

PARETURN

Société d'Investissement à Capital Variable

RCS Luxembourg N° B 47 104

Annual Report including Audited Financial Statements as at September 30, 2020

The country of origin of the collective investment scheme is Luxembourg. The collective investment scheme may only be distributed in or from Switzerland to qualified investors within the meaning of Art. 10 para. 3, 3bis and 3ter of the Swiss Collective Investment Schemes Act. The representative and paying agent in Switzerland is BNP Paribas Securities Services Paris, Succursale de Zurich, Selnaustrasse 16, CH-8002 Zurich. In respect of the shares distributed in and from Switzerland, the place of performance and jurisdiction is the registered office of the representative in Switzerland. The prospectus, the articles of incorporation, the key investor information documents as well as the annual and semi-annual reports of the Company may be obtained free of charge from the representative in Switzerland.

PARETURN

Pareturn Gladwyne Absolute Credit

No subscription can be received on the basis of this annual report including audited financial statements. Subscriptions are only valid if made on the basis of the current prospectus and relevant Key Investor Information Document ("KIID") which will be accompanied by a copy of the latest annual report including audited financial statements and a copy of the latest available unaudited semi-annual report, if published after such annual report.

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Organisation of the Company

Board of Directors of the Company

Chairman

Mr. Michel Marcel Vareika
8, rue de Killebiërg
L-5762 Hassel
Grand Duchy of Luxembourg

Directors

Mr. Carlo Montagna
The Directors Office
19, rue de Bitbourg
L-1273 Luxembourg
Grand Duchy of Luxembourg

Mr. Yves Wagner
The Directors Office
19, rue de Bitbourg
L-1273 Luxembourg
Grand Duchy of Luxembourg

Management Company

MDO Management Company S.A.
19, rue de Bitbourg
L-1273 Luxembourg
Grand Duchy of Luxembourg

Delegate Investment Managers

Gladwyne Investments LLP
Aldwych House, 71-91 Aldwych
WC2B 4HN London
United Kingdom

Delegate Administrative Agent, Delegate Registrar Agent, Domiciliation and Listing Agent, Transfer Agent

BNP Paribas Securities Services - Luxembourg Branch
60, avenue John Fitzgerald Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Depository

BNP Paribas Securities Services - Luxembourg Branch
60, avenue John Fitzgerald Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Cabinet de révision agréé / Auditor of the Company

Deloitte Audit
Société à responsabilité limitée
20, boulevard de Kockelscheuer
L-1821 Luxembourg
Grand Duchy of Luxembourg

Registered office

60, avenue John Fitzgerald Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Representative and Local Paying Agent in Switzerland

BNP Paribas Securities Services, Zurich Branch
16, Selnautrasse
CH-8002 Zurich
Switzerland

General Information

Incorporation

PARETURN (the "Company") was incorporated in Luxembourg on March 25, 1994 for an indefinite period. The minimum capital in the Company is €1,250,000 (one million two hundred and fifty thousand euros). The Company's capital is expressed in EUR and is, at all times, equal to the value of the net assets of all sub-funds of the Company, and is represented by shares with no par value.

The amount of capital changes automatically and without any publication in the Trade Register, as would otherwise be necessary for capital increases and decreases in *sociétés anonymes* (limited companies). The Company's Articles of Incorporation were published in the *Mémorial C, Recueil des Sociétés et Associations* ("*Mémorial C*") on April 29, 1994 after being filed, on April 1, 1994, with the Clerk of the District Court of Luxembourg where they may be examined and copies may be obtained against payment of a fee. Following the Extraordinary General Meeting of August 17, 2005, the Company was brought into compliance with the amended law of December 20, 2002 on Undertakings for Collective Investment. These changes were published in the *Mémorial C* on September 2, 2005. Further amendments in the Articles of Incorporation were published in the *Mémorial C* on August 13, 2010 and on December 18, 2015 and on the RESA (*Recueil Electronique des Sociétés et Associations*) on November 16, 2018. Since July 1, 2011 the Company is subject to the provisions of Part I of the amended law of December 17, 2010 (the "Law") relating to Undertakings for Collective Investment in Transferable Securities (UCITS). The Company is registered on the Luxembourg Trade Register under number B - 47 104.

Listing

No shares of any sub-fund of the Company are listed on the Luxembourg stock exchange. However, the Company's Board of Directors reserves the right to list some of the shares of the Company so at a later date.

Communications and reports to shareholders

1. Periodic reports

Annual reports including audited financial statements for the year ended September 30, unaudited semi-annual reports for the six months ended March 31 and the list of changes made to the composition of the securities portfolio are available to shareholders free of charge from branches of the Depository, other designated banks and the Company's registered office. These reports cover each of the sub-funds and the assets of the Company as a whole.

The financial statements of each sub-fund are drawn up in the currency of the sub-fund but the combined in accounts are denominated in euro.

