LongRun Equity Fund

Société d'Investissement à Capital Variable

Audited annual report

31/12/21

R.C.S Luxembourg B 200 398

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The details of the changes in the compartment respective securities portfolio composition for the year then ended December 31, 2021 are at the disposal of the Shareholders at the registered office of the Management Company of the Fund and are available upon request free of charge.

Subscriptions can only be received on the basis of the latest prospectus accompanied by the latest annual report as well as by the latest semi-annual report, if published after the latest annual report.

Management and Administration

Registered office	5, Allée Scheffer L-2520 Luxembourg, Grand Duchy of Luxembourg
Management Company	Luxcellence Management Company S.A. 5, Allée Scheffer L-2520 Luxembourg, Grand Duchy of Luxembourg
Investment Manager	Banque Pâris Bertrand S.A. 30, Rue du Rhône Case postale 2084 CH-1211 Genève 1, Switzerland
Depositary and Administration Agent	CACEIS Bank, Luxembourg Branch 5, Allée Scheffer L-2520 Luxembourg, Grand Duchy of Luxembourg
Global Distributor	Acolin Europe AG Reichenaustraße, 11 a-c D-78467 Konstanz, Germany
Auditor	KPMG Luxembourg, Société anonyme 39, Avenue John F. Kennedy L-1855 Luxembourg, Grand Duchy of Luxembourg

Board of Directors of the SICAV

Chairman	Pierre Pâris, CEO of Banque Pâris Bertrand S.A.
Directors	Benoit Renson, Managing Director of Pâris Bertrand (Europe) S.A. Sébastien Dessimoz, Independent Director (until August 31, 2021) Christian Bertrand, Independent Director (since November 10, 2021)

Board of Directors of the Management Company

Mr. Guillaume Fromont Chairman	CACEIS 1-3, Place Valhubert F-75013 Paris, France
Mr. Jean-Luc Jacquemin Managing Director	Luxcellence Management Company S.A. 5, Allée Scheffer L-2520 Luxembourg, Grand Duchy of Luxembourg
Mr. Aurélien Veil Director	CACEIS 1-3, Place Valhubert F-75013 Paris, France
Mr. Lucien Euler Independent Director	14, Rue Belair L-8214 Mamer, Grand Duchy of Luxembourg

Report of the Manager

Dear Shareholders of the LongRun Equity Fund,

The global economy moved swiftly through the cycle in 2021, with a strong rebound in GDP growth experienced in the 1st and 2nd quarters of the year driven by the reopening of major economies on the back of the vaccination roll-out and continued fiscal and monetary support. PMIs and the ISM expanded further from already elevated levels. Naturally, the base effect following the collapse of the previous year also played a significant role. Earnings rebounded much faster than market participants anticipated, with the margin of reported earnings compared to estimates expanding for most of the year. Inflation was at the forefront of all discussions as supply chain bottlenecks, rising energy prices and labour supply shortages remained stubbornly in place, eventually forcing a capitulation by the Fed on their view that inflation was transitory. The bond market responded by driving up rates, albeit mostly in the belly of the curve, which we find telling. We also find the penchant for market pundits to recommend a Value style of investing in the face of sticky inflation as misplaced and more likely based on a short history of rising rates rather than rising inflation. It defies our logic that one would want to invest in companies that have no pricing power, especially now at a point where GDP growth will likely flatten, and where margins are at risk. The Siren song of low PEs, a generally short-cut method of valuing businesses, will not tempt us into the waters of bad businesses as we're certain those businesses will turn out to be the monsters depicted in the Greek mythological story.

Portfolio Performance

In 2021, the portfolio returned +30.4% in EUR and +21.2% in USD, the only difference being foreign exchange rates as we do not hedge.

The top five contributors were Accenture, Alphabet, Danaher, Intuit and Microsoft, each of which generated a return in excess of 60% in EUR.

- Accenture was up 73% and contributed 3.3%-points to portfolio performance. The company had an outstanding year, with upgrades to guidance in every single quarter. For its fiscal year 2021, ending in August, it reported organic sales growth of 11% and an 18% increase in earnings per share, both of which are ahead of the longer-term trajectory. The outlook for 2022 is even more positive, with the company (after a very strong Q1 already in the books) now expecting full-year revenue growth of around 20% and an even bigger increase in earnings driven by continued small but steady improvements in operating margins. Accenture remains a high conviction holding for us, with its unique position as a provider of mission critical services that help its clients accelerate revenue growth, transform their operations and, most importantly, build and improve their digital core.

