to the year ended 31 December 2021 were as follows:

<b>Sub-Fund</b>	<b>Share Class</b>	<b>Date</b>	<b>Dividend per share</b>	<b>Gross amount</b>
Marathon Emerging Markets Bond Fund	SID GBP Class	27 January 2022	GBP 1.91	USD 230,630
Marathon Emerging Markets Bond Fund	SID CHF Class	27 January 2022	CHF 1.89	USD 99,694
Marathon Emerging Markets Bond Fund	SID EUR Class	27 January 2022	EUR 1.90	USD 724,494
Marathon Emerging Markets Bond Fund	SID USD Class	27 January 2022	USD 1.91	USD 349,006

There have been no other significant events subsequent to year end.

**22. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved by the Board of Directors on 28 April 2022.

**SCHEDULE OF INVESTMENTS**  
As at 31 December 2021

**Lyxor/Chenavari Credit Fund**

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets</b>			
<b>Transferable securities traded on a regulated market</b>			
<b>Debt securities</b>			
France			
Bpce sa , 1.50% , 01/13/2042	5,600,000	6,328,979	0.90%
Cab s elas , 3.38% , 02/01/2028	6,000,000	6,840,578	0.97%
Faurecia se , 2.75% , 02/15/2027	3,000,000	3,485,648	0.50%
Macif sa , 3.50% , 12/21/2170	5,300,000	6,036,044	0.86%
Tereos Finance Groupe I , 7.50% , 10/30/2025	3,000,000	3,671,146	0.52%
Vallourec SA , 8.50% , 06/30/2026	7,500,000	8,823,116	1.25%
Germany			
Commerzbank AG , 4.00% , 12/05/2030	1,900,000	2,358,675	0.34%
Commerzbank AG , 6.50% , 04/09/2170	8,000,000	10,532,952	1.50%
Deutsche Bank AG , 4.50% , 04/30/2170	5,000,000	5,748,588	0.82%
Deutsche Bank AG , 5.63% , 05/19/2031	7,200,000	9,611,772	1.37%
Ireland			
AIB Group PLC , 2.88% , 05/30/2031	4,100,000	4,926,362	0.70%
Bank of Ireland Group PLC , 7.50% , 11/19/2170	1,800,000	2,365,672	0.34%
Italy			
Banca popolare di sondrio scarl , 1.25% , 07/13/2027	3,000,000	3,324,950	0.47%
Banco BPM SpA , 2.88% , 06/29/2031	2,000,000	2,251,437	0.32%
Banco BPM SpA , 3.25% , 01/14/2031	4,293,000	4,924,147	0.70%
Banco BPM SpA , 5.00% , 09/14/2030	4,400,000	5,356,820	0.76%
Banco BPM SpA , 8.75% , 06/18/2170	2,000,000	2,553,565	0.36%
Brunello Bidco SpA , 3.50% , 02/15/2028	1,325,000	1,496,685	0.21%
Gamma Bidco SpA , 5.13% , 07/15/2025	8,000,000	9,186,550	1.31%
Gamma Bidco SpA , 6.25% , 07/15/2025	4,100,000	4,805,186	0.68%
Iccrea Banca SpA , 2.13% , 01/17/2027	2,000,000	2,259,831	0.32%
UniCredit SpA , 2.73% , 01/15/2032	9,000,000	10,466,181	1.49%
Zoncolan Bidco SpA , 4.88% , 10/21/2028	5,000,000	5,731,067	0.81%
Jersey (Channel Islands)			
AA Bond Co Ltd , 6.50% , 01/31/2026	6,000,000	8,279,289	1.18%
Petrofac Ltd , 9.75% , 11/15/2026	4,000,000	4,084,854	0.58%
Wheel Bidco Ltd , 6.75% , 07/15/2026	6,000,000	7,988,863	1.14%
Luxembourg			
Cidron Aida Finco Sarl , 5.00% , 04/01/2028	5,000,000	5,736,186	0.82%
Cidron Aida Finco Sarl , 6.25% , 04/01/2028	7,000,000	9,411,122	1.34%
Cirsa Finance International Sarl , 4.50% , 03/15/2027	10,000,000	11,172,104	1.59%
Garfunkelux Holdco 3 SA , 6.75% , 11/01/2025	7,000,000	8,283,519	1.18%
Lune Holdings Sarl , 5.63% , 11/15/2028	3,000,000	3,420,979	0.49%

## SCHEDULE OF INVESTMENTS

As at 31 December 2021

## Lyxor/Chenavari Credit Fund (continued)

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets (continued)</b>			
<b>Transferable securities traded on a regulated market (continued)</b>			
<b>Debt securities (continued)</b>			
Netherlands			
ING Groep NV , 3.88% , 11/16/2170	2,000,000	1,895,377	0.27%
Nobel Bidco BV , 3.13% , 06/15/2028	2,000,000	2,231,660	0.32%
Teva Pharmaceutical Finance Netherlands II BV , 3.75% , 05/09/2027	6,500,000	7,383,209	1.05%
Teva Pharmaceutical Finance Netherlands II BV , 4.38% , 05/09/2030	8,000,000	9,027,735	1.28%
Wintershall Dea Finance 2 BV , 3.00% , 01/20/2170	9,400,000	10,422,074	1.48%
Portugal			
Banco Comercial Portugues SA , 1.13% , 02/12/2027	2,000,000	2,167,728	0.31%
Banco Comercial Portugues SA , 1.75% , 04/07/2028	2,000,000	2,185,126	0.31%
Banco Comercial Portugues SA , 3.87% , 03/27/2030	2,000,000	2,260,067	0.32%
Cia de Seguros Fidelidade SA , 4.25% , 09/04/2031	7,000,000	8,542,524	1.21%
Spain			
Abanca Corp Bancaria SA , 4.63% , 04/07/2030	3,300,000	4,004,760	0.57%
Abanca Corp Bancaria SA , 6.00% , 04/20/2170	6,000,000	7,084,039	1.01%
Abanca Corp Bancaria SA , 6.13% , 01/18/2029	3,800,000	4,690,484	0.67%
Banco Santander SA , 3.63% , 12/21/2170	4,000,000	4,244,665	0.60%
Banco de Credito Social Cooperativo SA , 1.75% , 03/09/2028	4,000,000	4,373,533	0.62%
Banco de Credito Social Cooperativo SA , 5.25% , 11/27/2031	7,600,000	8,999,054	1.28%
Banco de Sabadell SA , 2.00% , 01/17/2030	9,200,000	10,308,131	1.47%
Banco de Sabadell SA , 5.63% , 05/06/2026	2,000,000	2,610,954	0.37%
Grupo Antolin-Irausa SA , 3.50% , 04/30/2028	5,000,000	5,380,377	0.77%
Ibercaja Banco SA , 2.75% , 07/23/2030	5,000,000	5,677,070	0.81%
Unicaja Banco SA , 1.00% , 12/01/2026	3,000,000	3,403,697	0.48%
Unicaja Banco SA , 4.88% , 02/18/2170	3,600,000	4,068,290	0.58%
United Kingdom			
BCP V Modular Services Finance II PLC , 4.75% , 11/30/2028	7,000,000	8,062,084	1.15%
Barclays PLC , 7.13% , 09/15/2170	2,000,000	2,985,035	0.42%
Barclays PLC , 7.25% , 06/15/2170	3,000,000	4,254,425	0.61%
Bellis Acquisition Co PLC , 3.25% , 02/16/2026	3,000,000	3,918,620	0.56%
Bellis Acquisition Co PLC , 4.50% , 02/16/2026	2,000,000	2,707,298	0.38%
Bellis Finco PLC , 4.00% , 02/16/2027	5,500,000	7,049,291	1.00%
Deuce Finco Plc , 5.50% , 06/15/2027	7,000,000	9,428,637	1.34%
Harbour Energy PLC , 5.50% , 10/15/2026	8,000,000	7,976,262	1.13%
Iceland Bondco PLC , 4.63% , 03/15/2025	10,650,000	13,558,096	1.93%
Ithaca Energy North Sea PLC , 9.00% , 07/15/2026	9,000,000	9,260,659	1.32%

**SCHEDULE OF INVESTMENTS**  
As at 31 December 2021

**Lyxor/Chenavari Credit Fund (continued)**

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets (continued)</b>			
<b>Transferable securities traded on a regulated market (continued)</b>			
<b>Debt securities (continued)</b>			
United Kingdom (continued)			
Legal & General Group PLC , 5.63% , 09/24/2170	4,300,000	6,421,031	0.91%
Phoenix Group Holdings PLC , 5.75% , 10/26/2170	2,600,000	3,750,058	0.53%
Punch Finance PLC , 6.13% , 06/30/2026	1,500,000	2,031,802	0.29%
Standard Chartered PLC , 1.64% , 07/30/2170	7,500,000	7,252,142	1.03%
TI Automotive Finance PLC , 3.75% , 04/15/2029	3,500,000	4,031,751	0.57%
Tullow Oil PLC , 10.25% , 05/15/2026	2,000,000	2,019,145	0.29%
Very Group Funding Plc/The , 6.50% , 08/01/2026	6,000,000	8,117,053	1.15%
Virgin Money UK PLC , 8.00% , 06/08/2170	4,033,000	5,671,914	0.81%
United States of America			
Dresdner Funding Trust I , 8.15% , 06/30/2031	5,600,000	7,938,213	1.13%
United States of America , 0.00% , 02/10/2022	75,000,000	74,998,589	10.66%
United States of America , 0.00% , 03/10/2022	25,000,000	24,998,383	3.55%
<b>Total Debt securities (31 December 2020: USD 166,980,084– 71.68%)</b>		<b>508,853,909</b>	<b>72.36%</b>
<b>Total Transferrable securities traded on a regulated market (31 December 2020: USD 166,980,084– 71.68%)</b>		<b>508,853,909</b>	<b>72.36%</b>

**SCHEDULE OF INVESTMENTS**  
**As at 31 December 2021**
**Lyxor/Chenavari Credit Fund (continued)**

	<b>No. of shares/ Nominal value/ No. of contracts</b>	<b>Fair Value USD</b>	<b>% of Net Assets</b>
<b>Financial assets (continued)</b>			
<b>Financial derivative instruments (Assets)</b>			
<b>Financial derivative instruments – Dealt in on a regulated market (Assets)</b>			
<b>Futures contracts</b>			
Germany	400	745,131	0.11%
United Kingdom	(500)	107,588	0.02%
United States of America	(280)	33,491	0.00%
<b>Total Futures contracts (31 December 2020: USD Nil– 0.00%)</b>		<b>886,210</b>	<b>0.13%</b>
<b>Listed equity options</b>			
United States of America	10	7,150	0.00%
<b>Total Listed equity options (31 December 2020: USD 258,076– 0.11%)</b>		<b>893,360</b>	<b>0.13%</b>
<b>Total Financial derivative instruments – Dealt in on a regulated market (Assets)</b> <b>(31 December 2020: USD 258,076– 0.11%)</b>		<b>893,360</b>	<b>0.13%</b>
<b>Financial derivative instruments - Over-the-counter (OTC) (Assets)</b>			
<b>Credit Default Swaps</b>			
France	(11,000,000)	1,647,579	0.23%
United Kingdom	15,000,000	117,238	0.02%
<b>Total Credit default swaps (31 December 2020: USD 292,358– 0.13%)</b>		<b>1,764,817</b>	<b>0.25%</b>

**SCHEDULE OF INVESTMENTS**  
As at 31 December 2021

**Lyxor/Chenavari Credit Fund (continued)**

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets				
Financial assets (continued)							
Financial derivative instruments (Assets) (continued)							
Financial derivative instruments - Over-the-counter (OTC) (Assets) (continued)							
Swaptions							
European Union	2	167,818	0.02%				
Total Swaptions (31 December 2020: USD 414,502 – 0.18%)		167,818	0.02%				
Total return swaps							
European Union	17	525,537	0.08%				
United Kingdom	1	14,848	0.00%				
Total Total return swaps (31 December 2020: USD 136,682– 0.06%)		540,385	0.08%				
Foreign currency forwards							
	Bought Currency	Amount Bought	Sold Currency	Amount Sold	Settlement Date	Unrealised Gain	% of Net Assets
	EUR	550,036,081	USD	621,323,835	01/07/2022	4,516,541	0.64%
	GBP	12,379,239	USD	16,388,560	01/07/2022	360,490	0.05%
	NOK	43,307,872	USD	4,833,016	01/07/2022	82,792	0.01%
Total Foreign currency forwards (31 December 2020: USD 2,388,370– 1.02%)						4,959,823	0.70%
Total Financial derivative instruments - Over-the-counter (OTC) (Assets)							
(31 December 2020: USD 3,231,912– 1.39%)						7,432,843	1.05%
Total Financial derivative instruments (Assets) (31 December 2020: USD 3,489,988-1.50%)						8,326,203	1.18%
Total Financial Assets at Fair Value Through Profit or Loss (31 December 2020: USD 170,470,072– 73.18%)						517,180,112	73.55%