Annual reports including audited financial statements are available within four months of the financial year-end.

Unaudited semi-annual reports are published within two months of the end of the six-month period they cover.

2. Information to shareholders

a) Net asset value ("NAV")

The net asset values per share of each sub-fund, category or class of shares of the Company are available on each business day at the registered office of the Company. The Board of Directors of the Company may subsequently decide to publish these net asset values in the newspapers of countries where the Company's shares are marketed or sold. They shall moreover be posted each business day on Reuters screen. Furthermore, they can be obtained at the registered office of the Depository as well as from the banks in charge of financial services.

b) Subscription and redemption prices

The subscription and redemption prices of shares in each sub-fund, category or class of shares of the Company are published daily at the Depository and from the banks ensuring of financial services.

c) Notifications to shareholders

Other information intended for shareholders are published in the *Recueil Electronique des Sociétés et Associations* in Luxembourg, if such publication is prescribed by the Law. They may also be published in a Luxembourg newspaper.

Investment Managers' Report

Pareturn Gladwyne Absolute Credit

The last twelve months were particularly eventful for the strategy, which experienced its highest bout of volatility since inception as markets unravelled in March 2020 when the COVID-19 pandemic took hold in Europe.

The Sub-Fund's exposure to the energy sector proved particularly damaging to the overall performance. One position in particular, in senior secured notes of Seadrill, was responsible for an almost 5% loss during March 2020. The Sub-Fund also had some exposure to German Real Estate Investment Trusts, which weighed on the returns picture during the first quarter of 2020.

The short book provided the expected ballast, but it was not all negative in the long portion of our portfolio, as some positions appreciated amidst the chaos on the financial markets. This was particularly true for our positions in the precious metals sector.

While Q1 2020 resulted in, by far, the worst quarterly performance in the sub fund's history, the strategy has progressively clawed its way back up. We have been tactical in our approach and reallocated capital early on to those instruments which we believed had been unfairly punished at the end of the first quarter, and to which we did not already have a large exposure. In some cases, like with German Real Estate Investment Trusts, we have reviewed our thesis, which dramatically changed in light of the COVID-19 reality, and reduced the exposure. But we also recognized that some of the hardest hit positions, like Seadrill, were victims of an indiscriminate sell-off, and, while not adding to it given the already existing exposure, we have not been reducing it either.

As we are closing the financial year, we are still some way from the high watermark, but are encouraged by the price disparity we are observing in the market. Not only do we believe that many positions currently in the portfolio still have the potential to significantly rebound and make back some of the MTM losses shown earlier this year, but we also continue to find new instruments to invest in, which provide the type of returns asymmetry which for a while was more difficult to source. This crisis certainly generated exceptional opportunities, and we believe that it is far from having played out. As such, we anticipate an outsized return potential over the coming year.

From a business perspective, the pandemic ensuing lockdown had no major impact on our operations. We moved to a Work-From-Home model, with daily scheduled calls between all members of the investment team, and continuous ad hoc interactions between all members of our firm. Like many, we quickly adjusted to this new modus operandi and found it much less disruptive than first anticipated.

Assets under management in the strategy declined as the sub fund's largest investor decided to reallocate funds to a different strategy. This redemption was done in a progressive way, in order to avoid the risk of triggering too significant transaction costs and portfolio imbalance. It was also unrelated to the sharp drop in performance witnessed in March 2020, as the last redemption payout was distributed before the COVID-19 crisis kicked in. The remaining investors have not been unphased by the performance drop and have remained convinced about the strategy's attractiveness. We expect to grow assets once again as the performance picture improves.

The Board of Directors of the Company

Luxembourg, December 21, 2020

The figures stated in the report are historical and not necessary indicative of future performance.

To the Shareholders of PARETURN
Société d'Investissement à Capital Variable (SICAV)
60, Avenue John Fitzgerald Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

REPORT OF THE *REVISEUR D'ENTREPRISES AGREE*

Opinion

We have audited the financial statements of Pareturn (the "Company") and of each of its sub-funds, which comprise the statement of net assets and the securities portfolio and financial derivative instruments as at September 30, 2020 and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and of each of its sub-funds as at September 30, 2020 and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier* (CSSF). Our responsibilities under the Law of July 23, 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *Réviseur d'Entreprises Agréé* for the Audit of the Financial Statements" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Company is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the *Réviseur d'Entreprises Agréé* thereon.