- Alphabet was up 78% and contributed 3.4%-points to portfolio performance. The company is on track to deliver an outstanding year with over 40% top-line growth and the bottom-line expanding at roughly double that pace. This high operating leverage is the result of the Alphabet's business model anchored on network effects with high fixed costs but equally high incremental margins which furthermore allowed it to absorb continued massive investments in areas such as cloud computing, autonomous driving or streaming to drive long duration growth. The outlook for 2022 is similarly positive, with the company set to benefit from continued strong growth in digital advertising, a rebound in travel as well as continued rapid growth in Google Cloud.

- Danaher rose by 60% and contributed 2.4%-points to the performance of the portfolio. The company is on track for a bumper 2021 year with organic revenue growth of around 20% and earnings rising by over 70%. Growth was strong for both the base business and the diagnostics franchise for which Covid-19 remains a strong fillip. We remain bullish on Danaher which provides mission-critical services, often as the clear market leader, the majority of which are recurring thus providing strong visibility on future growth trajectory. Mid- to high-single digit sales growth coupled with outstanding operational execution should drive continued double-digit earnings growth with the potential for further upside from (historically hugely) value creative acquisitions.

Report of the Manager (continued)

- Intuit delivered a return of 83% and its contribution to portfolio performance was 2.4%-points. For its fiscal 2021, ending in July, the company reported solid mid-teens organic growth in sales with the bottom-line expanding at a slightly higher pace. For the current year, it expects sales and earnings to both grow at over 25%, with solid organic growth further boosted by the acquisitions of Credit Karma and, more recently, Mailchimp. Intuit boasts extremely strong, market leading franchises both in small business software and do-it-yourself tax software, both of which have been further solidified with these two recent, large acquisitions which are testament to the new CEO's more aggressive approach in terms of capital allocation and strategic vision.

- Microsoft increased by 64% and added 3.5%-points to portfolio performance. It reported another outstanding set of results for fiscal 2021, ending in June, with 18% growth in sales and 32% in operating profit. This solid pace of growth continued in Q1 and we expect another year of solid double-digit growth in sales and further improvements in margins driven by operating leverage and the strong pricing power of its businesses. This more than offset continued, significant investments in areas such as cloud computing (MS Azure), security and collaboration software (MS Teams), all of which should allow Microsoft to further deepen its long-lasting customer relationships and grow in the double-digits for another handful of years, at least.

The bottom five contributors were Alibaba, Colgate, New Oriental Education, Tencent and Walt Disney which all generated negative performance

- Alibaba was down 45% and detracted 1.8%-points from portfolio performance. The Chinese internet monolith was hit by a multitude of negative factors, namely, i) the break-up of partially-owned payments provider Alipay as well as stricter regulatory oversight of said lending operations, ii) increased regulation of Alibaba and the wider Chinese technology sectors in areas such as exclusivity provisions ("choose one of two"), data portability, pricing, and platform openness, iii) increased competition and weakening consumer demand in its core retail business and iv) large investments to increase user numbers and engagement and drive future growth. This was exacerbated by founder Jack Ma's criticism of the Government. We do not think the company's earnings power is structurally impaired and think most of these factors will remain transitory and that Alibaba could even benefit from (increased) regulation, as it has done in the past (being able to operate in a walled garden) and as regulation in the past has often mainly benefitted the incumbents. We further think that the policy of common prosperity being pursued by the CCP will result in a broader and more robust consumer base, something which could benefit the premier online portal, or at the very least create a rising tide that will lift all boats.

- Colgate declined by 5% and detracted 0.2%-points from portfolio performance. The demand environment remained solid throughout last year with the company benefitting from its presence in the household care and pet care categories, which benefitted from Covid-19 and people being forced to stay home as a result. This was however somewhat offset by rampant increases on the cost side, namely raw materials and transportation costs which weighed on gross margins. We remain of the view that the company boasts solid pricing power and will, over time, pass these increases on to customers via higher prices. Nevertheless, we have sold out of our position in September due to i) concerns regarding the company's volume growth prospects, ii) continued currency headwinds due to its large emerging market presence which it struggles to offset with pricing, iii) diminishing returns on innovation and increasing competition and iv) a full valuation.

- New Oriental Education declined by 22% and reduced portfolio performance by 0.4%-points. The position was sold by the previous portfolio management team at the end of March, just before further damage was done as the stock price declined by another 85% thereafter. The company was buffeted by adverse regulatory changes, with the Chinese Government requiring home-schooling or off-campus education providers to register for non-profit status. This de-facto means that Chinese tutoring companies will no longer be able to generate any economic, or even accounting, profits and their market values have been decimated accordingly. This also served as a timely warning signal for us to be even more careful when investing in emerging market companies with powerful regulators and an agenda that is often not necessarily aligned with shareholder interests. This is then also reflected accordingly in our valuation assumptions and our position sizing.