**SCHEDULE OF INVESTMENTS**  
**As at 31 December 2021**
**Lyxor/Chenavari Credit Fund (continued)**

	<b>No. of shares/ Nominal value/ No. of contracts</b>	<b>Fair Value USD</b>	<b>% of Net Assets</b>
<b>Financial liabilities</b>			
<b>Financial derivative instruments (Liabilities)</b>			
<b>Financial derivative instruments – Dealt in on a regulated market (Liabilities)</b>			
<b>Futures contracts</b>			
United States of America	(400)	(23,827)	0.00%
<b>Total Futures contracts (31 December 2020: USD (16,673) – (0.01)%)</b>		<b>(23,827)</b>	<b>0.00%</b>
<b>Total Financial derivative instruments – Dealt in on a regulated market (Liabilities) (31 December 2020: USD (16,673) – (0.01)%)</b>			
		<b>(23,827)</b>	<b>0.00%</b>
<b>Financial derivative instruments - Over-the-counter (OTC) (Liabilities)</b>			
<b>Credit default swaps</b>			
Austria	5,000,000	(170,632)	(0.02)%
Belgium	10,000,000	(277,863)	(0.04)%
France	11,000,000	(607,926)	(0.09)%
Germany	74,000,000	(8,600,282)	(1.22)%
Spain	5,000,000	(119,367)	(0.02)%
United Kingdom	15,000,000	(487,466)	(0.07)%
United States of America	15,000,000	(127,566)	(0.02)%
<b>Total Credit default swaps (31 December 2020: USD (4,766,683) – (2.05)% )</b>		<b>(10,391,102)</b>	<b>(1.48)%</b>
<b>Swaptions</b>			
European Union	2	(77,775)	(0.01)%
<b>Total Swaptions (31 December 2020: USD (236,620) – (0.10)%)</b>		<b>(77,775)</b>	<b>(0.01)%</b>
<b>Total return swaps</b>			
European Union	23	(541,226)	(0.08)%
United States of America	14	(129,077)	(0.02)%
<b>Total of Total return swaps (31 December 2020: (1,049,580) – (0.45)% )</b>		<b>(670,303)</b>	<b>(0.10)%</b>

**SCHEDULE OF INVESTMENTS**  
As at 31 December 2021

**Lyxor/Chenavari Credit Fund (continued)**

				No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial liabilities (continued)</b>						
<b>Financial derivative instruments (Liabilities) (continued)</b>						
<b>Financial derivative instruments - Over-the-counter (OTC) (Liabilities) (continued)</b>						
<b>Foreign currency forwards</b>						
Bought Currency	Amount Bought	Sold Currency	Amount Sold	Settlement Date	Unrealised Loss	% of Net Assets
USD	779,743	EUR	687,908	01/04/2022	(2,924)	0.00%
USD	915,184	EUR	810,394	01/07/2022	(6,898)	0.00%
USD	302,710,873	EUR	267,674,000	02/24/2022	(2,146,325)	(0.31)%
USD	29,531	GBP	22,336	01/07/2022	(689)	0.00%
USD	103,491,622	GBP	78,130,000	02/24/2022	(2,198,203)	(0.31)%
<b>Total Foreign currency forwards (31 December 2020: USD (3,214,493) – (1.38)% )</b>					<b>(4,355,039)</b>	<b>(0.62)%</b>
<b>Total Financial derivative instruments - Over-the-counter (OTC) (Liabilities)</b> <b>(31 December 2020: USD (9,267,376) – (3.98)% )</b>					<b>(15,494,219)</b>	<b>(2.20)%</b>
<b>Total Financial derivative instruments (Liabilities)</b> <b>(31 December 2020: USD (9,284,049) – (3.99)% )</b>					<b>(15,518,046)</b>	<b>(2.21)%</b>
<b>Total Financial Liabilities at Fair Value Through Profit or Loss</b> <b>(31 December 2020: USD (9,284,049) – (3.99)% )</b>					<b>(15,518,046)</b>	<b>(2.21)%</b>
<b>Cash and cash equivalents and Other assets and liabilities – net</b> <b>(31 December 2020: USD 71,772,004 – 30.81%)</b>					<b>201,539,326</b>	<b>28.66%</b>
<b>Net assets attributable to holders of redeemable participating shares</b> <b>(31 December 2020: USD 232,958,027 – 100%)</b>					<b>703,201,392</b>	<b>100.00%</b>
<b>Analysis of Total Assets</b>					<b>Fair Value USD</b>	<b>% of Total Assets</b>
Transferrable securities traded on a regulated market					508,853,909	69.78%
Financial derivative instruments – Dealt in on a regulated market (Assets)					893,360	0.12%
Financial derivative instruments - Over-the-counter (OTC) (Assets)					7,432,843	1.02%
Cash and cash equivalents					123,163,215	16.89%
Other assets					88,916,462	12.19%
<b>Total Assets</b>					<b>729,259,789</b>	<b>100.00%</b>

**SCHEDULE OF INVESTMENTS**  
**As at 31 December 2021**
**Lutetia Merger Arbitrage Fund**

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets</b>			
<b>Transferrable securities traded on a regulated market</b>			
<b>Debt Securities</b>			
United States of America			
United States of America , 0.00% , 03 February, 2022	100,000	99,998	8.31%
United States of America , 0.00% , 06 January, 2022	100,000	100,000	8.32%
United States of America , 0.00% , 13 January, 2022	115,000	115,000	9.56%
United States of America , 0.00% , 16 June, 2022	100,000	99,943	8.31%
United States of America , 0.00% , 20 January, 2022	100,000	100,000	8.32%
United States of America , 0.00% , 21 April, 2022	150,000	149,969	12.47%
United States of America , 0.00% , 23 June, 2022	150,000	149,884	12.46%
United States of America , 0.00% , 24 February, 2022	200,000	199,993	16.63%
United States of America , 0.00% , 24 March, 2022	250,000	249,972	20.79%
United States of America , 0.00% , 27 January, 2022	100,000	99,999	8.32%
<b>Total Debt securities (31 December 2020: USD 12,106,725 – 71.39%)</b>		<b>1,364,758</b>	<b>113.49%</b>
<b>Mutual fund</b>			
Luxembourg			
Lyxor Index Fund - Lyxor Smart Cash	-	40	0.00%
<b>Total Mutual fund (31 December 2020: USD 40 - 0.00%)</b>		<b>40</b>	<b>0.00%</b>
<b>Total Transferrable securities traded on a regulated market (31 December 2020: USD 12,342,193 – 72.78%)</b>		<b>1,364,798</b>	<b>113.49%</b>
<b>Financial derivative instruments - Over-the-counter (OTC) (Assets)</b>			
<b>Contracts for difference</b>			
Bermuda	1,014	28,947	2.41%
Hong Kong Special Administrative Region of China	1473	321	0.03%
Jersey (Channel Islands)	1054	892	0.07%
Marshall Islands	1561	60	0.00%
Switzerland	400	1771	0.15%
United States of America	191,754	166,986	13.89%
<b>Total Contracts for difference (31 December 2020: USD 1,156,635 – 6.82%)</b>		<b>198,977</b>	<b>16.55%</b>

## SCHEDULE OF INVESTMENTS

As at 31 December 2021

Lutetia Merger Arbitrage Fund (continued)

					No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets (continued)</b>							
<b>Financial derivative instruments (Assets)</b>							
<b>Financial derivative instruments - Over-the-counter (OTC) (Assets) (continued)</b>							
<b>Foreign currency forwards</b>							
Bought Currency	Amount Bought	Sold Currency	Amount Sold	Settlement Date		Unrealised Gain	% of Net Assets
EUR	54,631	USD	61,693	7 January 2022		467	0.04%
<b>Total Foreign currency forwards (31 December 2020: USD 281,956 – 1.66%)</b>						<b>467</b>	<b>0.04%</b>
<b>Total Financial derivative instruments - Over-the-counter (OTC) (Assets) (31 December 2020: USD 1,438,591 – 8.48%)</b>						<b>199,444</b>	<b>16.59%</b>
<b>Total Financial derivative instruments (Assets) (31 December 2020: USD 1,438,591 – 8.48%)</b>						<b>199,444</b>	<b>16.59%</b>
<b>Total Financial Assets at Fair Value Through Profit or Loss (31 December 2020: USD 13,780,784 – 81.26%)</b>						<b>1,564,242</b>	<b>130.08%</b>

**SCHEDULE OF INVESTMENTS**  
**As at 31 December 2021**
**Lutetia Merger Arbitrage Fund (continued)**

					No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial liabilities (continued)</b>							
<b>Financial derivative instruments (Liabilities)</b>							
<b>Financial derivative instruments - Over-the-counter (OTC) (Liabilities)</b>							
<b>Contracts for Difference</b>							
Canada					2,376	(1,012)	(0.08)%
France					2,489	(778)	(0.07)%
Ireland					198	(770)	(0.06)%
United States of America					4,832	(67,449)	(5.61)%
<b>Total Contracts for difference (31 December 2020: USD (1,093,561)– (6.45)%)</b>						<b>(70,009)</b>	<b>(5.82)%</b>
<b>Foreign currency forwards</b>							
Bought Currency	Amount Bought	Sold Currency	Amount Sold	Settlement Date	Unrealised Loss	% of Net Assets	
USD	716	EUR	634	07 January 2022	(5)	0.00%	
<b>Total Foreign currency forwards (31 December 2020: USD (89,589) - (0.53)%)</b>						<b>(5)</b>	<b>(0.00)%</b>
<b>Total Financial derivative instruments (Liabilities)</b> <b>(31 December 2020: USD (1,183,150) - (6.98)%)</b>						<b>(70,014)</b>	<b>(5.82)%</b>
<b>Total Financial Liabilities at Fair Value Through Profit or Loss</b> <b>(31 December 2020: USD (1,183,150) - (6.98)%)</b>						<b>(70,014)</b>	<b>(5.82)%</b>
<b>Cash and cash equivalents and Other assets and liabilities – net</b> <b>(31 December 2020: USD 4,360,629– 25.72%)</b>						<b>(291,680)</b>	<b>(24.26)%</b>
<b>Net assets attributable to holders of redeemable participating shares</b> <b>(31 December 2020: USD 16,958,263 – 100%)</b>						<b>1,202,548</b>	<b>100.00%</b>
					<b>Fair Value</b>	<b>% of</b>	
<b>Analysis of Total Assets</b>					<b>USD</b>	<b>Total</b>	<b>Assets</b>
Transferrable securities traded on a regulated market					1,364,798	70.44%	
Financial derivative instruments - Over-the-counter (OTC) (Assets)					199,444	10.29%	
Cash and cash equivalents					180,783	9.33%	
Other assets					192,600	9.94%	
<b>Total Assets</b>					<b>1,937,625</b>	<b>100.00%</b>	