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

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

Responsibilities of the Board of Directors of the Company for the Financial Statements

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

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

Responsibilities of the *Réviseur d'Entreprises Agréé* for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Company.
- Conclude on the appropriateness of the Board of Directors of the Company use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *Réviseur d'Entreprises Agréé* to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *Réviseur d'Entreprises Agréé*. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

For Deloitte Audit, *Cabinet de Révision Agréé*

Elisabeth Layer, *Réviseur d'Entreprises Agréé*
Partner

January 27, 2021

PARETURN

Statistics

		September 30, 2020	September 30, 2019	September 30, 2018
Pareturn Gladwyne Absolute Credit				
Net Asset Value	EUR	29,166,447.63	90,821,665.34	184,293,401.53
Net asset value per share				
B CHF A Hedged Cap	CHF	138.52	151.69	-
B EUR I Cap	EUR	148.29	161.98	176.55
B EUR P Cap	EUR	143.95	157.30	171.48
B GBP G Hedged Cap	GBP	131.32	143.36	154.32
B GBP R Hedged Cap	GBP	-	-	151.83
B USD R1 Hedged Cap	USD	137.59	146.86	155.47
B USD U Hedged Cap	USD	139.09	148.41	156.45
Number of shares				
B CHF A Hedged Cap		23,500.63	21,464.18	-
B EUR I Cap		60,441.36	401,880.31	763,453.62
B EUR P Cap		4,160.70	4,926.00	26,018.87
B GBP G Hedged Cap		107,356.46	115,673.32	147,838.53
B GBP R Hedged Cap		-	-	953.33
B USD R1 Hedged Cap		5,312.60	20,304.75	19,393.47
B USD U Hedged Cap		3,514.17	3,496.47	123,759.92

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

Pareturn Gladwyne Absolute Credit (in EUR)

Statement of Net Assets as at September 30, 2020

Statement of Operations and Changes in Net Assets for the year ended September 30, 2020

	Notes	EUR		Notes	EUR
Assets			Income		
Investment in securities at cost		33,098,865.22	Dividends (net of withholding taxes)	3.7	269,613.91
Unrealised appreciation / (depreciation) on securities		(7,070,842.75)	Interest on bonds (net of withholding taxes)	3.7	1,645,317.73
Investment in securities at market value	3.3	26,028,022.47	Bank interest	3.7	1,884.98
Cash at bank		3,548,290.78	Dividend and interest on Contracts for Difference (net of withholding taxes)	3.7	6,000.17
Receivable on Contracts for Difference		264.12	Total income		1,922,816.79
Dividends and interest receivable		204,336.20	Expenses		
Formation expenses	3.6	678.79	Investment advisory fees and management fees	4	754,803.74
Other assets		135,506.98	Depository fees		40,896.09
Total assets		29,917,099.34	Performance fees	4	42.21
Liabilities			Administration fees		114,173.27
Bank overdraft		122.49	Professional fees		110,955.71
Accrued expenses		162,707.06	Distribution fees		2,501.53
Payable for investment purchased		135,506.98	Transaction costs	8	45,408.34
Payable on Contracts for Difference		46,070.00	Taxe d'abonnement	5	5,084.96
Net unrealised depreciation on forward foreign exchange contracts	3, 4, 10	208,731.13	Bank interest and charges		85,407.81
Other liabilities		197,514.05	Expenses on Contracts for Difference		868,398.91
Total liabilities		750,651.71	Formation expenses	3.6	2,701.79
Net assets at the end of the year		29,166,447.63	Other expenses	9	167,249.30
			Total expenses		2,197,623.66
			Net investment income / (loss)		(274,806.87)
			Net realised gain / (loss) on:		
			Sales of investments	3.8	(5,224,550.94)
			Foreign exchange transactions	3.2	255,000.04
			Forward foreign exchange contracts	3.4	243,291.34
			Contracts for Difference	3.9	(675,048.70)
			Net realised gain / (loss) for the year		(5,676,115.13)
			Net change in unrealised appreciation / (depreciation) on:		
			Investments	3.8	2,472,391.89
			Forward foreign exchange contracts	3.4	(10,181.27)
			Contracts for Difference	3.9	(11,754.51)
			Increase / (Decrease) in net assets as a result of operations		(3,225,659.02)
			Proceeds received on subscription of shares		4,551,687.78
			Net amount paid on redemption of shares		(62,981,246.47)
			Net assets at the beginning of the year		90,821,665.34
			Net assets at the end of the year		29,166,447.63

Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the year	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the year
B CHF A Hedged Cap	21,464	2,699	(662)	23,501
B EUR I Cap	401,880	6,743	(348,182)	60,441
B EUR P Cap	4,926	-	(765)	4,161
B GBP G Hedged Cap	115,673	19,554	(27,871)	107,356
B GBP R Hedged Cap	-	-	-	-

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

Pareturn Gladwyne Absolute Credit (in EUR)

Statement of Changes in Number of Shares

	Number of shares in issue at the beginning of the year	Number of shares subscribed	Number of shares redeemed	Number of shares in issue at the end of the year
B USD R1 Hedged Cap	20,305	575	(15,567)	5,313
B USD U Hedged Cap	3,496	34	(16)	3,514

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

Pareturn Gladwyne Absolute Credit (in EUR)