Report of the Manager (continued)

- Tencent fell by 13% and detracted 0.2%-points from portfolio performance. Similar to Alibaba, it was hit by adverse regulatory initiatives of the Chinese Government outlined above. Furthermore, increased regulation in online gaming, its main earnings driver, where the regulator is trying to combat the time and money young people spend gaming online, impacted the company negatively. The operational performance also suffered as a result but remained solid with organic growth slowing from the historical 20%+ trajectory to the low double digits. On a more positive note, management maintained its relationship with the regulator well, showing they are politically savvy as well as good operators in their industry. Our long-term view, based on the same tenets as outlined for Alibaba previously, remains positive as we do not think the company's earnings power is structurally impaired. Furthermore, the development of the business offshore will, over time, reduce its exposure to Chinese regulatory risk.

- Walt Disney declined by 8% and detracted 0.3%-points from portfolio performance. The company was hurt by slower than expected growth in Disney+ subscriber figures as well as Covid-19 continuing to negatively impact its theme parks businesses. We think both these factors are transitory and the company is well on track with its move towards a business model with even stronger, direct customer relationships where it can monetize its leading content even better. Subscribers in its direct-to-consumer services have already hit 120m and we expect a doubling in the next handful of years as the company doubles down on investment and leverages its leading franchises such as Star Wars and Marvel. We think the long-term earnings outlook of the leading streaming platforms, such as Disney, is excellent and its existing content and upcoming slate should help it quickly deliver on this promise.

Our 24 businesses collectively delivered a blended operating return on capital of over 50% and grew their organic sales in the double digits organically over the past 12 months. Both metrics improved compared to 2020, in line with the rebound in economic activity and consumer spending which was hurt by Covid-19 in the previous year. Both of these metrics remain well ahead of the overall market, which is why we also consider valuation levels as attractive given both the earnings multiple and the free cash flow yield of the LongRun portfolio are only optically more demanding than that of the market.

Portfolio Activity

As has always been the case, turnover was low for the fund over the year. As discussed in meetings and calls with our investors, the new team has the same investment philosophy upon which the Fund was founded and which has been applied for the selection of equities for our mandates for years. Hence, wholesale changes to the positions were something that never came into consideration as it was simply not necessary. That said, we have our process, and it is only normal that the result of this will produce a pool of potential business that qualify for inclusion in the portfolio.

The positions exited over the course of the year were Legrand, New Oriental Education and Colgate. The former two were sales by the previous manager and based on valuation and doubts regarding the businesses' viability respectively. Colgate was sold by the new team to finance a new position in LVMH. We have written extensively about this in our most recent quarterly publication, which is available up on request.

Adobe was purchased by the previous manager but has also been a business that we've held for a long time. It is the leading provider of software that is used to create, edit and publish digital content. The company is divided into the three main divisions Digital Media (60% of sales), Digital Experience (25%) and Document Cloud (13%), with Print & Publishing (2%) completing the mix. All these divisions are complementary. The Creative Cloud suite, where its famous Photoshop resides, sits within Digital Media. It is the dominant provider of digital content creation software to professionals and boasts one of the most loyal customer bases. Furthermore, the overall landscape is still young, with the total addressable market for Creative Cloud estimated to be in the order of USD63bn in 2024 and expected to continue growing. The market is also fragmented and Adobe, as the top provider, has only just shy of 15% of market share. This leaves a long runway for growth, driven by leveraging the company's core product, Creative Suite, where it enjoys roughly 90% of the market share. The Digital Experience division is an application tool for digital marketing and advertising, providing a single platform for automating and optimizing these processes. Hence, the content is created in Digital Media and distributed using Digital Experience to create a seamless 'production line'.

Last but not least, digital documents are core to the future of work. PDFs and document workflows empower everyone from individuals to the largest enterprises to be productive anytime, anywhere. We're excited about the Document Cloud business and the large addressable market which is projected to grow to USD32bn by 2024.

Report of the Manager (continued)

The combined total addressable market for the three main segments is estimated to be around USD200bn in 2024. It is large and it is lucrative as demonstrated by gross margins in the high 80s.

All of the above is packaged in a subscription-based offering, which was introduced in 2012. This model means that the client has access to the latest versions of their software, thus creating the ultimate user experience and lowering, or even removing, the temptation to find alternatives at the time of upgrade purchases under the perpetual license model. This affords us as in investors a high level of visibility as roughly 90% of revenues are recurring.