**SCHEDULE OF INVESTMENTS**  
As at 31 December 2021

**Lyxor/Wells Capital Financial Credit Fund**

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets</b>			
<b>Transferrable securities traded on a regulated market</b>			
<b>Debt securities</b>			
Austria			
BAWAG Group AG , 5.00% , 14 November, 2170	3,000,000	3,571,514	2.48%
Erste Group Bank AG , 6.50% , 15 October, 2170	3,400,000	4,271,406	2.97%
Belgium			
KBC Group NV , 4.75% , 05 September, 2170	5,000,000	6,058,963	4.21%
Bermuda			
Lancashire Holdings Ltd , 5.63% , 18 September, 2041	4,000,000	4,311,173	3.00%
Denmark			
Nykredit Realkredit A/S , 4.13% , 15 April, 2170	5,000,000	6,072,329	4.22%
Finland			
Nordea Bank Abp , 6.63% , 26 September, 2170	3,000,000	3,418,350	2.38%
France			
BNP Paribas SA , 2.00% , 24 May, 2031	1,300,000	1,734,371	1.21%
CNP Assurances , 4.88% , 07 October, 2170	4,000,000	4,087,456	2.84%
Credit Agricole SA , 7.50% , 23 June, 2170	2,000,000	3,108,481	2.16%
Germany			
Commerzbank AG , 6.13% , 09 April, 2170	3,000,000	3,723,635	2.59%
Deutsche Pfandbriefbank AG , 5.75% , 28 April, 2170	3,000,000	3,466,763	2.41%
Ireland			
Bank of Ireland Group PLC , 7.50% , 19 November, 2170	3,400,000	4,468,492	3.11%
Permanent TSB Group Holdings PLC , 3.00% , 19 August, 2031	2,750,000	3,183,748	2.21%
Italy			
Intesa Sanpaolo SpA , 5.50% , 01 March, 2170	2,500,000	3,108,162	2.16%
UniCredit SpA , 2.73% , 15 January, 2032	3,500,000	4,070,181	2.83%
Netherlands			
ASR Nederland NV , 4.63% , 19 April, 2170	500,000	620,388	0.43%
Cooperatieve Rabobank UA , 4.63% , 29 December, 2170	3,000,000	3,744,263	2.60%
ING Groep NV , 6.88% , 16 April, 2170	2,800,000	2,851,086	1.98%
Portugal			
Caixa Geral de Depositos SA , 0.38% , 21 September, 2027	1,600,000	1,790,615	1.25%
Spain			
Abanca Corp Bancaria SA , 6.00% , 20 April, 2170	2,000,000	2,361,346	1.64%
Banco de Credito Social Cooperativo SA , 5.25% , 27 November, 2031	3,000,000	3,552,259	2.47%
Banco de Sabadell SA , 2.00% , 17 January, 2030	2,000,000	2,240,898	1.56%
Banco de Sabadell SA , 5.00% , 19 February, 2170	1,600,000	1,835,872	1.28%
Bankinter SA , 6.25% , 17 October, 2170	2,400,000	3,068,730	2.13%
CaixaBank , 6.38% , 19 December, 2170	1,600,000	1,967,365	1.37%
CaixaBank , 6.75% , 13 September, 2170	1,200,000	1,520,446	1.06%
Unicaja Banco SA , 4.88% , 18 February, 2170	1,200,000	1,356,097	0.94%

**SCHEDULE OF INVESTMENTS**  
**As at 31 December 2021**
**Lyxor/Wells Capital Financial Credit Fund (continued)**

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets			
Financial assets						
Transferrable securities traded on a regulated market (continued)						
Debt securities (continued)						
Sweden						
Heimstaden AB , 6.75% , 15 January, 2170	2,000,000	2,326,040	1.62%			
Skandinaviska Enskilda Banken AB , 5.13% , 13 May, 2170	3,000,000	3,154,738	2.19%			
Svenska Handelsbanken AB , 6.25% , 01 March, 2170	2,000,000	2,151,556	1.50%			
United Kingdom						
Barclays PLC , 6.38% , 15 March, 2170	2,000,000	2,937,045	2.04%			
Barclays PLC , 7.13% , 15 September, 2170	840,000	1,253,715	0.87%			
Legal & General Group PLC , 4.50% , 01 January, 2050	2,500,000	3,729,304	2.60%			
Legal & General Group PLC , 5.63% , 24 September, 2170	1,875,000	2,799,868	1.95%			
Lloyds Banking Group PLC , 7.88% , 27 June, 2170	2,500,000	4,229,158	2.94%			
NatWest Group PLC , 2.11% , 28 November, 2031	1,150,000	1,532,468	1.07%			
NatWest Group PLC , 5.13% , 31 December, 2170	1,000,000	1,423,504	0.99%			
NatWest Group PLC , 6.00% , 30 September, 2170	2,000,000	2,184,809	1.52%			
Nationwide Building Society , 5.75% , 20 December, 2170	1,000,000	1,464,556	1.02%			
Nationwide Building Society , 5.88% , 20 December, 2170	2,000,000	2,913,967	2.03%			
Utmost Group PLC , 4.00% , 15 December, 2031	2,400,000	3,241,079	2.25%			
Virgin Money UK PLC , 8.00% , 08 June, 2170	2,500,000	3,515,940	2.45%			
abrdn plc , 4.25% , 30 June, 2028	3,000,000	3,249,113	2.26%			
abrdn plc , 5.25% , 13 June, 2170	1,000,000	1,377,280	0.96%			
Total Debt securities (31 December 2020: USD 127,435,366 – 89.13%)		129,048,529	89.75%			
Total Transferrable securities traded on a regulated market (31 December 2020: USD 127,435,366 – 89.13%)		129,048,529	89.75%			
Financial derivative instruments - Over-the-counter (OTC) (Assets)						
Foreign currency forwards						
Bought Currency	Amount Bought	Sold Currency	Amount Sold	Settlement Date	Unrealised Gain	% of Net Assets
EUR	102,316,820	USD	115,936,832	10 January, 2022	487,871	0.34%
EUR	1,500,000	USD	1,700,696	26 January, 2022	6,670	0.00%
Total Foreign currency forwards (31 December 2020: USD 1,422,355 – 1.00%)					494,541	0.34%
Total Financial derivative instruments - Over-the-counter (OTC) (Assets) (31 December 2020: USD 1,422,355– 1.00%)					494,541	0.34%
Total Financial derivative instruments (Assets) (31 December 2020: USD 1,422,355– 1.00%)					494,541	0.34%
Total Financial Assets at Fair Value Through Profit or Loss (31 December 2020: USD 128,857,721– 90.13%)					129,543,070	90.09%



**SCHEDULE OF INVESTMENTS**  
As at 31 December 2021

**Lyxor/Wells Capital Financial Credit Fund (continued)**

				No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial liabilities</b>						
<b>Financial derivative instruments (Liabilities)</b>						
<b>Financial derivative instruments - Over-the-counter (OTC) (Liabilities)</b>						
<b>Credit Default Swap</b>						
Germany				5,000,000	(680,963)	(0.47)%
<b>Total Credit default swaps (31 December 2020: USD Nil - (0.00)%)</b>					<b>(680,963)</b>	<b>(0.47)%</b>
<b>Foreign currency forwards</b>						
Bought Currency	Amount Bought	Sold Currency	Amount Sold	Settlement Date	Unrealised Loss	% of Net Assets
EUR	1,047,975	GBP	900,000	26 January, 2022	(24,799)	(0.02)%
USD	66,156	EUR	58,561	10 January, 2022	(479)	(0.00)%
USD	71,663,336	EUR	63,400,000	26 January, 2022	(501,322)	(0.35)%
USD	34,264,535	GBP	25,500,000	26 January, 2022	(235,680)	(0.16)%
<b>Total Foreign currency forwards (31 December 2020: USD (2,499,100) – (1.75)%)</b>					<b>(762,280)</b>	<b>(0.53)%</b>
<b>Total Financial derivative instruments - Over-the-counter (OTC) (Liabilities) (31 December 2020: USD (2,499,100) – (1.75)%)</b>					<b>(1,443,243)</b>	<b>(1.00)%</b>
<b>Total Financial derivative instruments (Liabilities) (31 December 2020: USD (2,499,100) – (1.75)%)</b>					<b>(1,443,243)</b>	<b>(1.00)%</b>
<b>Total Financial Liabilities at Fair Value Through Profit or Loss (31 December 2020: USD (2,499,100) – (1.75)%)</b>					<b>(1,443,243)</b>	<b>(1.00)%</b>
<b>Cash and cash equivalents and Other assets and liabilities – net (31 December 2020: USD 16,611,285 – 11.62%)</b>					<b>15,688,339</b>	<b>10.91%</b>
<b>Net assets attributable to holders of redeemable participating shares (31 December 2020: USD 142,969,906 – 100%)</b>					<b>143,788,166</b>	<b>100.00%</b>
<b>Analysis of Total Assets</b>					<b>Fair Value</b>	<b>% of Total Assets</b>
Transferrable securities traded on a regulated market					129,048,529	88.64%
Financial derivative instruments - Over-the-counter (OTC) (Assets)					494,541	0.34%
Cash and cash equivalents					9,916,497	6.81%
Other assets					6,125,380	4.21%
<b>Total Assets</b>					<b>145,584,947</b>	<b>100.00%</b>

**SCHEDULE OF INVESTMENTS**  
As at 31 December 2021

**Lyxor/Marathon Emerging Markets Bond Fund**

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets</b>			
<b>Transferrable securities traded on a regulated market</b>			
<b>Debt securities</b>			
Angola			
Angolan Government International Bond , 8.00% , 11/26/2029	3,291,000	3,253,145	1.08%
Argentina			
Argentine Republic , 1.00% , 07/09/2029	10,642,545	3,891,903	1.29%
YPF SA , 4.00% , 02/12/2026	957,037	764,432	0.25%
Armenia			
Republic of Armenia International Bond , 3.60% , 02/02/2031	885,000	828,435	0.28%
Azerbaijan			
Republic of Azerbaijan International Bond , 5.13% , 09/01/2029	2,442,000	2,671,277	0.89%
Bahrain			
Bahrain kingdomof(government), 4.25% , 01/25/2028	1,004,000	981,425	0.33%
Bahrain kingdomof(government), 5.45% , 09/16/2032	4,970,000	4,834,515	1.61%
KingdomofBahrain , 3.88% , 05/18/2029	1,600,000	1,565,289	0.52%
Belarus			
Republic of Belarus International Bond , 5.88% , 02/24/2026	1,616,000	1,433,563	0.48%
Bermuda			
Sagikor FinancialCo Ltd , 5.30% , 05/13/2028	890,000	912,788	0.30%
Tengizchevroil FinanceCo International Ltd , 2.63% , 08/15/2025	1,734,000	1,740,477	0.58%
Brazil			
Federative Republic ofBrazil , 2.88% , 06/06/2025	2,622,000	2,664,516	0.89%
Federative Republic ofBrazil , 3.75% , 09/12/2031	6,109,000	5,755,125	1.91%
Cayman Islands			
Bioceanico Sovereign Certificate Ltd , 0.00% , 06/05/2034	2,512,599	1,891,883	0.63%
SA Global Sukuk Ltd , 1.60% , 06/17/2026	1,217,000	1,200,004	0.40%
Chile			
Republic ofChile , 2.55% , 07/27/2033	8,832,000	8,613,515	2.86%
Republic ofChile , 3.10% , 05/07/2041	444,000	436,158	0.14%
Telefonica Moviles Chile SA , 3.54% , 11/18/2031	617,000	615,524	0.20%
China			
China Peoples Republic Of(Government), 0.40% , 10/21/2023	3,095,000	3,071,720	1.02%
China Peoples Republic Of(government), 0.55% , 10/21/2025	3,233,000	3,145,928	1.05%
China Peoples Republic Of(government), 1.88% , 12/03/2022	1,411,000	1,425,829	0.47%
Colombia			
Colombia republic of(government), 3.25% , 04/22/2032	719,000	648,157	0.22%
Colombia republic of(government), 4.13% , 02/22/2042	5,617,000	4,709,740	1.56%
Colombia republic of(government), 4.50% , 03/15/2029	5,476,000	5,606,338	1.86%