Financial derivative instruments as at September 30, 2020

Summary of net assets

Purchase	Sale	Maturity Date	Commitment in EUR	Unrealised appreciation / (depreciation) in EUR
Forward foreign exchange contracts				
1,997,647 EUR	2,157,218 CHF	09/12/20	1,997,646.55	(5,675.11)
822,683 EUR	6,124,767 DKK	09/12/20	822,683.44	(320.82)
3,463,820 CHF	3,205,612 EUR	09/12/20	3,205,611.58	11,103.58
14,888,292 GBP	16,564,021 EUR	09/12/20	16,564,021.33	(169,606.82)
2,880,791 USD	2,438,531 EUR	09/12/20	2,438,530.93	15,047.47
1,818,923 EUR	1,651,558 GBP	09/12/20	1,818,922.64	290.81
810,125 EUR	8,953,017 NOK	09/12/20	810,124.68	(4,756.76)
760,139 USD	6,799,900 NOK	09/12/20	1,267,973.81	28,546.83
8,577,809 EUR	10,162,396 USD	09/12/20	8,577,809.03	(77,632.83)
664,915 EUR	13,245,450 ZAR	09/12/20	664,914.62	(5,727.48)

(208,731.13)

Total Forward foreign exchange contracts (208,731.13)

Quantity	Name	Currency	Commitment in EUR	Unrealised appreciation / (depreciation) in EUR
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Contracts for Difference ("CFD")

(1,000,000)	AZIMUT HOLDING 1.625% 19-12/12/2024 24/03/2065	EUR	100,509,768.00	0.00
(1,000,000)	BALL CORP 4.375% 15-15/12/2023 19/03/2065	EUR	110,427,639.00	0.00
(23,200)	BEKAERT NV 10/10/2056	EUR	412,032.00	0.00
(1,100,000)	BEKAERT SA 0% 16-09/06/2021 15/05/2064	EUR	106,918,900.00	0.00
679	CA ALPES PROVENCE-CCI 19/03/2064	EUR	53,899.02	0.00
217	CA ATLANTIQUE VENDEE-CCI 19/03/2064	EUR	22,138.34	0.00
589	CA ILLE ET VILAINE-CCI 19/03/2064	EUR	45,347.11	0.00
239	CA LOIRE-HAUTE-LOIRE-CCI 19/03/2064	EUR	16,252.00	0.00
7,517	CA NORD DE FRANCE-CCI 19/03/2064	EUR	133,426.75	0.00
329	CA NORMANDIE SEINE-CCI 19/03/2064	EUR	32,567.71	0.00
233	CA SUD RHONE ALPES-CCI 19/03/2064	EUR	33,552.00	0.00
394	CA TOURAINE POITOU-CCI 19/03/2064	EUR	35,066.00	0.00
(250,000)	CONSTELLIUM NV 4.25% 17-15/02/2026 18/03/2065	EUR	25,172,965.25	0.00
2,590	CRCAM BRIE PIC2-CCI 19/03/2064	EUR	50,499.82	0.00
975	CRCAM DU LANGUEDOC 19/03/2064	EUR	54,600.00	0.00
285	CREDIT AGRICOLE DU MORBIHAN 19/03/2064	EUR	18,240.00	0.00
279	CREDIT AGRICOLE TOULOUSE 31 19/03/2064	EUR	23,854.50	0.00
(500,000)	DUFREY ONE BV 2% 19-15/02/2027 08/04/2065	EUR	42,156,555.50	0.00
(25,000)	IMMOFINANZ AG 11/02/2064	EUR	337,750.00	0.00
(1,000,000)	LA FINAN ATALIAN 5.125% 15/05/2025 24/09/2065	EUR	86,552,264.00	0.00
(1,880,000)	PROGROUPE 3% 18-31/03/2026 15/11/2063	EUR	187,025,533.96	0.00
(2,500,000)	SAPPI PAPIER HOL 3.125% 19-15 31/07/2064	EUR	216,864,125.00	0.00
(2,003,943)	SCHMOLZ+BICKENBACH AG-REG 24/12/2058	CHF	311,747.20	0.00
(300,000)	STARFRUIT US HOL 6.5% 18-01/1 17/10/2063	EUR	31,161,016.80	0.00
(2,807,952)	THOMAS COOK GROUP 02/07/2053	GBP	0.00	0.00

0.00

Total CFD 0.00

Total financial derivative instruments (208,731.13)

		% NAV
Total securities portfolio	26,028,022.47	89.24
Total financial derivative instruments	(208,731.13)	(0.72)
Cash at bank and bank overdraft	3,548,168.29	12.17
Other assets and liabilities	(201,012.00)	(0.69)
Total net assets	29,166,447.63	100.00

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

Pareturn Gladwyne Absolute Credit (in EUR)