Sustainable Finance Disclosure Regulation (“SFDR” Regulation EU 2019/2088)

The Sub-Funds promote, among other characteristics, environmental, social and governance characteristics (referred to as "ESG") and fall within the scope of Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability reporting in the financial services sector ("SFDR"). The last updated prospectus available free of charge upon request at the registered office of the Fund, has been published to describe:

1) how sustainability risks are integrated into the investment decisions in accordance with the Sub-Funds' investment objectives and policies, in particular, information on how environmental, social and governance characteristics are met,
2) and the results of the assessment of the likely impacts of sustainability risks on the performance of the Sub-Funds.

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To the Shareholders of
LongRun Equity Fund
5, Allée Scheffer
L-2520 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the financial statements

Opinion

We have audited the financial statements of LongRun Equity Fund ("the Fund"), which comprise the statement of net assets and the securities portfolio as at 31 December 2021 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 LongRun Equity Fund as at 31 December 2021, and of the results of its operations and changes in its 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 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the Audit of the Financial Statements » section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, 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 Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our 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 Fund for the financial statements

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

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or 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 of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional 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 Fund's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.

— Conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's 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 Fund 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.

Luxembourg, 28 April 2022

KPMG Luxembourg
Société anonyme
Cabinet de révision agréé

P. Perichon
Partner

LongRun Equity Fund

LongRun Equity Fund

Financial Statements as at 31/12/21

Statement of net assets as at 31/12/21

Expressed in EUR

Assets		**1,006,143,242.24**
Securities portfolio at market value		991,640,665.65
Cost price	Note 2	*678,838,817.62*
Unrealised profit on the securities portfolio	Note 2	*312,801,848.03*
Cash at banks and liquidities		12,360,154.37
Subscriptions receivable		1,921,811.42
Dividends receivable		220,610.80
Liabilities		**3,914,678.15**
Redemptions payable		1,188,905.29
Accrued management fees		2,433,025.58
Other liabilities		292,747.28
Net asset value		**1,002,228,564.09**

The accompanying notes form an integral part of these financial statements

LongRun Equity Fund

Key figures

		Year ending as at:	**31/12/21**	**31/12/20**	**31/12/19**
Total Net Assets		EUR	1,002,228,564.09	1,082,565,867.13	677,038,575.20
PD - EUR - Distribution					
	Number of shares		2,545.91	3,305.91	3,288.91
	Net asset value per share	EUR	2,306.11	1,781.99	1,624.68
	Dividend per share		-	-	-
PA - EUR - Capitalisation					
	Number of shares		25,698.46	39,522.29	20,838.68
	Net asset value per share	EUR	2,147.85	1,659.71	1,514.18
PD - USD - Distribution					
	Number of shares		1,299.18	610.18	548.68
	Net asset value per share	USD	2,229.21	1,853.45	1,550.06
	Dividend per share		-	-	-
PA - USD - Capitalisation					
	Number of shares		42,700.18	36,448.74	15,143.71
	Net asset value per share	USD	2,325.15	1,933.16	1,617.03
PA - CHF - Capitalisation					
	Number of shares		13,442.31	25,828.53	12,600.03
	Net asset value per share	CHF	1,605.95	1,295.33	1,187.83
ID - EUR - Distribution					
	Number of shares		10,290.70	11,792.70	8,348.00
	Net asset value per share	EUR	2,383.04	1,831.54	1,663.36
	Dividend per share		-	1.0988	1.7733
IA - EUR - Capitalisation					
	Number of shares		69,539.57	89,924.23	66,886.95
	Net asset value per share	EUR	2,244.08	1,724.74	1,565.41
IA - USD - Capitalisation					
	Number of shares		31,122.25	70,741.52	48,935.59
	Net asset value per share	USD	2,315.75	1,914.95	1,594.47
IA - CHF - Capitalisation					
	Number of shares		13,044.43	16,301.43	8,882.32
	Net asset value per share	CHF	1,990.87	1,597.17	1,457.12
SD - EUR - Distribution					
	Number of shares		30.00	5,102.00	3,502.00
	Net asset value per share	EUR	2,398.68	1,839.76	1,670.66
	Dividend per share		2.5094	4.9833	4.9826
SA - EUR - Capitalisation					
	Number of shares		26,770.79	52,607.77	21,969.74
	Net asset value per share	EUR	2,272.70	1,742.37	1,578.08
SA - USD - Capitalisation					
	Number of shares		229,524.42	302,207.64	252,042.67
	Net asset value per share	USD	2,361.95	1,948.30	1,617.86
SA - CHF - Capitalisation					
	Number of shares		17,478.68	26,690.00	-
	Net asset value per share	CHF	1,412.04	1,129.97	-
FA - EUR - Capitalisation (*)					
	Number of shares		5.00	-	-
	Net asset value per share	EUR	1,076.66	-	-