**SCHEDULE OF INVESTMENTS**  
**As at 31 December 2021**
**Lyxor/Marathon Emerging Markets Bond Fund (continued)**

	<b>No. of shares/ Nominal value/ No. of contracts</b>	<b>Fair Value USD</b>	<b>% of Net Assets</b>
<b>Financial assets</b>			
<b>Transferrable securities traded on a regulated market (continued)</b>			
<b>Debt securities (continued)</b>			
Costa Rica			
Costa rica republic of(government) , 6.13% , 02/19/2031	1,941,000	1,967,925	0.65%
Costa rica republic of(government) , 7.00% , 04/04/2044	912,000	897,460	0.30%
Dominican Republic			
Dominican republic (government) , 4.50% , 01/30/2030	4,474,000	4,564,234	1.52%
Dominican republic (government) , 5.30% , 01/21/2041	3,471,000	3,438,181	1.14%
Ecuador			
Republic ofecuador , 0.50% , 07/31/2040	2,223,837	1,301,178	0.43%
Republic ofecuador , 1.00% , 07/31/2035	4,865,335	3,194,312	1.06%
Egypt			
Egypt arab republic of(government) , 7.30% , 09/30/2033	2,416,000	2,229,112	0.74%
Egypt arab republic of(government) , 7.63% , 05/29/2032	5,875,000	5,582,374	1.85%
Egypt arab republic of(government) , 7.90% , 02/21/2048	1,657,000	1,394,713	0.46%
El Salvador			
Republic ofEl Salvador , 5.88% , 01/30/2025	2,005,000	1,252,509	0.42%
Republic ofEl Salvador , 9.50% , 07/15/2052	1,100,000	682,772	0.23%
Ethiopia			
Ethiopia International Bond , 6.63% , 12/11/2024	453,000	307,064	0.10%
Gabon			
Gabon Government International Bond , 7.00% , 11/24/2031	980,000	960,280	0.32%
Georgia			
Georgia Government International Bond , 2.75% , 04/22/2026	595,000	593,812	0.20%
Ghana			
Ghana Government International Bond , 6.38% , 02/11/2027	2,007,000	1,697,419	0.56%
Ghana Government International Bond , 7.88% , 02/11/2035	2,339,000	1,839,435	0.61%
Ghana Government International Bond , 8.63% , 04/07/2034	1,399,000	1,140,468	0.38%
Guatemala			
Guatemala Government Bond , 4.65% , 10/07/2041	670,000	672,941	0.22%
Guatemala Government Bond , 4.90% , 06/01/2030	1,610,000	1,739,389	0.58%
Guatemala Government Bond , 5.38% , 04/24/2032	762,000	852,112	0.28%

## SCHEDULE OF INVESTMENTS

As at 31 December 2021

## Lyxor/Marathon Emerging Markets Bond Fund (continued)

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets</b>			
<b>Transferrable securities traded on a regulated market (continued)</b>			
<b>Debt securities (continued)</b>			
Hungary			
Hungary , 2.13% , 09/22/2031	2,121,000	2,092,484	0.70%
Hungary , 3.13% , 09/21/2051	2,648,000	2,612,473	0.87%
India			
Export-Import Bank of India , 2.25% , 01/13/2031	2,349,000	2,212,102	0.73%
Indonesia			
Indonesia Republic of (Government) , 4.33% , 05/28/2025	1,578,000	1,730,887	0.57%
Republic of Indonesia , 2.15% , 07/28/2031	1,644,000	1,633,651	0.54%
Republic of Indonesia , 2.85% , 02/14/2030	5,908,000	6,167,668	2.05%
Republic of Indonesia , 3.05% , 03/12/2051	530,000	524,724	0.17%
Republic of Indonesia , 3.50% , 01/11/2028	2,081,000	2,248,512	0.75%
Republic of Indonesia , 4.63% , 04/15/2043	880,000	1,040,679	0.35%
Israel			
State of Israel , 4.50% , 04/03/2120	1,389,000	1,781,118	0.59%
Jersey (Channel Islands)			
Galaxy Pipeline Assets Bidco Ltd , 2.16% , 03/31/2034	2,876,000	2,826,936	0.94%
Galaxy Pipeline Assets Bidco Ltd , 2.94% , 09/30/2040	4,340,000	4,330,196	1.44%
Jordan			
Jordan Government International Bond , 7.38% , 10/10/2047	1,957,000	1,986,156	0.66%
Kazakhstan			
Kazakhstan Government International Bond , 4.88% , 10/14/2044	941,000	1,162,682	0.39%
KazMunayGas National Co JSC , 3.50% , 04/14/2033	1,423,000	1,481,482	0.49%
KazTransGas JSC , 4.38% , 09/26/2027	2,498,000	2,725,062	0.91%
Kenya			
Republic of Kenya , 7.00% , 05/22/2027	1,921,000	2,033,432	0.68%
Republic of Kenya , 8.25% , 02/28/2048	927,000	943,895	0.31%
Lebanon			
Lebanon republic of (government) , 0.00% , 03/20/2028	1,917,000	202,027	0.07%
Lebanon republic of (government) , 0.00% , 10/04/2022	5,811,000	625,486	0.21%
Malaysia			
Malaysia Wakala Sukuk Bhd , 2.07% , 04/28/2031	1,981,000	1,981,005	0.66%
Petronas Capital Ltd , 3.50% , 04/21/2030	3,606,000	3,905,359	1.30%
Petronas Capital Ltd , 4.55% , 04/21/2050	1,675,000	2,084,713	0.69%

## SCHEDULE OF INVESTMENTS

As at 31 December 2021

## Lyxor/Marathon Emerging Markets Bond Fund (continued)

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets</b>			
<b>Transferrable securities traded on a regulated market (continued)</b>			
<b>Debt securities (continued)</b>			
Mexico			
Petroleos Mexicanos , 6.75% , 09/21/2047	5,990,000	5,318,671	1.77%
Petroleos Mexicanos , 6.88% , 10/16/2025	1,646,000	1,798,255	0.60%
United Mexican States , 2.66% , 05/24/2031	3,863,000	3,772,041	1.25%
United Mexican States , 4.35% , 01/15/2047	1,172,000	1,218,477	0.40%
United Mexican States , 4.75% , 03/08/2044	1,652,000	1,804,489	0.60%
Mongolia			
Mongolia Government International Bond , 3.50% , 07/07/2027	598,000	564,802	0.19%
Mongolia Government International Bond , 4.45% , 07/07/2031	798,000	756,774	0.25%
Morocco			
Morocco kingdom of (government) , 3.00% , 12/15/2032	1,105,000	1,057,962	0.35%
Morocco kingdom of (government) , 4.00% , 12/15/2050	1,466,000	1,337,077	0.44%
Mozambique			
Mozambique International Bond , 5.00% , 09/15/2031	400,000	339,428	0.11%
Nigeria			
Nigeria federal republic of (government) , 6.13% , 09/28/2028	1,181,000	1,142,854	0.38%
Nigeria federal republic of (government) , 7.38% , 09/28/2033	400,000	381,913	0.13%
Nigeria federal republic of (government) , 7.88% , 02/16/2032	3,617,000	3,569,769	1.19%
Nigeria federal republic of (government) , 8.25% , 09/28/2051	699,000	657,443	0.22%
Nigeria government international bond , 8.75% , 01/21/2031	200,000	210,115	0.07%
Oman			
Sultanate of Oman , 6.00% , 08/01/2029	628,000	677,285	0.22%
Sultanate of Oman , 6.25% , 01/25/2031	1,520,000	1,664,155	0.55%
Sultanate of Oman , 6.75% , 10/28/2027	4,746,000	5,326,849	1.77%
Pakistan			
Pakistan islamic republic of (government) , 6.00% , 04/08/2026	1,550,000	1,552,597	0.52%
Pakistan islamic republic of (government) , 7.38% , 04/08/2031	1,268,000	1,260,951	0.42%
Pakistan islamic republic of (government) , 8.88% , 04/08/2051	365,000	363,751	0.12%
Panama			
Panama Bonos del Tesoro , 3.36% , 06/30/2031	743,000	749,277	0.25%
Panama republic of (government) , 2.25% , 09/29/2032	7,444,000	7,090,035	2.36%
Panama republic of (government) , 3.87% , 07/23/2060	1,206,000	1,210,236	0.40%
Paraguay			
Paraguay republic of (government) , 2.74% , 01/29/2033	1,459,000	1,409,955	0.47%

## SCHEDULE OF INVESTMENTS

As at 31 December 2021

## Lyxor/Marathon Emerging Markets Bond Fund (continued)

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets</b>			
<b>Transferrable securities traded on a regulated market (continued)</b>			
<b>Debt securities (continued)</b>			
Peru			
Petroleos del Peru SA , 5.63% , 06/19/2047	1,081,000	1,081,821	0.36%
Republic of Peru , 2.78% , 01/23/2031	4,392,000	4,381,079	1.46%
Republic of Peru , 3.23% , 07/28/2121	3,719,000	3,212,420	1.07%
Philippines			
Republic of the Philippines , 1.65% , 06/10/2031	1,086,000	1,051,453	0.35%
Republic of the Philippines , 1.95% , 01/06/2032	6,116,000	6,021,165	2.00%
Republic of the Philippines , 3.20% , 07/06/2046	1,840,000	1,880,006	0.62%
Poland			
Republic of Poland Government International Bond , 5.00% , 03/23/2022	2,237,000	2,260,839	0.75%
Qatar			
Qatar Petroleum, 2.25% , 07/12/2031	3,410,000	3,384,232	1.12%
Qatar Petroleum, 3.13% , 07/12/2041	1,366,000	1,383,358	0.46%
Qatar Petroleum, 3.30% , 07/12/2051	795,000	822,718	0.27%
State of Qatar , 3.75% , 04/16/2030	3,313,000	3,723,380	1.24%
Republic of Korea			
Republic of Korea , 1.00% , 09/16/2030	784,000	742,918	0.25%
Romania			
Romania , 3.00% , 02/14/2031	1,070,000	1,088,083	0.36%
Romania , 4.00% , 02/14/2051	1,654,000	1,663,050	0.55%
Russian Federation			
Russian Federation, 4.38% , 03/21/2029	7,800,000	8,605,020	2.86%
Russian Federation, 5.10% , 03/28/2035	1,400,000	1,655,807	0.55%
Saudi Arabia			
Kingdom of Saudi Arabia , 2.25% , 05/17/2031	2,241,000	2,225,709	0.74%
Kingdom of Saudi Arabia , 3.25% , 10/22/2030	1,634,000	1,759,748	0.58%
Kingdom of Saudi Arabia , 3.25% , 11/17/2051	2,078,000	2,057,060	0.68%
Kingdom of Saudi Arabia , 3.45% , 02/02/2061	1,812,000	1,836,657	0.61%
Kingdom of Saudi Arabia , 4.00% , 04/17/2025	2,851,000	3,076,710	1.02%
Senegal			
Senegal Government International Bond , 6.75% , 03/13/2048	1,360,000	1,339,119	0.44%
Serbia			
Serbia republic of (government) , 2.13% , 12/01/2030	576,000	541,695	0.18%

**SCHEDULE OF INVESTMENTS**  
**As at 31 December 2021**
**Lyxor/Marathon Emerging Markets Bond Fund (continued)**

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets</b>			
<b>Transferrable securities traded on a regulated market (continued)</b>			
<b>Debt securities (continued)</b>			
South Africa			
Republic of South Africa , 4.85% , 09/30/2029	4,692,000	4,856,293	1.61%
Republic of South Africa , 5.75% , 09/30/2049	3,043,000	2,934,328	0.98%
Sri Lanka			
Sri Lanka Government International Bond , 5.75% , 04/18/2023	1,016,000	576,880	0.19%
Sri Lanka Government International Bond , 6.75% , 04/18/2028	4,549,000	2,326,479	0.77%
Tunisia			
Banque Centrale de Tunisie International Bond , 5.75% , 01/30/2025	635,000	487,885	0.16%
Turkey			
Republic of Turkey , 4.75% , 01/26/2026	4,239,000	3,904,981	1.30%
Republic of Turkey , 5.95% , 01/15/2031	2,491,000	2,234,603	0.74%
Republic of Turkey , 6.50% , 09/20/2033	3,498,000	3,184,065	1.06%
Ulker Biskuvi Sanayi AS , 6.95% , 10/30/2025	1,257,000	1,190,025	0.40%
Ukraine			
NPC Ukrenergo , 6.88% , 11/09/2026	566,000	498,137	0.17%
State Agency of Roads of Ukraine , 6.25% , 06/24/2028	2,419,000	2,105,074	0.70%
Ukraine (government) , 6.88% , 05/21/2029	5,790,000	5,154,345	1.71%
United Arab Emirates			
Emirate of Abu Dhabi United Arab Emirates , 1.63% , 06/02/2028	1,589,000	1,573,146	0.52%
Emirate of Abu Dhabi United Arab Emirates , 1.70% , 03/02/2031	1,430,000	1,393,420	0.46%
Emirate of Abu Dhabi United Arab Emirates , 3.00% , 09/15/2051	515,000	518,055	0.17%
NBK SPC Ltd , 1.63% , 09/15/2027	930,000	907,665	0.30%
Uruguay			
Uruguay oriental republic of (government) , 4.38% , 01/23/2031	5,935,583	6,851,864	2.28%
Uruguay oriental republic of (government) , 4.97% , 04/20/2055	801,887	1,054,494	0.35%
Uzbekistan			
Republic of Uzbekistan International Bond , 3.70% , 11/25/2030	348,000	334,924	0.11%
Republic of Uzbekistan International Bond , 3.90% , 10/19/2031	778,000	747,126	0.25%
Zambia			
Zambia Government International Bond , 5.38% , 09/20/2022	1,281,000	961,291	0.32%
<b>Total Debt securities (31 December 2020: USD 370,718,197 - 98.35%)</b>		<b>292,126,393</b>	<b>97.04%</b>
<b>Total Transferrable securities traded on a regulated market (31 December 2020: USD 370,718,197 - 98.35%)</b>		<b>292,126,393</b>	<b>97.04%</b>