Portfolio Breakdowns

Nature allocation	% of portfolio	% of net assets
Bonds and other debt instruments	67.32	60.08
Shares	24.35	21.73
Mortgage backed securities	5.99	5.35
Investment funds	2.34	2.08
	100.00	89.24

Country allocation	% of portfolio	% of net assets
Netherlands	17.90	15.96
United Kingdom	16.52	14.75
Bermuda	8.40	7.50
United States	8.09	7.22
Belgium	6.66	5.94
Germany	6.25	5.58
South Africa	6.05	5.41
Spain	5.43	4.85
Marshall Islands	4.43	3.96
Austria	3.99	3.56
Luxembourg	3.43	3.06
Norway	3.25	2.90
Denmark	3.12	2.78
France	2.63	2.34
Other	3.85	3.43
	100.00	89.24

Top Ten Holdings

Top Ten Holdings	Sector	Market value EUR	% of net assets
HEMA BONDCO I 17-15/07/2022 FRN	Distribution & Wholesale	1,640,040.00	5.62
DUFYR ONE BV 1% 20-04/05/2023 CV	Distribution & Wholesale	1,419,693.69	4.86
NAVIERA ARMAS SA 16-31/07/2023	Transportation	1,413,774.70	4.85
SEADRILL NEW FIN 12% 18-15/07/2025	Energy	1,327,715.34	4.56
CGG HOLDING US 7.875% 18-01/05/2023	Chemical	1,224,314.77	4.20
DHT HOLDINGS INC	Transportation	1,152,875.96	3.96
PROMONTORIA 6.75% 18-15/08/2023	Building materials	1,110,521.60	3.81
NATL WESTMSTR BK 85-29/08/2049 FRN	Banks	1,070,470.94	3.67
CA IMMO ANLAGEN 0.75% 17-04/04/2025 CV	Real estate	1,038,340.00	3.56
KCA DEUTAG UK 9.875% 17-01/04/2022 DFLT	Chemical	971,693.39	3.33

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

Notes to the Financial Statements as at September 30, 2020

Note 1. General information

The Company's Articles of Incorporation were published in the *Mémorial C, Recueil des Sociétés et Associations* ("Mémorial C") on April 29, 1994 after being filed, on April 1, 1994, with the Clerk of the District Court of Luxembourg where they may be examined and copies may be obtained against payment of a fee. Following the Extraordinary General Meeting of August 17, 2005, the Company was brought into compliance with the amended law of December 20, 2002 on Undertakings for Collective Investment. These changes were published in the *Mémorial C* on September 2, 2005. Further amendments in the Articles of Incorporation were published in the *Mémorial C* on August 13, 2010 and on December 18, 2015 and on the RESA (*Recueil Electronique des Sociétés et Associations*) on November 16, 2018. Since July 1, 2011, the Company is subject to the provisions of Part I of the amended law of December 17, 2010 (the "Law") relating to Undertakings for Collective Investment in Transferable Securities (UCITS). The Company is registered on the Luxembourg Trade Register under number B - 47 104.

MDO Management Company S.A. (the "MDO Management Company" or the "Management Company") is a company incorporated in Luxembourg as a *société anonyme* on October 23, 2003 for an undetermined period of time and the latest revision of the Articles of Incorporation were published in the official gazette of the Grand Duchy of Luxembourg *Mémorial C*, in Luxembourg on August 2, 2014. Its fully paid-up share capital amounts to EUR 2,450,000. The Management Company is registered with the Luxembourg Trade and Companies Register under number B 96744 and is approved as a management company under Chapter 15 of the amended law of December 17, 2010.

As at September 30, 2020, the Company has currently distributed to Qualified Investors only in Switzerland:

- Pareturn Gladwyne Absolute Credit

Note 2. Shares of the Company

The Company may issue the following classes of shares:

- (i) distribution shares (shares of class "A" or "A shares") which receive an annual dividend and the Net Asset Value of which is reduced by an amount equal to that distributed amount,
- (ii) capitalisation shares (shares of class "B" or "B shares") which do not receive a dividend and of which the Net Asset Value remains unchanged (resulting in the percentage of the global Net Assets Value attributable to the shares of class B),

The Company may issue shares in the following categories:

- (iii) the "Retail" categories, "R", "R1" and "P" which are open to all type of investors,
- (iv) the "Institutional" categories "A", "I", "G" and "U" which are exclusively reserved for Institutional Investors,
- (v) the "S", "T", and "Others" categories which are subject to any other rate of Delegate Manager's fees,
- (vi) the "M" category which is reserved for Institutional Investors like Discretionary Portfolio Managers and Financial Managers of UCITS/UCI,
- (vii) the "F" category which is reserved for both Retail and Institutional Investors,
- (viii) the "11" and "12" categories are both reserved to Institutional Investors. These two categories are distinct by different structure fee as specified in the relevant particulars of the Sub-Fund in the prospectus.
- (ix) the "Z" and "L" categories are only available to investors who have entered into a separate agreement with investment services providers which, according to regulatory requirements, are not allowed to accept and keep trail commissions (in the European Economic Area, this shall include investment services providers providing discretionary portfolio management or investment advice on an independent basis on a fee-based relationship); and Institutional Investors exclusively investing on their own account which meet any of the categories of Eligible Counterparty/Professional Investor defined by letters a) to f) (inclusive) for paragraph I.1 of Annex II of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 (MIFID II).