(*) launched on 29/07/21

Securities portfolio as at 31/12/21

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
	Transferable securities admitted to an official stock exchange listing		991,640,665.65	98.94
	Shares		**991,640,665.65**	**98.94**
	Cayman Islands		*48,060,203.36*	*4.80*
1,564,000.00	ALIBABA GROUP HOLDING LTD	HKD	20,974,582.53	2.09
525,700.00	TENCENT HOLDINGS LTD	HKD	27,085,620.83	2.71
	Finland		*34,438,752.00*	*3.44*
546,300.00	KONE -B-	EUR	34,438,752.00	3.44
	France		*77,202,480.00*	*7.70*
109,400.00	L'OREAL SA	EUR	45,614,330.00	4.55
43,450.00	LVMH MOET HENNESSY LOUIS VUITTON SE	EUR	31,588,150.00	3.15
	Ireland		*90,949,150.54*	*9.07*
160,180.00	ACCENTURE - SHS CLASS A	USD	58,391,328.70	5.82
357,900.00	MEDTRONIC HLD	USD	32,557,821.84	3.25
	Switzerland		*111,098,051.45*	*11.09*
316,900.00	NESTLE SA REG SHS	CHF	38,976,727.31	3.89
116,000.00	ROCHE HOLDING LTD	CHF	42,441,345.37	4.24
85,950.00	SONOVA HOLDING NAM-AKT	CHF	29,679,978.77	2.96
	United Kingdom		*38,192,829.92*	*3.81*
1,335,000.00	RELX PLC	GBP	38,192,829.92	3.81
	United States of America		*591,699,198.38*	*59.03*
83,550.00	ADOBE INC	USD	41,661,856.31	4.16
23,935.00	ALPHABET INC -A-	USD	60,974,896.59	6.08
172,800.00	DANAHER CORP	USD	49,993,781.22	4.99
465,800.00	EMERSON ELECTRIC CO	USD	38,080,747.45	3.80
73,750.00	INTUIT	USD	41,714,276.29	4.16
119,050.00	MASTERCARD INC -A-	USD	37,616,115.02	3.75
221,400.00	MICROSOFT CORP	USD	65,477,706.65	6.52
140,500.00	MOODY S CORP	USD	48,255,794.93	4.81
342,800.00	ORACLE CORP	USD	26,288,768.91	2.62
337,600.00	PROCTER & GAMBLE CO	USD	48,561,913.47	4.85
264,600.00	T ROWE PRICE GROUP INC	USD	45,753,556.10	4.57
123,600.00	UNITEDHEALTH GROUP INC	USD	54,576,595.15	5.45
240,400.00	WALT DISNEY CO	USD	32,743,190.29	3.27
	Total securities portfolio		**991,640,665.65**	**98.94**

LongRun Equity Fund

Statement of Operations and Changes in Net Assets from 01/01/21 to 31/12/21

Expressed in EUR

Income		**13,316,953.29**
Net dividends		13,316,953.29
Expenses		**13,660,887.76**
Investment Manager fees	Note 4	10,409,997.57
Depositary & sub-custodian fees		610,267.81
Taxe d'abonnement	Note 3	194,086.57
Administration fees		255,734.83
Management Company fees	Note 4	444,639.40
Domiciliation fees		10,000.00
Professional fees		16,314.48
Bank account with negative credit interests		61,713.12
Legal fees		32,052.76
Transaction fees		502,142.19
Distributor fees	Note 6	837,821.03
Other expenses		286,118.00
Net loss from investments		**-343,934.47**
Net realised profit / loss on:		
- sales of investment securities		221,417,433.11
- foreign exchange		-4,585,541.98
Net realised profit		**216,487,956.66**
Movement in net unrealised appreciation / depreciation on:		
- investments		118,797,132.38
Increase in net assets as a result of operations		**335,285,089.04**
Dividends paid	Note 7	-12,873.07
Subscription capitalisation shares		350,717,332.25
Subscription distribution shares		5,257,091.68
Redemption capitalisation shares		-749,811,890.37
Redemption distribution shares		-21,772,052.57
Decrease in net assets		**-80,337,303.04**
Net assets at the beginning of the year		**1,082,565,867.13**
Net assets at the end of the year		**1,002,228,564.09**

The accompanying notes form an integral part of these financial statements

LongRun Equity Fund

Notes to the financial statements

Notes to the Financial Statements as at December 31, 2021

1. General

LongRun Equity Fund (the "Company") is an investment company organised as a société anonyme under the law of December 17, 2010 as amended, “the Law” of the Grand-Duchy of Luxembourg and qualifies as a société d’investissement à capital variable (SICAV) subject to Part I of the Law. The Company was incorporated on September 25, 2015.