## SCHEDULE OF INVESTMENTS

As at 31 December 2021

## Lyxor/Marathon Emerging Markets Bond Fund (continued)

					No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets</b>							
<b>Financial derivative instruments - Over-the-counter (OTC) (Assets)</b>							
<b>Foreign currency forwards</b>							
Bought Currency	Amount Bought	Sold Currency	Amount Sold	Settlement Date	Unrealised Gain	% of Net Assets	
CHF	1,760	USD	1,930	04 January, 2022	-	0.00%	
CHF	11,131,902	USD	12,060,349	07 January, 2022	145,263	0.05%	
EUR	50,927,434	USD	57,536,303	07 January, 2022	409,795	0.13%	
GBP	28,958,128	USD	38,372,078	07 January, 2022	808,128	0.27%	
<b>Total Foreign currency forwards (31 December 2020: USD 573,171 - 0.15%)</b>					<b>1,363,186</b>	<b>0.45%</b>	
<b>Total Financial derivative instruments - Over-the-counter (OTC) (Assets)</b>							
<b>(31 December 2020: USD 573,171 - 0.15%)</b>					<b>1,363,186</b>	<b>0.45%</b>	
<b>Total Financial derivative instruments (Assets)</b>							
<b>(31 December 2020: USD 573,171 - 0.15%)</b>					<b>1,363,186</b>	<b>0.45%</b>	
<b>Total Financial Assets at Fair Value Through Profit or Loss</b>							
<b>(31 December 2020: USD 371,291,368 - 98.50%)</b>					<b>293,489,579</b>	<b>97.49%</b>	

## SCHEDULE OF INVESTMENTS

As at 31 December 2021

## Lyxor/Marathon Emerging Markets Bond Fund (continued)

				No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial liabilities</b>						
<b>Financial derivative instruments (Liabilities)</b>						
<b>Financial derivative instruments - Over-the-counter (OTC) (Liabilities)</b>						
<b>Foreign currency forwards</b>						
Bought Currency	Amount Bought	Sold Currency	Amount Sold	Settlement Date	Unrealised Loss	% of Net Assets
USD	631,067	EUR	556,752	04 January, 2022	(2,379)	0.00%
USD	1,930	CHF	1,760	07 January, 2022	-	0.00%
USD	230,240	EUR	203,846	07 January, 2022	(1,699)	0.00%
USD	70,591	GBP	53,387	07 January, 2022	(1,641)	0.00%
<b>Total Foreign currency forwards (31 December 2020: USD (9,706) – (0.00)%)</b>					<b>(5,719)</b>	<b>0.00%</b>
<b>Total Financial derivative instruments - Over-the-counter (OTC) (Liabilities) (31 December 2020: USD (9,706) – (0.00)%)</b>					<b>(5,719)</b>	<b>0.00%</b>
<b>Total Financial derivative instruments (Liabilities) (31 December 2020: USD (9,706) – (0.00)%)</b>					<b>(5,719)</b>	<b>0.00%</b>
<b>Total Financial Liabilities at Fair Value Through Profit or Loss (31 December 2020: USD (9,706) – (0.00)%)</b>					<b>(5,719)</b>	<b>0.00%</b>
<b>Cash and cash equivalents and Other assets and liabilities – net (31 December 2020: USD 5,674,631- 1.50%)</b>					<b>7,551,533</b>	<b>2.51%</b>
<b>Net assets attributable to holders of redeemable participating shares (31 December 2020: USD 376,956,293 – 100.00%)</b>					<b>301,035,393</b>	<b>100.00%</b>
<b>Analysis of Total Assets</b>					<b>Fair Value USD</b>	<b>% of Total Assets</b>
Transferrable securities traded on a regulated market					292,126,393	96.80%
Financial derivative instruments - Over-the-counter (OTC) (Assets)					1,363,186	0.45%
Cash and cash equivalents					3,757,751	1.24%
Other assets					4,550,549	1.51%
<b>Total Assets</b>					<b>301,797,879</b>	<b>100.00%</b>

## SCHEDULE OF INVESTMENTS

As at 31 December 2021

## Lyxor/Bluescale Global Equity Alpha Fund

	No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets</b>			
<b>Transferrable securities traded on a regulated market</b>			
<b>Debt securities</b>			
United States of America			
United States of America , 0.00% , 06 January, 2022	5,000,000	4,999,994	7.28%
United States of America , 0.00% , 13 January, 2022	5,000,000	4,999,994	7.28%
United States of America , 0.00% , 20 January, 2022	4,500,000	4,499,979	6.55%
United States of America , 0.00% , 27 January, 2022	4,000,000	3,999,968	5.82%
United States of America , 0.00% , 24 February, 2022	2,500,000	2,499,917	3.64%
United States of America , 0.00% , 24 March, 2022	2,950,000	2,949,672	4.29%
United States of America , 0.00% , 21 April, 2022	5,000,000	4,998,955	7.28%
United States of America , 0.00% , 28 April, 2022	3,000,000	2,999,322	4.37%
United States of America , 0.00% , 05 May, 2022	2,000,000	1,999,512	2.91%
United States of America , 0.00% , 19 May, 2022	6,000,000	5,997,864	8.73%
United States of America , 0.00% , 16 June, 2022	3,000,000	2,998,300	4.37%
United States of America , 0.00% , 23 June, 2022	3,000,000	2,997,679	4.37%
United States of America , 0.00% , 14 July, 2022	5,000,000	4,995,564	7.27%
United States of America , 0.00% , 03 November, 2022	3,000,000	2,993,927	4.36%
United States of America , 0.00% , 01 December, 2022	3,000,000	2,992,799	4.36%
<b>Total Debt securities (31 December 2020: USD 70,137,625 – 83.65%)</b>		<b>56,923,446</b>	<b>82.88%</b>
<b>Equities</b>			
Norway			
AutoStore Holdings Ltd	116,239	458,984	0.67%
<b>Total Equity securities (31 December 2020: USD Nil)</b>		<b>458,984</b>	<b>0.67%</b>
<b>Total Transferrable securities traded on a regulated market (31 December 2020: USD 70,137,625 – 83.65%)</b>		<b>57,382,430</b>	<b>83.55%</b>
<b>Financial derivative instruments (Assets)</b>			
<b>Financial derivative instruments - Over-the-counter (OTC) (Assets)</b>			
<b>Equity swaps</b>			
Canada	10,726	14,305	0.02%
Cayman Islands	13,860	372,593	0.54%
Germany	(7,630)	4,019	0.01%
Italy	75,437	13,699	0.02%
Japan	(2,300)	6,629	0.01%
Netherlands	504	15,380	0.02%
Norway	22,281	34,232	0.05%
Republic of Korea	(5,331)	29,015	0.04%
Switzerland	(3,271)	1,672	0.00%
Taiwan Province of China	17,000	272,181	0.40%
United States of America	(21)	1,090,396	1.59%
<b>Total Equity swaps (31 December 2020: USD 4,392,942 – 5.24%)</b>		<b>1,854,121</b>	<b>2.70%</b>

## SCHEDULE OF INVESTMENTS

As at 31 December 2021

## Lyxor/Bluescale Global Equity Alpha Fund (continued)

					No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial assets (continued)</b>							
<b>Financial derivative instruments (Assets) (continued)</b>							
<b>Financial derivative instruments - Over-the-counter (OTC) (Assets) (continued)</b>							
<b>Foreign currency forwards</b>							
Bought Currency	Amount Bought	Sold Currency	Amount Sold	Settlement Date	Unrealised Gain	% of Net Assets	
BRL	5,183,400	USD	916,126	02 February 2022	7,904	0.01%	
CAD	268,600	USD	211,691	19 January 2022	739	0.00%	
CHF	784,300	USD	856,002	16 March 2022	5,482	0.01%	
CNY	7,691,900	USD	1,199,331	16 February 2022	4,825	0.01%	
EUR	7,717,356	USD	8,714,640	07 January 2022	66,297	0.10%	
EUR	46,800	USD	53,180	16 March 2022	145	0.00%	
GBP	700,200	USD	932,242	16 March 2022	14,831	0.02%	
ILS	1,033,800	USD	327,937	19 January 2022	5,117	0.01%	
NOK	1,934,300	USD	213,177	16 March 2022	6,101	0.01%	
PLN	2,975,900	USD	728,486	16 March 2022	5,380	0.01%	
SGD	2,425,300	USD	1,775,757	16 February 2022	22,746	0.03%	
USD	1,904,734	BRL	10,397,200	02 February 2022	51,241	0.07%	
USD	5,631,784	CAD	7,076,700	19 January 2022	34,971	0.05%	
USD	3,838,983	JPY	436,278,100	16 February 2022	46,718	0.07%	
USD	13,568	NOK	119,289	03 January 2022	26	0.00%	
<b>Total Foreign currency forwards (31 December 2020: USD 657,515– 0.78%)</b>					<b>272,523</b>	<b>0.40%</b>	
<b>Total Financial derivative instruments - Over-the-counter (OTC) (Assets)</b> <b>(31 December 2020: USD 5,050,457 – 6.02%)</b>					<b>2,126,644</b>	<b>3.10%</b>	
<b>Total Financial derivative instruments (Assets) (31 December 2020: USD 5,050,457 – 6.02%)</b>					<b>2,126,644</b>	<b>3.10%</b>	
<b>Total Financial Assets at Fair Value Through Profit or Loss</b> <b>(31 December 2020: USD 75,188,082 – 89.67%)</b>					<b>59,509,074</b>	<b>86.64%</b>	
<b>Financial liabilities</b>							
<b>Financial derivative instruments (Liabilities)</b>							
<b>Financial derivative instruments - Over-the-counter (OTC) (Liabilities)</b>							
<b>Equity swaps</b>							
Canada			28,609		(48,182)	(0.07)%	
Cayman Islands			73,675		(150,126)	(0.22)%	
China			(16,545)		(1,983)	0.00%	
India			(38,445)		(117,787)	(0.17)%	
Jersey (Channel Islands)			49,513		(20,644)	(0.03)%	
Luxembourg			(72,501)		(85,259)	(0.13)%	
Republic of Korea			(9,330)		(3,043)	0.00%	
Switzerland			(7,073)		(27,329)	(0.04)%	
Taiwan Province of China			(1,669,000)		(125,690)	(0.18)%	
United Kingdom			(142,042)		(177,918)	(0.26)%	
United States of America			13,091		(1,096,528)	(1.60)%	
<b>Total Equity swaps (31 December 2020: USD (2,534,194)– (3.03)%)</b>					<b>(1,854,489)</b>	<b>(2.70)%</b>	

**SCHEDULE OF INVESTMENTS**

As at 31 December 2021

Lyxor/Bluescale Global Equity Alpha Fund (continued)