Note 3. Significant accounting principles

The financial statements of the Company are presented in accordance with Luxembourg Laws and regulations relating to Undertakings for Collective Investment in Transferable Securities (UCITS). They are prepared in accordance with accounting policies generally accepted in Luxembourg.

1) Combination of the different Sub-Funds

The combined financial statements of the Company are expressed in euro and are equal to the sum of the corresponding accounts in the financial statements of each Sub-Fund converted into Euro at the exchange rate prevailing as at September 30, 2020.

The conversion difference mentioned in the Statement of Operations and Changes in the Net Assets results from the conversion of the net assets at the beginning of the year (for the Sub-Funds denominated in currencies other than Euro) at exchange rates applicable on September 30, 2019 and exchange rates applicable on September 30, 2020.

Notes to the Financial Statements as at September 30, 2020 (continued)

Note 3. Significant accounting principles (continued)

2) Currency conversion

The accounts of each Sub-Fund are kept in the currency of its net asset value and the financial statements are expressed in the same currency. The acquisition cost of securities purchased in a currency other than that of the Sub-Fund is converted into the currency of the Sub-Fund on the basis of the exchange rates prevailing on the date on which the securities are acquired.

Income and expenses denominated in a currency other than that of the Sub-Fund are converted into the currency of the Sub-Fund on the basis of the exchange rates prevailing on the transaction date. At the closing date of the financial year, the investment in securities valuations (determined as described below), receivables, bank deposits and debts denominated in a currency other than that of the Sub-Fund are converted into the currency of the Sub-Fund on the basis of the exchange rates prevailing at that date; the foreign exchange differences resulting from the conversion of receivables, bank deposits and debts are included in the net realised gain or loss on foreign exchange transactions in the Statement of Operations and Changes in Net Assets for the financial year.

3) Valuation of investments in securities

The value of transferable securities and money market instruments listed or traded on an official stock exchange or other regulated market which operates regularly and is recognised and open to the public, is based on the latest known price and if that transferable security / money market instrument is traded on several markets, on the basis of the latest known price on the principal market for that security or instrument. If the latest known price is not representative, the value is based on the probable realisation value estimated with prudence and in good faith by the Board of Directors of the Company.

Securities and money market instruments not listed or traded on an official stock exchange or on another regulated market which operates regularly and is recognised and open to the public, are valued on the basis of their probable sale price as estimated in accordance with the principle of prudence and good faith by the Board of Directors of the Company.

The shares/units of UCITS and/or other UCI are valued at their last available Net Asset Value per share/unit, or if such price is not representative of the fair market value of such assets, then the price is determined by the Board of Directors of the Company on a fair and equitable basis.

All other securities and assets are valued at their fair value determined in good faith, in accordance with the procedures established by the Board of Directors of the Company.

All other asset balances are valued on the basis of their probable realisation price, as estimated prudently and in accordance with the principle of prudence and good faith by the Board of Directors of the Company.

4) Valuation of forward foreign exchange contracts

Forward foreign exchange contracts are valued on the basis of the forward exchange rate corresponding to the residual maturity of the contract. All net realised gain or loss and net changes in unrealised appreciation or depreciation are included in the Statement of Operations and Changes in Net Assets and the net unrealised appreciation or depreciation is included in the Statement of Net Assets. Regarding the calculation of net positions per currency, the positions are converted at the exchange rates prevailing on the closing date of the financial year.

5) Valuation of Futures and Options contracts

The liquidation value of futures and options contracts not traded on regulated markets is equal to their net liquidation value as determined in accordance with the policies adopted by the Board of Directors of the Company on the basis of a method applied consistently to each type of contract. The liquidation value of futures or options contracts traded on regulated markets is based on the last available settlement price of these contracts on the regulated markets on which they are traded by the Company; insofar as a future or option contract cannot be liquidated on the day on which the net assets are valued, the Board of Directors of the Company determines the basis to be used to calculate the liquidation value of such contract in a fair and reasonable manner.

Net realised gain or loss and net changes in unrealised appreciation or depreciation are included in the Statement of Operations and Changes in Net Assets. The net unrealised appreciation or depreciation is included in the Statement of Net Assets.

6) Formation expenses

Formation expenses are amortised on a linear basis over a five-year period.