The Company is registered with the *Registre de Commerce et des Sociétés* of Luxembourg under number B200398. The articles of incorporation have been published in the Luxembourg legal gazette (Mémorial C Recueil des Sociétés et Associations) on October 8, 2015.

The Company has appointed Luxcellence Management Company S.A. to serve as its designated Management Company in accordance with the Law pursuant to a management company agreement dated September 30, 2015.

The Fund has the sole compartment : LongRun Equity.

The features of the different Classes of Shares and sub-classes of Shares which may currently be issued by the Company are:

- “P” stands for “Private”. “P” Classes of Shares are available to all types of investors, among others private investors.
- “I” stands for Institutional Investors. “I” Classes of Shares are available to Institutional Investors.
- “S” stands for “Select Institutional Investors”. “S” Classes of Shares are available for Institutional Investors investing in the Company the minimum amount as indicated hereinafter.
- “D” stands for “Distributing”, i.e. refers to Classes of Shares giving rise to distribution of dividends pursuant to the rules of section Distribution Policy.
- “A” stands for “Accumulation” i.e. refers to Classes of Shares which accumulate profits.
- “F” Classes of Shares are reserved to the Investment Manager and its affiliates and successors acting for their own account.
- “(Hdg)” stands for “Currency Hedged Classes of Shares”.

Hedged Classes of Shares are Classes of Shares with respect to which the Investment Manager will seek to hedge the exposure of the Company's portfolio to currencies other than the Class Currency of the relevant Class of Shares. For such Classes, the Company will hedge the currency exposure of portfolio securities denominated in a currency other than the Class Currency of the Class of Shares, in proportion to the amount of Shares in issue for the relevant Class of Shares. It should be noted that hedged Classes of Shares may not necessarily be 100% hedged at all times. The Investment Manager will take hedging positions from time to time in the best interest of investors and on a best effort basis. There is no active Currency Hedged Classes of Shares as at December 31, 2021.

The currency hedging shall not have adverse impact on the Shareholders of the other Classes of Shares the Company. The cost and resulting profit or loss of such hedging shall be allocated of that hedged Class only.

- “(Unh)” stands for “Currency Unhedged Classes of Shares”
  Currency Unhedged Classes of Shares are Classes of Shares with respect to which the Investment Manager will not hedge the exposure of the Company's portfolio to currencies other than the Class Currency of the relevant Class of Shares.

2. Summary of significant accounting policies

The accounts of the Company are expressed in EUR. As the Company has only one active compartment as at December 31, 2021 and as the reference currency of the sole compartment is EUR, the consolidated accounts of the Company are the same as the accounts of the sole compartment.

1) Presentation of Financial Statements

The Financial Statements are prepared in accordance with Luxembourg regulations relating to Undertakings for Collective Investment.

2. Summary of significant accounting policies (continued)

2) Determination of the Net Asset Value per share

The Net Asset Value of each Class of Shares is expressed in the Class Currency of each Class of Shares. The Net Asset Value is determined by the Administration Agent on each Valuation Day and on any such day that the Board may decide from time to time by dividing the net assets of the Company by the number of outstanding Shares. The Administration Agent calculates the Net Asset Value for each Class of Shares on the Valuation Day.

The value of assets is fixed as follows as at December 31, 2021:

- Investment funds are valued at their net asset value.

- Liquid assets are valued at their nominal value plus accrued interest;

- Fixed term deposits are valued at their nominal value plus accrued interest. Fixed term deposits with an original term of more than 30 calendar days can be valued at their yield adjusted price if an arrangement between the Company and the bank, with which the fixed term deposit is invested has been concluded including that the fixed term deposits are terminable at any time and the yield adjusted price corresponds to the realisation value;

- Commercial papers are valued at their nominal value plus accrued interest. Commercial papers with an original term of more than 90 calendar days can be valued at their yield adjusted price if an arrangement between the Company and the bank, with which the commercial paper is invested has been concluded including that the commercial papers are terminable at any time and the yield adjusted price corresponds to the realisation value;

- Securities or financial instruments admitted for official listing on a Regulated Market are valued on the basis of the last available price at the time when the valuation is carried out. If the same security is quoted on several Regulated Markets, the quotation on the principal market for this security will be used. If there is no relevant quotation or if the quotations are not representative of the fair value, the evaluation will be made in good faith by the Board of Directors or their delegate;