					No. of shares/ Nominal value/ No. of contracts	Fair Value USD	% of Net Assets
<b>Financial liabilities</b>							
<b>Financial derivative instruments (Liabilities)</b>							
<b>Financial derivative instruments - Over-the-counter (OTC) (Liabilities)</b>							
<b>Foreign currency forwards</b>							
Bought Currency	Amount Bought	Sold Currency	Amount Sold	Settlement Date		Unrealised Loss	% of Net Assets
BRL	1,647,800	USD	296,692	02/02/2022		(2,943)	(0.01)%
CAD	4,903,100	USD	3,929,215	01/19/2022		(51,453)	(0.07)%
JPY	551,319,900	USD	4,850,798	02/16/2022		(58,555)	(0.09)%
KRW	1,430,654,400	USD	1,203,799	02/16/2022		(3,204)	(0.01)%
SEK	362,400	USD	40,168	03/16/2022		(76)	0.00%
USD	390,038	BRL	2,238,000	02/02/2022		(8,923)	(0.01)%
USD	981,086	CAD	1,253,000	01/19/2022		(9,883)	(0.01)%
USD	4,119,402	CNY	26,537,200	02/16/2022		(34,950)	(0.05)%
USD	262,526	EUR	232,793	01/07/2022		(2,349)	0.00%
USD	1,958,828	EUR	1,726,200	03/16/2022		(8,042)	(0.01)%
USD	1,384,062	GBP	1,039,400	03/16/2022		(21,805)	(0.03)%
USD	115,680	NOK	1,020,231	01/04/2022		(131)	0.00%
USD	1,434,565	NOK	13,057,800	03/16/2022		(45,704)	(0.07)%
USD	1,732,713	SGD	2,339,700	02/16/2022		(2,318)	0.00%
<b>Total Foreign currency forwards (31 December 2020: USD (958,523) – (1.14)%)</b>						<b>(250,336)</b>	<b>(0.36)%</b>
<b>Total Financial derivative instruments - Over-the-counter (OTC) (Liabilities) (31 December 2020: USD (3,492,717) – (4.17)%)</b>						<b>(2,104,825)</b>	<b>(3.06)%</b>
<b>Total Financial derivative instruments (Liabilities) (31 December 2020: USD (3,492,717) – (4.17)%)</b>						<b>(2,104,825)</b>	<b>(3.06)%</b>
<b>Total Financial Liabilities at Fair Value Through Profit or Loss (31 December 2020: USD (3,492,717) – (4.17)%)</b>						<b>(2,104,825)</b>	<b>(3.06)%</b>
<b>Cash and cash equivalents and Other assets and liabilities – net (31 December 2020: USD 12,154,127 – 14.50%)</b>						<b>11,280,048</b>	<b>16.42%</b>
<b>Net assets attributable to holders of redeemable participating shares (31 December 2020: USD 83,849,492 – 100.00%)</b>						<b>68,684,297</b>	<b>100.00%</b>

**SCHEDULE OF INVESTMENTS**

As at 31 December 2021

Lyxor/Bluescale Global Equity Alpha Fund (continued)

	<b>Fair Value</b>	<b>% of</b>
	<b>USD</b>	<b>Total</b>
<b>Analysis of Total Assets</b>		<b>Assets</b>
Transferrable securities traded on a regulated market	57,382,430	80.77%
Financial derivative instruments - Over-the-counter (OTC) (Assets)	2,126,644	2.99%
Cash and cash equivalents	9,032,596	12.71%
Other assets	2,501,540	3.53%
<b>Total Assets</b>	<b>71,043,210</b>	<b>100.00%</b>

**APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued)**  
**For the year ended 31 December 2021**
**Lyxor/WNT Fund**

<b>MAJOR PURCHASES</b>	<b>PURCHASE VALUE USD</b>
United States Treasury Bill B 0% 02 SEP 2021	999,853
United States Treasury Bill B 0% 04 NOV 2021	1,499,719
United States Treasury Bill B 0% 07 OCT 2021	679,936
United States Treasury Bill B 0% 09 SEP 2021	1,399,838
United States Treasury Bill B 0% 16 SEP 2021	1,499,788
United States Treasury Bill B 0% 17 JUN 2021	999,626
United States Treasury Bill B 0% 20 MAY 2021	1,499,656
United States Treasury Bill B 0% 21 OCT 2021	499,914
United States Treasury Bill B 0% 22 JUL 2021	215,998
United States Treasury Bill B 0% 23 SEP 2021	999,809
United States Treasury Bill B 0% 24 FEB 2022	634,667
United States Treasury Bill B 0% 26 AUG 2021	999,873
United States Treasury Bill B 0% 28 OCT 2021	289,965
United States Treasury Bill B 0% 29 JUL 2021	399,940
United States Treasury Bill B 0% 30 SEP 2021	499,954
EURO FX Currency Fut JUN 21	14,894.75
CHF Currency Fut JUN 21	11,604.50
JPN 10Y Bond(OSE) JUN 21	6,870.86
FTSE 100 IDX Fut JUN 21	4,704.72
AUST 10Y Bond Fut JUN 21	4,051.16
<b>MAJOR SALES</b>	<b>SALE VALUE USD</b>
United States Treasury Bill B 0% 16 SEP 2021	(1,499,889)
United States Treasury Bill B 0% 20 MAY 2021	(1,499,795)
United States Treasury Bill B 0% 04 NOV 2021	(1,499,782)
United States Treasury Bill B 0% 09 SEP 2021	(1,399,907)
United States Treasury Bill B 0% 25 FEB 2021	(999,971)
United States Treasury Bill B 0% 26 AUG 2021	(999,952)
United States Treasury Bill B 0% 25 MAR 2021	(999,929)
United States Treasury Bill B 0% 23 SEP 2021	(999,906)
United States Treasury Bill B 0% 02 SEP 2021	(999,897)
United States Treasury Bill B 0% 22 APR 2021	(999,810)
United States Treasury Bill B 0% 17 JUN 2021	(999,730)
United States Treasury Bill B 0% 07 OCT 2021	(679,953)
United States Treasury Bill B 0% 24 FEB 2022	(634,756)
United States Treasury Bill B 0% 03 JUN 2021	(532,912)
United States Treasury Bill B 0% 30 SEP 2021	(499,957)
United States Treasury Bill B 0% 21 OCT 2021	(499,951)
United States Treasury Bill B 0% 10 JUN 2021	(404,938)
United States Treasury Bill B 0% 29 JUL 2021	(399,960)
United States Treasury Bill B 0% 28 OCT 2021	(289,967)
AUD USD Currency Fut MAR 21	(80,675.75)

All purchases and sales exceeding 1% of the total value of purchases and sales, respectively, have been disclosed such that, as a minimum, the largest 20 purchases and sales have been disclosed.



**APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Chenavari Credit Fund**

<b>MAJOR PURCHASES</b>	<b>PURCHASE VALUE USD</b>
ADJGR 2.25% 14 JAN 2029	13,153,560
ASSDLN 3.25% 16 FEB 2026 REGS	10,963,898
BCPPL 3.871% 27 MAR 2030 EMTN	11,839,561
CAJAMA 5.25% 27 NOV 2031 EMTN	11,755,819
CMZB 6.5% PERP	16,524,276
DB 5.625% 19 MAY 2031 EMTN	12,823,171
ICELTD 4.625% 15 MAR 2025 REGS	13,472,461
LHMCFI 4.5% 15 MAR 2027 REGS	13,874,373
PIZEXP 6.75% 15 JUL 2026 REGS	11,038,288
SABSM 5.75% PERP	12,941,161
SANTAN 3.625% PERP	11,761,553
T 2.0% 15 NOV 2021	45,180,469
TEVA 4.375% 09 MAY 2030	11,581,500
UCGIM 2.731% 15 JAN 2032	17,288,739
UCGIM 3.875% PERP EMTN	14,074,392
UNIIM 3.25% 23 SEP 2030 EMTN	12,626,876
United States Treasury Bill B 0% 10 FEB 2022	89,991,586
United States Treasury Bill B 0% 10 JUN 2021	14,999,931
United States Treasury Bill B 0% 10 MAR 2022	24,997,344
WNTRDE 3.0% PERP NC8	19,331,668

**APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued)**  
**For the year ended 31 December 2021**
**Lyxor/Chenavari Credit Fund (continued)**

<b>MAJOR SALES</b>	<b>SALE VALUE USD</b>
AAFFP 4.25% 19 MAY 2026 REGS	9,470,904
ADJGR 2.25% 14 JAN 2029	12,941,263
AIB 2.875% 30 MAY 2031 EMTN	8,487,571
ARWLN 6.0% 15 NOV 2026 REGS	9,577,050
BCPPL 3.871% 27 MAR 2030 EMTN	14,526,296
BGRKNG FRN 01 NOV 2026 REGS	10,432,221
CNTRNB 5.875% 30 SEP 2026 REGS	8,465,781
DB FRN PERP	8,622,259
GRFSM 3.875% 15 OCT 2028 REGS	10,469,941
ILDFP 5.125% 15 OCT 2026 REGS	8,384,536
ILDFP 5.625% 15 OCT 2028 REGS	8,429,221
ISPIM 3.75% PERP	9,301,792
ISPIM 5.875% PERP EMTN	9,628,950
RBIA V 4.5% PERP	8,275,965
SABSM 5.75% PERP	13,293,769
SFRFP 4.125% 15 JAN 2029 REGS	14,292,058
T 2.0% 15 NOV 2021	45,035,547
UBS 3.875% PERP REGS	10,255,343
UCGIM 3.875% PERP EMTN	16,875,047
UNIIM 3.25% 23 SEP 2030 EMTN	15,591,923
United States Treasury Bill B 0% 10 FEB 2022	14,998,680
United States Treasury Bill B 0% 18 FEB 2021	9,999,649
WNTRDE 3.0% PERP NC8	8,756,492

All purchases and sales exceeding 1% of the total value of purchases and sales, respectively, have been disclosed such that, as a minimum, the largest 20 purchases and sales have been disclosed.

**APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued)**  
**For the year ended 31 December 2021**
**Lyxor/Lutetia Merger Arbitrage Fund**

<b>MAJOR PURCHASES</b>	<b>PURCHASE VALUE USD</b>
Aon PLC-Class A	163,268
Analog Devices Inc(NSM)	368,418
Peugeot SA(PAR)(ACQ)	403,048
United States Treasury Bill BTF 0% 19 MAY 2021	3,534,674
United States Treasury Bill B 0% 24 JUN 2021	1,399,490
United States Treasury Bill B 0% 22 JUL 2021	999,955
United States Treasury Bill B 0% 14 OCT 2021	999,953
United States Treasury Bill B 0% 21 OCT 2021	999,949
United States Treasury Bill B 0% 16 SEP 2021	999,909
United States Treasury Bill B 0% 28 OCT 2021	999,878
United States Treasury Bill B 0% 09 DEC 2021	999,854
United States Treasury Bill B 0% 12 NOV 2021	999,837
United States Treasury Bill B 0% 08 JUL 2021	999,835
United States Treasury Bill B 0% 05 AUG 2021	999,821
United States Treasury Bill B 0% 27 MAY 2021	999,689
United States Treasury Bill B 0% 27 JAN 2022	999,513
United States Treasury Bill B 0% 17 JUN 2021	499,898
United States Treasury Bill B 0% 04 NOV 2021	389,800
United States Treasury Bill B 0% 16 JUN 2022	309,760
United States Treasury Bill B 0% 24 MAR 2022	249,963
United States Treasury Bill B 0% 24 FEB 2022	199,974
United States Treasury Bill B 0% 30 DEC 2021	149,975
United States Treasury Bill B 0% 21 APR 2022	149,963
United States Treasury Bill B 0% 23 JUN 2022	149,880

**APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued)**  
**For the year ended 31 December 2021**
**Lyxor/Lutetia Merger Arbitrage Fund (continued)**

<b>MAJOR SALES</b>	<b>SALE VALUE USD</b>
Maxim Integrated Products (ACQ)	(359,942)
Stellantis NV	(437,920)
United States Treasury Bill BTF 0% 19 MAY 2021	(3,509,895)
United States Treasury Bill B 0% 08 JUL 2021	(999,995)
United States Treasury Bill B 0% 22 JUL 2021	(999,979)
United States Treasury Bill B 0% 05 AUG 2021	(999,967)
United States Treasury Bill B 0% 09 SEP 2021	(999,921)
United States Treasury Bill B 0% 16 SEP 2021	(999,916)
United States Treasury Bill B 0% 07 OCT 2021	(999,887)
United States Treasury Bill B 0% 14 OCT 2021	(999,880)
United States Treasury Bill B 0% 28 OCT 2021	(999,858)
United States Treasury Bill B 0% 21 OCT 2021	(999,854)
United States Treasury Bill B 0% 04 NOV 2021	(999,850)
United States Treasury Bill B 0% 12 NOV 2021	(999,830)
United States Treasury Bill B 0% 09 DEC 2021	(999,797)
United States Treasury Bill B 0% 27 JAN 2022	(899,803)
United States Treasury Bill B 0% 24 JUN 2021	(399,918)
United States Treasury Bill B 0% 16 JUN 2022	(209,888)
United States Treasury Bill B 0% 29 APR 2021	(200,000)
Willis Towers Watson PLC	(123,850)

All purchases and sales exceeding 1% of the total value of purchases and sales, respectively, have been disclosed such that, as a minimum, the largest 20 purchases and sales have been disclosed.

**APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued)**  
**For the year ended 31 December 2021**
**Lyxor/Wells Capital Financial Credit Fund**

<b>MAJOR PURCHASES</b>	<b>PURCHASE VALUE USD</b>
ABANCA 6.0% PERP	5,438,247
ABDNLN 5.25% PERP	1,325,850
ACAFP 7.5% PERP .	3,273,106
ACAFP 7.5% PERP REGS	3,352,431
AIA 0.88% 09 SEP 2033 GMTN	1,780,669
ANZ 0.669% 05 MAY 2031 EMTN	2,057,935
BACR 6.375% PERP	3,000,225
BAMIIM 2.875% 29 JUN 2031 EMTN	3,573,791
BCPPL 3.871% 27 MAR 2030 EMTN	3,542,994
BKTSM 6.25% PERP	1,359,774
BNP 2.0% 24 MAY 2031 EMTN	1,834,148
BPCEGP 2.125% 13 OCT 2046 NC10	2,770,321
BUPFIN 4.0% PERP	1,379,500
CABKSM 1.5% 03 DEC 2026 EMTN	1,410,838
CABKSM 3.625% PERP	1,662,290
CAJAMA 5.25% 27 NOV 2031 EMTN	3,721,639
CMZB 6.125% PERP	1,315,770
CNPFP 4.875% PERP	4,020,000
CS 1.125% 15 DEC 2025 EMTN	4,222,680
CS 5.25% PERP REGS	3,127,500
CXGD 0.375% 21 SEP 2027 EMTN	1,885,925
EFGBNK 5.5% PERP	2,000,000
HEIMST 6.75% PERP	2,339,286
IPMID 3.0% 19 AUG 2031 EMTN	3,320,900
ISPIM 5.5% PERP EMTN	3,336,925
ISPIM 7.75% PERP	1,445,379
KBCBB 4.75% PERP	2,574,276
LGEN 5.625% PERP	2,354,626
LRELN 5.625% 18 SEP 2041	4,000,000
MACIFS 2.125% 21 JUN 2052	3,622,578
NWG 2.105% 28 NOV 2031 EMTN	1,626,503
NYKRE 4.125% PERP	1,285,494
OPBANK 1.375% 04 SEP 2026 GMTN	5,407,486
RBIA V 6.0% PERP	2,601,076
SABSM 5.0% PERP	1,854,480
SHBASS 4.75% PERP .	2,762,500
SRENVX 4.625% PERP	4,096,250
UBS 0.5% 31 MAR 2031 EMTN	2,578,859
UCAJLN 4.875% PERP	1,377,420
UCGIM 2.731% 15 JAN 2032	2,367,286
UTMOST 4.0% 15 DEC 2031	4,683,330

**APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued)**  
**For the year ended 31 December 2021**
**Lyxor/Wells Capital Financial Credit Fund (continued)**

<b>MAJOR SALES</b>	<b>SALE VALUE USD</b>
ABANCA 6.0% PERP	(3,030,527)
ACAFP 7.5% PERP .	(3,352,431)
ACAFP 7.875% PERP REGS	(2,250,000)
AIA 0.88% 09 SEP 2033 GMTN	(1,780,389)
ANZ 0.669% 05 MAY 2031 EMTN	(1,997,335)
BACR FRN PERP	(2,818,775)
BAMIIM 2.875% 29 JUN 2031 EMTN	(3,520,950)
BAMIIM 5.0% 14 SEP 2030	(2,575,445)
BAMIIM 6.125% PERP	(2,422,792)
BCPPL 3.871% 27 MAR 2030 EMTN	(3,480,963)
BKTSM 6.25% PERP	(2,182,750)
BNP 6.625% PERP REGS	(4,206,170)
BPCEGP 2.125% 13 OCT 2046 NC10	(2,731,647)
BUPFIN 4.0% PERP	(1,372,487)
CABKSM 1.5% 03 DEC 2026 EMTN	(1,398,661)
CABKSM 3.625% PERP	(1,644,733)
CMZB 6.125% PERP	(1,301,490)
CS 1.125% 15 DEC 2025 EMTN	(4,163,560)
CS 5.25% PERP REGS	(3,097,500)
CS 7.5% PERP REGS	(3,268,500)
EFGBNK 5.5% PERP	(2,052,600)
ISPIM 7.75% PERP	(5,844,166)
MACIFS 2.125% 21 JUN 2052	(3,486,556)
OPBANK 1.375% 04 SEP 2026 GMTN	(5,428,998)
PBBGR 5.75% PERP 3529	(1,725,320)
RBIA V 6.0% PERP	(6,418,994)
RBIA V 6.125% PERP	(1,263,788)
SABSM 2.0% 17 JAN 2030	(3,521,394)
SAMPFH 2.5% 03 SEP 2052 EMTN	(3,912,478)
SHBASS 4.75% PERP .	(2,769,000)
SRENVX 4.625% PERP	(4,121,000)
SRENVX 5.0% 02 APR 2049 REGS	(2,340,000)
UBS 0.5% 31 MAR 2031 EMTN	(2,611,611)
UBS 7.0% PERP	(3,474,000)
USIMIT 6.375% PERP	(1,312,960)
UTMOST 4.0% 15 DEC 2031	(1,355,093)
VMUKLN 5.125% 11 DEC 2030 GMTN	(2,092,398)

All purchases and sales exceeding 1% of the total value of purchases and sales, respectively, have been disclosed such that, as a minimum, the largest 20 purchases and sales have been disclosed.

**APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued)**  
**For the year ended 31 December 2021**
**Lyxor/Marathon Emerging Markets Bond Fund**

<b>MAJOR PURCHASES</b>	<b>PURCHASE VALUE USD</b>
ADGLXY 2.94% 30 SEP 2040 _ OLD REGS	7,084,800
BRAZIL 3.75% 12 SEP 2031	17,391,589
CHILE 2.55% 27 JUL 2033	18,865,580
CHILE 3.1% 22 JAN 2061	8,469,369
COLOM 3.25% 22 APR 2032	11,834,877
COLOM 4.125% 22 FEB 2042	17,705,334
DOMREP 4.5% 30 JAN 2030 REGS	8,318,730
DOMREP 5.3% 21 JAN 2041 REGS	8,406,794
MCBRAC 7.25% 30 JUN 2031 REGS	8,428,035
MEX 2.659% 24 MAY 2031	16,812,829
MEX 4.28% 14 AUG 2041	9,721,508
PANAMA 2.252% 29 SEP 2032	12,496,094
PEMEX 5.95% 28 JAN 2031	10,288,152
PEMEX 6.75% 21 SEP 2047	16,317,237
PERU 2.783% 23 JAN 2031	7,986,384
PETRPE 5.625% 19 JUN 2047 REGS	7,734,601
SOAF 4.85% 30 SEP 2029	9,390,664
SQM 3.5% 10 SEP 2051 REGS	10,849,636
TURKEY 4.75% 26 JAN 2026	7,188,348
UKRAIN 6.876% 21 MAY 2029 REGS	8,202,684
<b>MAJOR SALES</b>	<b>SALE VALUE USD</b>
ARAMCO 3.5% 24 NOV 2070 REGS	(7,702,379)
BRAZIL 3.75% 12 SEP 2031	(11,054,118)
BRAZIL 3.875% 12 JUN 2030	(15,619,226)
CHILE 2.45% 31 JAN 2031	(9,408,458)
CHILE 2.55% 27 JUL 2033	(9,849,108)
CHILE 3.1% 22 JAN 2061	(8,534,140)
COLOM 3.125% 15 APR 2031	(10,904,265)
COLOM 3.25% 22 APR 2032	(11,069,592)
COLOM 4.125% 22 FEB 2042	(11,665,924)
ESKOM 4.314% 23 JUL 2027	(6,618,817)
ISRAEL 4.5% 03 APR 2120	(10,882,233)
MCBRAC 7.25% 30 JUN 2031 REGS	(8,613,994)
MEX 2.659% 24 MAY 2031	(17,771,423)
MEX 4.28% 14 AUG 2041	(10,124,721)
PEMEX 5.95% 28 JAN 2031	(10,441,273)
PEMEX 6.75% 21 SEP 2047	(10,980,005)
PEMEX 6.875% 16 OCT 2025 REGS	(6,816,433)
PERU 2.783% 23 JAN 2031	(9,712,589)
QATAR 3.75% 16 APR 2030 REGS	(7,606,156)
SQM 3.5% 10 SEP 2051 REGS	(10,561,432)

All purchases and sales exceeding 1% of the total value of purchases and sales, respectively, have been disclosed such that, as a minimum, the largest 20 purchases and sales have been disclosed



**APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued)**  
**For the year ended 31 December 2021**

**Lyxor/Bluescale Global Equity Alpha Fund**

<b>MAJOR PURCHASES</b>	<b>PURCHASE VALUE USD</b>
United States Treasury Bill -B 0% 01 DEC 2022	2,991,856
United States Treasury Bill -B 0% 02 DEC 2021	4,996,899
United States Treasury Bill -B 0% 03 JUN 2021	4,998,422
United States Treasury Bill -B 0% 03 NOV 2022	2,993,691
United States Treasury Bill -B 0% 04 NOV 2021	2,499,626
United States Treasury Bill -B 0% 05 AUG 2021	2,199,606
United States Treasury Bill -B 0% 05 MAY 2022	1,999,314
United States Treasury Bill -B 0% 06 JAN 2022	4,999,281
United States Treasury Bill -B 0% 07 OCT 2021	7,096,867
United States Treasury Bill -B 0% 08 JUL 2021	4,997,982
United States Treasury Bill -B 0% 09 DEC 2021	1,999,708
United States Treasury Bill -B 0% 10 JUN 2021	4,998,484
United States Treasury Bill -B 0% 13 JAN 2022	4,999,279
United States Treasury Bill -B 0% 14 JUL 2022	4,997,630
United States Treasury Bill -B 0% 14 OCT 2021	2,499,846
United States Treasury Bill -B 0% 16 DEC 2021	2,499,542
United States Treasury Bill -B 0% 16 JUN 2022	4,998,128
United States Treasury Bill -B 0% 16 SEP 2021	1,999,816
United States Treasury Bill -B 0% 17 JUN 2021	2,499,393
United States Treasury Bill -B 0% 19 AUG 2021	3,999,361
United States Treasury Bill -B 0% 19 MAY 2022	5,997,291
United States Treasury Bill -B 0% 20 JAN 2022	4,499,294
United States Treasury Bill -B 0% 21 APR 2022	4,998,594
United States Treasury Bill -B 0% 21 OCT 2021	3,499,830
United States Treasury Bill -B 0% 22 JUL 2021	4,998,968
United States Treasury Bill -B 0% 23 JUN 2022	2,997,499
United States Treasury Bill -B 0% 24 FEB 2022	2,499,449
United States Treasury Bill -B 0% 24 MAR 2022	2,948,398
United States Treasury Bill -B 0% 26 AUG 2021	3,999,215
United States Treasury Bill -B 0% 27 JAN 2022	4,996,281
United States Treasury Bill -B 0% 28 APR 2022	2,999,085
United States Treasury Bill -B 0% 30 DEC 2021	2,498,817

**APPENDIX A: SCHEDULE OF PURCHASES AND SALES OF INVESTMENTS (UNAUDITED) (continued)**  
**For the year ended 31 December 2021**
**Lyxor/Bluescale Global Equity Alpha Fund**

<b>MAJOR SALES</b>	<b>SALE VALUE USD</b>
CCC Intelligent Solutions Hold	(658,005)
Coinbase Global Inc -Class A	(469,899)
Coupang Inc	(366,637)
EQSWAP Affirm Holdings Inc(NSM) 20210115-20991231 - CITINY	(502,763)
EQSWAP Dialog Semiconductor PLC(GER) 20201209-20991231 - GOLDLN	(407,040)
FISERV Inc	(1,299,097)
Open Lending Corp-CIA	(374,483)
Qualtrics International-CIA	(905,672)
Renesas Electronics Corp	(500,336)
Thoma bravo advantage-CIA	(685,255)
United States Treasury Bill -B 0% 02 DEC 2021	(2,499,265)
United States Treasury Bill -B 0% 03 JUN 2021	(2,499,983)
United States Treasury Bill -B 0% 07 OCT 2021	(2,499,660)
United States Treasury Bill -B 0% 08 JUL 2021	(2,499,927)
United States Treasury Bill -B 0% 10 JUN 2021	(2,499,984)
United States Treasury Bill -B 0% 16 JUN 2022	(1,998,709)
United States Treasury Bill -B 0% 17 JUN 2021	(2,499,968)
United States Treasury Bill -B 0% 19 AUG 2021	(3,999,973)
United States Treasury Bill -B 0% 21 OCT 2021	(999,952)
United States Treasury Bill -B 0% 22 JUL 2021	(4,999,767)
United States Treasury Bill -B 0% 26 AUG 2021	(3,999,720)
United States Treasury Bill -B 0% 27 JAN 2022	(999,663)

All purchases and sales exceeding 1% of the total value of purchases and sales, respectively, have been disclosed such that, as a minimum, the largest 20 purchases and sales have been disclosed.