7) Investment income

Dividends are recorded on ex-date. Interest is recorded pro rata temporis at the time of each net asset value calculation. Dividends and interest are recorded net of any non-recoverable withholding tax.

8) Net realised gain/loss on sales of investments

Realised gain or loss on the sales of investments are determined on the basis of the average acquisition cost and are presented net.

9) Contracts for Difference ("CFD")

Contracts for Difference are over-the-counter financial instruments which allow an investor to take advantage of the share price movements without having to hold such shares or to manage the holding constraints (custody, financing, loan for shorts). Indeed, a "CFD" is a contract entered into between two parties to exchange, at the end of this contract, the difference between the opening and the closing prices of the contract, multiplied by the number of units of the underlying asset as specified in the contract. The settlement of these differences is completed through a cash payment, not through a physical delivery of the underlying assets. Contracts for Difference are valued at their market value according to the closing price of the underlying securities on the valuation day. The market value of the corresponding line indicates the difference between the market value and the strike price of the underlying securities.

Net realised gain or loss and net changes in unrealised appreciation or depreciation are included in the Statement of Operations and Changes in Net Assets. The net unrealised appreciation or depreciation is included in the Statement of Net Assets.

Notes to the Financial Statements as at September 30, 2020 (continued)

Note 3. Significant accounting principles (continued)

10) Credit Default Swap (“CDS”)

A Credit Default Swap is a credit derivative transaction in which two parties conclude an agreement by which one party makes a periodic fixed-coupon payment to the other party for a specified term in exchange for a payment subordinate to a credit event associated with the underlying reference obligation. Credit Default Swap contracts are valued at their last known closing price of the underlying security. Net realised gain or loss and net changes in unrealised appreciation or depreciation are included in the Statement of Operations and Changes in Net Assets under item Swaps contracts.

There were no Credit Default Swap (“CDS”) open as at September 30, 2020.

11) Determination of net assets of the Sub-Funds

The net assets of the Sub-Funds as presented in the Financial Statements are dated on September 30, 2020 and were calculated using the last known prices as at September 30, 2020.

Note 4. Investment advisory, management and performance fees

Pareturn Gladwyne Absolute Credit

As remuneration for services provided, the Delegate Manager receives an annual fee of maximum 1.50% fee, calculated on the daily net asset values of the Sub-Fund, of the category or class of shares, payable monthly in arrears.

The Delegate Manager is also entitled to receive a Performance Fee from the Sub-Fund calculated on a share-by-share basis so that each share is charged a Performance Fee which equates precisely with that share’s performance. This method of calculation ensures that any Performance Fee paid to the Delegated Manager is charged only to those shares which have appreciated in value, all holders of shares of the same class have the same amount of capital per share at risk in the Sub-Fund, and all shares of the same class have the same Net Asset Value per share.

The Performance Fee in respect of each share is calculated in respect of each financial year of the Company ending on September 30 each year (a “Calculation Period”). However, the first Calculation Period in respect of Euro shares, US\$ shares, Sterling shares and Swiss Franc shares is the period which commences on the Business Day immediately following the close of the relevant Initial Offer Period and which ends on September 30 of the relevant year. The Performance Fee is deemed to accrue on a monthly basis as at each Valuation Day.

For each Calculation Period, the Performance Fee in respect of each share is equal to 20% of the appreciation in the Net Asset Value per share of the relevant class during that Calculation Period above the Base Net Asset Value per share of that class. The Base Net Asset Value per share is the greater of the Net Asset Value per share of the relevant class at the time of issue of that share and the highest Net Asset Value per share of that class achieved as at the end of any previous Calculation Period (if any) during which such share was in issue.

Note 5. “Taxe d’abonnement”

Pursuant to the legislation and regulations in force, the Company is subject to an annual “taxe d’abonnement” (subscription tax) of 0.01% p.a. for the “Institutional” category, “A”, “F”, “G”, “I”, “I2” and “U” categories and 0.05% p.a. for the “Retail”, “L”, “F”, “P”, “R”, “R1”, and “Z” categories, calculated and payable quarterly on the basis of the total net assets of the Company at the end of the quarter in question.

The value of assets represented by units held in other undertakings for collective investment is exempt from the “taxe d’abonnement” provided that such units have already been subject to the “taxe d’abonnement”.

Note 6. Exchange rates at September 30, 2020

The exchange rates used in the conversion of the Company’s assets or liabilities denominated in currencies other than the Euro are:

1 Danish Krone (DKK)	=	0.134342	EUR
1 Norwegian Krone (NOK)	=	0.091141	EUR
1 South African Commercial Rand (ZAR)	=	0.051125	EUR
1 Pound Sterling (GBP)	=	1.102475	EUR
1 Swiss Franc (CHF)	=	0.928203	EUR
1 US Dollar (USD)	=	0.852769	EUR

Note 7. Changes in the composition of the securities portfolio

The report on changes in the composition of the securities portfolio for each Sub-Fund is available upon request and free of charge at the registered office of the Company.