- Unlisted securities or financial instruments are valued on the basis of their probable value realisation as determined by the Board of Directors or their delegate using valuation principles which can be examined by the Auditor, in order to reach a proper and fair valuation of the total assets of the Company;

- Any other assets are valued on the basis of their probable value realisation as determined by the Board of Directors or their delegate using valuation principles which can be examined by the Auditor, in order to reach a proper and fair valuation of the total assets of the Company;

- The valuation of derivatives traded over-the-counter (OTC), such as futures, forward or option contracts not traded on exchanges or on other recognised markets, will be based on their net liquidating value determined, pursuant to the policies established by the Board of Directors on the basis of recognised financial models in the market and in a consistent manner for each category of contracts. The net liquidating value of a derivative position is to be understood as being equal to the net unrealised profit/loss with respect to the relevant position;

- In the event that it is impossible or incorrect to carry out a valuation in accordance with the above rules owing to particular circumstances, the Board of Directors or their delegate shall be entitled to use other generally recognised valuation principles which can be examined by an auditor, in order to reach a proper valuation of the total assets of the Company.

Notes to the Financial Statements as at December 31, 2021 (continued)

2. Summary of significant accounting policies (continued)

3) Foreign currency translation

The reference currency of the Company and of the sole compartment is EUR.

Assets and liabilities in currencies other than the Compartment's base currency have been translated into that currency at exchange rates ruling at the date of these financial statements. Transactions occurring during the year in currencies other than the base currency are translated at rates of exchange ruling at the transaction dates.

All assets and liabilities expressed in currencies other than in EUR are translated at the exchange rates applicable at the year-end being:

1 EUR = 1.03615 CHF	1 EUR = 8.86595 HKD
1 EUR = 0.8396 GBP	1 EUR = 1.1372 USD

4) Formation expenses

Formation expenses have been fully amortized.

3. Taxation

Under current law and practice, the Company is not liable to any Luxembourg income tax, nor are dividends paid by the Company liable to any Luxembourg withholding tax.

However, any Class reserved to retail investors (Class P) is liable in Luxembourg to a "*taxe d'abonnement*" of 0.05% per annum of its net assets, such tax being payable quarterly and calculated on the total Net Asset Value of each Class at the end of the relevant quarter.
Any Class reserved to institutional investors is liable in Luxembourg to a "*taxe d'abonnement*" of 0.01% per annum of their net assets. Such tax being payable quarterly and calculated on the total Net Asset Value of each Class at the end of the relevant quarter.

4. Management fees

a) Management Company fee

In consideration of its services, the Management Company is entitled to receive the following fees and payments of the following expenses, out of the assets of the Company:

The following annual variable fee was applied on the average net assets of the Company, payable monthly in arrears (applicable per brackets):

Up to EUR 600 mio: 0.04%
From EUR 600 mio to EUR 1,000 mio: 0.035%
From EUR 1,000 mio to EUR 1,000 billion: 0.03%
with an annual minimum fixed fee of EUR 40,000 at the Company's level.

b) Investment Manager fee

The Investment Manager is entitled to receive an Investment Management fee that is calculated as a percentage of the net asset value of each Class of Shares prior to accrual of Performance Fees (other than realised Performance Fees due to redemption). The effective rates of Investment Management fees per Class are as follows:

- Class P Shares: 1% p.a.
- Class I Shares: 1% p.a.
- Class S Shares: 0.75% p.a.
- Class F Shares: 1% p.a.

The Investment Management fees are accrued daily and payable quarterly in arrears.

Notes to the Financial Statements as at December 31, 2021 (continued)

5. Performance fees

The Investment Manager is entitled to receive a monthly Performance Fee amounting to a percentage of the relative performance of each Class of Shares compared to the MSCI AC World Index NR over the relevant month, subject to a relative high watermark principle.

The relative high watermark principle means that if the Investment Manager underperforms the MSCI AC World Index NR during a relevant month with respect to a given Class of Shares, it has first to recoup this relative loss in the next relevant month(s) before being entitled to any payment of Performance Fee on such Class of Shares. In other words, the Company must have generated a performance greater than the MSCI AC World Index NR since the last payment of the Performance Fee.

Shareholders should be aware that under this relative high watermark formula, a Performance Fee may be payable with respect to any Class of Shares even if there was a decrease in value of the NAV of such Class of Share over the relevant month.

Performance Fees per Class are as follows:
- Class P Shares: 10%
- Class I Shares: 10%
- Class S Shares: 10%
- Class F Shares: 10%

In case of redemptions on any Valuation Day, the pro rata of the month-to-date performance accrual that relates to such redeemed Shares is considered as due to the Investment Manager regardless of the performance of the Company after such net redemption.