**APPENDIX B: TOTAL EXPENSE RATIO (UNAUDITED) (Annualised)**

For the year ended 31 December 2021

Share class	Total expense ratio	Management fee expense %	Investment advisory fee %	Performance fee expense %	Fund administration fee expense %
<b>Lyxor/WNT Fund*</b>					
Class I (USD)	1.20%	0.85%	-	-	0.35%
Hedged Class A (EUR)	2.05%	1.70%	-	-	0.35%
Hedged Class I (EUR)	1.20%	0.85%	-	-	0.35%
Hedged Class A (CHF)	2.05%	1.70%	-	-	0.35%
Hedged Class I (GBP)	1.20%	0.85%	-	-	0.35%
Class A (USD)	2.05%	1.70%	-	-	0.35%
<b>Lyxor/Chenavari Credit Fund</b>					
Class I (USD)	2.60%	1.70%	0.01%	0.59%	0.30%
Hedged Class I (EUR)	2.32%	1.60%	0.01%	0.41%	0.30%
Hedged Class A (EUR)	2.86%	2.15%	0.01%	0.40%	0.30%
Class SI (USD)	1.97%	1.22%	0.01%	0.44%	0.30%
Class A (USD)	2.87%	2.15%	0.03%	0.39%	0.30%
Hedged Class SIP (EUR)	2.16%	1.20%	0.01%	0.65%	0.30%
Hedged Class SI (EUR)	2.13%	1.20%	0.01%	0.62%	0.30%
Hedged Class SI (GBP)	1.92%	1.20%	0.01%	0.41%	0.30%
Class O (USD)	0.61%	0.30%	0.01%	0.00%	0.30%
Hedged Class O (EUR)	0.61%	0.30%	0.01%	0.00%	0.30%
Class AA (USD)	3.19%	2.30%	0.01%	0.58%	0.30%
Class IA (USD)	2.70%	1.70%	0.01%	0.69%	0.30%
Hedged Class SSI (EUR)	1.74%	1.00%	0.01%	0.43%	0.30%
Class I (NOK)	1.91%	1.60%	0.01%	0.00%	0.30%
Class P (EUR)	1.22%	0.90%	0.01%	0.01%	0.30%
<b>Lutetia Merger Arbitrage Fund</b>					
Class I (USD)	1.85%	1.50%	-	0.00%	0.35%
Hedged Class I (EUR)	1.85%	1.50%	-	0.00%	0.35%
<b>Lyxor/Wells Capital Financial Credit Fund</b>					
Class A (USD)	1.75%	1.50%	0.00%	0.00%	0.25%
Class I (USD)	1.00%	0.75%	0.00%	0.00%	0.25%
Hedged Class I (EUR)	1.00%	0.75%	0.00%	0.00%	0.25%
Hedged Class A (EUR)	1.75%	1.50%	0.00%	0.00%	0.25%
Class SI (USD)	0.90%	0.65%	0.00%	0.00%	0.25%

\*Lyxor/WNT Fund: Terminated on 19 July 2021.

**APPENDIX B: TOTAL EXPENSE RATIO (UNAUDITED) (Annualised)(continued)**

For the year ended 31 December 2021

Share class	Total expense ratio	Management fee expense %	Investment advisory fee %	Performance fee expense %	Fund administration fee expense %
<b>Lyxor/Marathon Emerging Markets Bond Fund</b>					
Class F (USD)	0.58%	0.40%	-	0.00%	0.18%
Hedged Class A (EUR)	1.58%	1.40%	-	0.00%	0.18%
Class I (USD)	0.88%	0.70%	-	0.00%	0.18%
Hedged Class I (EUR)	0.88%	0.70%	-	0.00%	0.18%
Hedged Class I (GBP)	0.88%	0.70%	-	0.00%	0.18%
Class A (USD)	1.58%	1.40%	-	0.00%	0.18%
Class SI (USD)	0.78%	0.60%	-	0.00%	0.18%
Class SID (USD)	0.78%	0.60%	-	0.00%	0.18%
Class SID (CHF)	0.78%	0.60%	-	0.00%	0.18%
Class SID (EUR)	0.78%	0.60%	-	0.00%	0.18%
Class SID (GBP)	0.78%	0.60%	-	0.00%	0.18%
Class A I (EUR)	1.38%	1.20%	-	0.00%	0.18%
Class A I (USD)	1.38%	1.20%	-	0.00%	0.18%
Class SSI (EUR)	0.78%	0.60%	-	0.00%	0.18%
Class SSI (USD)	0.78%	0.60%	-	0.00%	0.18%
Class SSID (USD)	0.78%	0.60%	-	0.00%	0.18%
Class SSID (GBP)	0.78%	0.60%	-	0.00%	0.18%
<b>Lyxor/Bluescale Global Equity Alpha Fund</b>					
Class I (USD)	1.34%	1.00%	-	0.00%	0.34%
Class F (USD)	0.59%	0.25%	-	0.00%	0.34%
Class EB (USD)	0.94%	0.60%	-	0.00%	0.34%
Class A (USD)	2.09%	1.75%	-	0.00%	0.34%
Hedged Class A (EUR)	2.09%	1.75%	-	0.00%	0.34%

**APPENDIX B: TOTAL EXPENSE RATIO (UNAUDITED) (Annualised)(continued)**

For the year ended 31 December 2020

Share class	Total expense ratio	Management fee expense %	Performance fee expense %	Fund administration fee expense %	Investment advisory fee %
<b>Lyxor/WNT Fund</b>					
Class I (USD)	1.05%	0.08%	0.00%	0.25%	0.72%
Hedged Class EB (EUR)	0.67%	0.08%	0.00%	0.16%	0.43%
Hedged Class EB (GBP)	1.01%	0.12%	0.00%	0.24%	0.65%
Hedged Class A (EUR)	1.98%	0.91%	0.06%	0.24%	0.77%
Hedged Class I (EUR)	1.09%	0.13%	0.00%	0.25%	0.71%
Hedged Class A (CHF)	1.95%	0.92%	0.00%	0.25%	0.78%
Hedged Class I (GBP)	1.10%	0.13%	0.00%	0.25%	0.72%
Class A (USD)	1.93%	0.91%	0.00%	0.25%	0.77%
Hedged Class C2 (EUR)	1.38%	0.10%	0.26%	0.25%	0.77%
Class C2 (USD)	1.11%	0.10%	0.00%	0.25%	0.76%
<b>Lyxor/Chenavari Credit Fund</b>					
Class I (USD)	3.69%	0.40%	1.94%	0.35%	1.00%
Hedged Class I (EUR)	3.42%	0.40%	1.67%	0.35%	1.00%
Hedged Class A (EUR)	4.05%	1.15%	1.55%	0.35%	1.00%
Class SI (USD)	3.53%	0.30%	1.98%	0.35%	0.90%
Class A (USD)	4.81%	1.15%	2.31%	0.35%	1.00%
Hedged Class SIP (EUR)	3.44%	0.30%	1.89%	0.35%	0.90%
Hedged Class SI (EUR)	3.45%	1.20%	1.90%	0.35%	0.00%
Hedged Class SI (GBP)	3.40%	1.20%	1.85%	0.35%	0.00%
Class O (USD)	0.65%	0.30%	0.00%	0.35%	0.00%
Hedged Class O (EUR)	0.65%	0.30%	0.00%	0.35%	0.00%
Class AA (USD)	4.42%	2.30%	1.77%	0.35%	0.00%
Class IA (USD)	3.93%	1.70%	1.88%	0.35%	0.00%
Hedged Class SSI (EUR)	3.14%	1.00%	1.79%	0.35%	0.00%
<b>Lutetia Merger Arbitrage Fund</b>					
Class I (USD)	1.73%	0.50%	0.00%	0.24%	0.99%
Hedged Class I (EUR)	1.74%	0.50%	0.00%	0.25%	0.99%
Hedged Class S (EUR)	0.26%	0.00%	0.00%	0.26%	0.00%
<b>Kingdon Global Long-Short Equity Fund</b>					
Class I (USD)	1.85%	1.50%	0.00%	0.35%	0.00%
Hedged Class I (EUR)	1.85%	1.50%	0.00%	0.35%	0.00%
<b>Lyxor/Wells Capital Financial Credit Fund</b>					
Class A (USD)	1.74%	1.49%	0.00%	0.25%	0.00%
Class I (USD)	1.00%	0.75%	0.00%	0.25%	0.00%
Hedged Class I (EUR)	0.99%	0.74%	0.00%	0.25%	0.00%
Hedged Class A (EUR)	1.75%	1.50%	0.00%	0.25%	0.00%
Class SI (USD)	0.90%	0.65%	0.00%	0.25%	0.00%

**APPENDIX B: TOTAL EXPENSE RATIO (UNAUDITED) (Annualised)(continued)**

For the year ended 31 December 2020

Share class	Total expense ratio	Management fee expense %	Performance fee expense %	Fund administration fee expense %	Investment advisory fee %
<b>Lyxor/Academy Quantitative Global UCITS Fund</b>					
Hedged Class O (EUR)	1.33%	1.00%	0.00%	0.33%	0.00%
Hedged Class EB (EUR)	1.58%	1.25%	0.00%	0.33%	0.00%
Class O (USD)	1.51%	1.00%	0.18%	0.33%	0.00%
Hedged Class I (GBP)	2.06%	1.30%	0.43%	0.33%	0.00%
Class I (USD)	2.19%	1.50%	0.36%	0.33%	0.00%
Hedged Class I (EUR)	1.69%	1.25%	0.15%	0.29%	0.00%
Hedged Class O (CHF)	1.34%	1.00%	0.00%	0.34%	0.00%
	1.33%	1.00%	0.00%	0.33%	0.00%
<b>Lyxor/Marathon Emerging Markets Bond Fund</b>					
Class F (USD)	0.55%	0.40%	0.00%	0.15%	0.00%
Hedged Class A (EUR)	1.55%	1.40%	0.00%	0.15%	0.00%
Class I (USD)	0.85%	0.70%	0.00%	0.15%	0.00%
Class IA (USD)	1.00%	0.85%	0.00%	0.15%	0.00%
Hedged Class I (EUR)	0.85%	0.70%	0.00%	0.15%	0.00%
Hedged Class I (GBP)	0.85%	0.70%	0.00%	0.15%	0.00%
Class AA (USD)	1.69%	1.54%	0.00%	0.15%	0.00%
Class A (USD)	1.53%	1.38%	0.00%	0.15%	0.00%
Class SI (USD)	0.75%	0.60%	0.00%	0.15%	0.00%
<b>Lyxor/Bluescale Global Equity Alpha Fund</b>					
Class I (USD)	4.11%	1.00%	2.77%	0.34%	0.00%
Class F (USD)	0.59%	0.25%	0.00%	0.34%	0.00%
Class EB (USD)	4.94%	0.60%	4.00%	0.34%	0.00%
Class A (USD)	2.51%	1.75%	0.42%	0.34%	0.00%
Hedged Class A (EUR)	2.46%	1.68%	0.44%	0.34%	0.00%