Notes to the Financial Statements as at September 30, 2020 (continued)

Note 8. Transaction costs

For the year ended September 30, 2020, the Company incurred transaction costs which have been defined as brokerage fees, certain taxes and certain depositary fees relating to the purchase and sale of transferable securities, money market instruments or other eligible assets. All these costs are included in the caption "Transaction costs" in the Statement of Operations and Changes in Net Assets of each Sub-Fund.

Transaction costs on bonds are included in the spread.

Note 9. Other expenses

The caption "Other expenses" is mainly composed of operating fees, transfer agent fees, CSSF fees (*Commission de Surveillance du Secteur Financier*), risk monitoring fees, printing and publication fees and regulatory fees amongst others and liquidation fees, where applicable.

Note 10. Forward foreign exchange contracts

As at September 30, 2020, the following Sub-Fund has entered into forward foreign exchange contracts and the counterparties to their open forward foreign exchange contracts are as follows:

Sub-Fund's name	Counterparty
Pareturn Gladwyne Absolute Credit	BNP Paribas Securities Services - Luxembourg Branch

Note 11. Contracts for Difference

As at September 30, 2020, Pareturn Gladwyne Absolute Credit Sub-Fund held Contracts for Difference. The counterparty to these positions is BNP Paribas Securities Services - Luxembourg Branch and no collateral is held at that date.

Note 12. Significant events

The global spread of coronavirus, and the related negative impact on economies from control measures, had a substantial impact on financial markets since March 2020.

Pareturn fared relatively well the COVID-19 pandemic despite its overall dramatic circumstances. The net asset values of the various Sub-Funds dropped in March mainly due to the market volatility and are recovering progressively since then. There were no issues valuing the assets of any Sub-Fund and the NAVs were produced as usual throughout.

Overall operations of the SICAV continued to work without material issues. The business impact was minimal as all service providers of the Fund moved quickly to remote working alternatives. They successfully deployed their respective Business Continuity Plan procedures to the extent necessary and operations were generally undisrupted.

No other significant events occurred which could have a significant impact on the financial statements as at September 30, 2020.

Note 13. Subsequent events

Since October 1, 2020, there is no significant event to report.

Unaudited Additional Information

Risk management disclosure

The risk-management process complies with the CSSF circular 18/698 and enables to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each Sub-Fund.

The commitment approach is used for all the Sub-Funds of Pareturn.

To monitor the global risk exposure under commitment approach, financial derivatives instruments are converted into their equivalent position in the underlying asset.

The global risk exposure shall not exceed the Sub-Fund's net asset value.

For the Sub-Fund using the value-at-risk methodology, the leverage is computed as the sum of the notionals of the financial derivative instruments used and is expected to range between 0% and 200% of the NAV. This leverage may include derivatives used for currency hedging. This range is not meant to be binding. In exceptional circumstances the leverage of the Sub-Fund may temporarily be higher.

Remuneration policy and UCITS V requirement

The management company has adopted a remuneration policy pursuant to applicable laws and regulations with the objective to ensure that its remuneration structure is in line with its interests and those of the collective investment schemes it manages and to prevent risk-taking which is inconsistent with the risk profiles, rules or Articles of Incorporation or management regulations of the collective investment schemes it manages.

Details of the remuneration policy of the management company, including the persons in charge of determining the fixed and variable remunerations of staff, a description of the key remuneration elements and an overview of how remuneration is determined, is available at <http://www.mdo-manco.com/about-us/legal-documents>.

With respect to the financial year ended December 31, 2019 (as of that date, the management company had a headcount of 63 employees), the total fixed and variable remuneration paid by the management company to its employees amounted to EUR 4,752,158 and to EUR 1,180,144 respectively. The total remuneration paid by the management company to senior management and members of its staff whose actions have a material impact on the risk profile of the collective investment schemes managed amounted to EUR 3,232,370. The remuneration committee of the management company has reviewed the implementation of the remuneration policy and has not identified any deficiency in that respect. Moreover, the current version of the remuneration policy was updated and approved by the Board of Directors of the Management Company in the course of the financial year ended December 31, 2019, the current version being dated July 2019.

Information on the remuneration structure of the delegated investment managers can be consulted via the following websites, when available. Any interested party can contact the related investment manager directly using the contact details as disclosed on the websites:

Investment manager

Gladwyne Investments LLP

Website

<https://www.gladwyneinvestments.com/>

Securities Financing Transactions Regulation (SFTR)

At the date of the financial statements, the Company is currently concerned by the requirements of the Securities Financing Transaction Regulation (SFTR) 2015/2365 on transparency of securities financing transactions and of reuse. Nevertheless, no corresponding transactions were carried out during the year referring to the financial statements.