The Performance is computed in the currency of the relevant Share Class. With respect to hedged Classes of Share, the performance is computed in respect to the hedged index.
The Performance Fee is paid monthly.

For the year ended December 31, 2021, the performance fee amount is nil.

6. Global Distribution Fee and Sales Fees

Acolin Europe AG acting as Global Distributor of the Company shall receive a Global Distributor Fee amounting up to a maximum 0.01% p.a. calculated on the Net Asset Value of each Class of Shares and payable quarterly with a minimum fee of EUR 14,000 per annum.

The Sub-distributors (including but not limited to placement agents) appointed by the Global Distributor shall receive a Distribution Fee amounting up to a maximum of 0.5% p.a. calculated on the Net Asset Value of P Classes of Shares and payable quarterly.

The Sub-distributors (including but not limited to placement agents) appointed by the Global Distributor shall receive a Sales fee amounting to max 3% (Class P), max 1% (Class I and S) and max 0.01% (Class F) of the amount subscribed by the investors. The Sales Fee shall be withheld from the amount subscribed by the investor by the Transfer Agent.

7. Dividend paid

Following the Annual General Meeting of Shareholders dated April 19, 2021, it has been decided to pay dividends with an ex-dividend date on April 21, 2021 and a payment date on April 23, 2021. The amounts are as follows:

Shares Classes	Currency	Unitary dividend
SD - EUR	EUR	2.50937

Notes to the Financial Statements as at December 31, 2021 (continued)

8. Changes in the investment portfolios

The reports on the changes in the investment portfolios are available, free of charge, at the registered office of the Management Company of the Fund.

9. Switches in subscription and redemption

The amounts reported in the captions “Subscription capitalisation shares” and “Redemption capitalisation shares” of the Statement of Operations and Changes in Net Assets include switches of shares for EUR 1,669,729.78

10. Significant event

Since the start of January 2020, the outbreak of coronavirus, which is a rapidly evolving situation, has adversely impacted global commercial activities.

The rapid development and fluidity of this situation precludes any prediction as its ultimate impact, which may have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown.

The Directors do not believe there is any financial impact to the Financial Statements as at December 31, 2021 as a result of this significant event.

The Investment Manager is monitoring developments relating to coronavirus and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, relevant governments, and general pandemic response best practices.

11. Subsequent event

There were no significant event occurring after year end which would require revision of the figures or disclosure in the audited financial statements.

The Investment Manager takes care of the consequences of the conflict between Russia and Ukraine and monitors developments in terms of market and financial risks in order to take all necessary measures in the best interest of shareholders.

The Board of Directors of the Company approved the nomination of Rothschild & Co Bank AG as Investment Manager effective from March 1, 2022, date of approval by the CSSF.

Supplementary Information (unaudited)

SFTR (Securities Financing Transactions and Reuse Regulation)

The Company does not use any instrument falling into the scope of "SFTR".

Risk Management

The Management Company uses the commitment approach in order to monitor and measure the global risk exposure.

Information concerning the remuneration policy:

The remuneration Policy
The Management Company has established and applies a remuneration policy and practices that are consistent with, and promote, sound and effective risk management and that do not encourage risk taking inconsistent with the risk profiles, rules, the Prospectus or the Articles, nor impair compliance with the Management Company's obligation to act in the best interest of the Company.

The Management Company is required to make quantitative disclosures of remuneration. These disclosures are made in line with the Management Company's interpretation of currently available regulatory guidance in relation to quantitative remuneration disclosures.

As regulatory practice evolves, the Management Company may consider it appropriate to modify the way in which quantitative remuneration disclosures are calculated and, in case such changes are made, this may result in disclosures in relation to the Company not comparable to those in the prior year, or in relation to other Funds for which Luxcellence Management Company acts as Management Company.

Methodology
The figures disclosed are a sum of each individual's portion of remuneration attributable to the Company according to an objective apportionment methodology which acknowledges the multiple-service nature of the Management Company. Accordingly, the figures are not representative of any individual's actual remuneration or their remuneration structure.

Quantitative Disclosure:
The aggregate amount of remuneration paid in respect of the financial year ending December 31, 2021 by the Management Company to its staff (i.e. 30 beneficiaries as of December 31, 2021) in relation to the Company was 666.4 k€, which comprise of a fixed remuneration of 605.9 K€ and a variable remuneration of 60.5 K€.

The aggregate amount of remuneration awarded by the Management Company to its senior management (7 beneficiaries as of December 31, 2021) in relation to the Company, was 248.4 k€.