

Quaero Capital Funds (Lux)

Société d'Investissement à Capital Variable

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

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

Quaero Capital Funds (Lux)

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Quaero Capital Funds (Lux)

Organisation of the SICAV

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

BOARD OF DIRECTORS OF THE SICAV

Chairman Mr Jean KELLER, Managing Partner, Quaero Capital SA, 20bis, rue de Lausanne, CH-1201 Geneva, Switzerland

Members Mr Dominique DUBOIS, Managing Director, Quaero Capital (Luxembourg) SA, 4, rue de l'Eau, L-1449, Luxembourg

Mr Francesco Cristoforo SAMSON, Group Chief Operating Officer, Quaero Capital SA, 20bis, rue de Lausanne, CH-1201 Geneva, Switzerland

Mr Yvar Claude MENTHA, Independent Director, 11, Chemin de l'Oche Marchand CH-1291, Commugny, Switzerland

Ms Rachel Nancy HILL, Independent Director, Cambridge House, Henry Street, BA1 1BT, Bath, United Kingdom

Mr Thierry CALLAULT, Head of Business Development, Quaero Capital SA, 20bis, rue de Lausanne, CH-1201 Geneva, Switzerland

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

BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman Mr Marc BRIOL, Chief Executive Officer Pictet Asset Services, Banque Pictet & Cie SA, 60, route des Acacias, CH-1211 Geneva 73, Switzerland

Members Mr Dorian JACOB, Managing Director, Chief Executive Officer, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Mr Geoffroy LINARD DE GUERTECHIN, Independent Director, 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Mrs Christel SCHAFF, Independent Director, 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since April 27, 2023)

Mr Cédric VERMESSE, CFO, Pictet Asset Management, Banque Pictet & Cie S.A., Geneva, 60, route des Acacias, CH-1211 Geneva 73, Switzerland, (since November 30, 2023)

Quaero Capital Funds (Lux)

Organisation of the SICAV (continued)

Mr Pierre ETIENNE, Independent Director, 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since January 1, 2024)

Conducting Officers of the Management Company

Mr Dorian JACOB, Chief Executive Officer, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Mr Abdellali KHOKHA, Conducting Officer in charge of Risk Management, Conducting Officer in charge of Compliance, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Mr Pierre BERTRAND, Conducting Officer in charge of Fund Administration of Classic Funds and Valuation, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Mr Frédéric BOCK, Conducting Officer in charge of Fund Administration of Alternative Funds, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (until June 30, 2023)

Mr Thomas LABAT, Conducting Officer in charge of the Portfolio Management, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg (since July 26, 2023)

DEPOSITARY BANK

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

ADMINISTRATIVE AGENT

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

INVESTMENT MANAGER AND GLOBAL DISTRIBUTOR

Quaero Capital SA, 20bis, rue de Lausanne, CH-1201 Geneva, Switzerland

SUB-INVESTMENT MANAGERS

Berger, van Berchem & Cie SA, 26, rue de la Corraterie, Geneva, Switzerland for the sub-fund:

- Quaero Capital Funds (Lux) - World Opportunities

Quaero Capital LLP, 2-4 King Street, London, England for the sub-funds:

- Quaero Capital Funds (Lux) - Bamboo (note 15)
- Quaero Capital Funds (Lux) - China (note 15)
- Quaero Capital Funds (Lux) - Global Convertible Bonds

Quaero Capital Funds (Lux)

Organisation of the SICAV (continued)

- Quaero Capital Funds (Lux) - Taiko Japan
- Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 15)

Quaero Capital (France) S.A.S., 4-8, rue Daru, 75008, Paris, France for the sub-funds:

- Quaero Capital Funds (Lux) - Accessible Clean Energy
- Quaero Capital Funds (Lux) - Net Zero Emission (note 1)
- Quaero Capital Funds (Lux) - Bond Investment Opportunity (note 1)

Cullen Capital Management LLC, 645, Fifth Avenue, New York, United States for the sub-fund:

- Quaero Capital Funds (Lux) - Cullen ESG US Value

Quaero Capital Funds (Lux)

Organisation of the SICAV (continued)

AUDITOR	PricewaterhouseCoopers, <i>Société coopérative</i> , 2, rue Gerhard Mercator, L-2182 Luxembourg, Grand Duchy of Luxembourg
LEGAL ADVISER	Arendt & Medernach S.A., 41A, avenue J. F. Kennedy, L-2082 Luxembourg, Grand Duchy of Luxembourg
COUNTERPARTY ON FORWARD FOREIGN EXCHANGE CONTRACTS (NOTE 9)	Bank Pictet & Cie (Europe) AG, <i>succursale de Luxembourg</i>

Quaero Capital Funds (Lux)

General information

Annual reports, including audited financial statements, of Quaero Capital Funds (Lux) (the "SICAV") of the end of each fiscal year is established as at December 31 of each year. In addition, unaudited semi-annual reports is established as per the last day of the month of June. Those financial reports provide for information on each of the sub-fund's assets as well as the consolidated accounts of the SICAV and be made available to the Shareholders free of charge at the registered office of the SICAV and of the Administrative Agent.

The financial statements of each sub-fund are established in the Reference Currency of the sub-fund but the consolidated accounts are in Euro.

Audited annual reports are published within 4 months following the end of the accounting year and unaudited semi-annual reports are published within 2 months following the end of period to which they refer.

Any amendments to the Article of Association of the SICAV should be published in the *Recueil électronique des sociétés et associations* of the Grand Duchy of Luxembourg.

Information on the net asset value, the subscription price (if any) and the redemption price may be obtained at the registered office of the SICAV.

Information on environmental and/or social characteristics and/or sustainable investments are available under the section Sustainable Finance Disclosure Regulation ("SFDR") (Unaudited Appendix IV) of the Annual Report.

Quaero Capital Funds (Lux)

Distribution abroad

Offer in Switzerland

Representative

The representative in Switzerland is FundPartner Solutions (Suisse) SA (the "Representative") with registered office at 60, route des Acacias, CH-1211 Geneva 73, Switzerland.

Paying Agent

The paying agent in Switzerland is Banque Pictet & Cie SA, with registered office at 60, route des Acacias, CH-1211 Geneva 73, Switzerland.

Place of distribution of reference documents

The Prospectus and the key information documents ("KIDs") of the sub-funds distributed in Switzerland, the articles of incorporation and the annual and semi-annual reports are available free of charge from the representative.

The list of purchases and sales that have taken place during of the financial year under review is available free of charge on request to the Representative in Switzerland.

Distribution in Germany

Information for Investors in Germany

No distribution notice has been filed in Germany for the below sub-funds pursuant to section 310 of the Investment Code; because of this, shares of these sub-funds may not be distributed publicly to investors falling within the scope of the German Investment Code:

- Quaero Capital Funds (Lux) - International Equities (note 1)
- Quaero Capital Funds (Lux) - Global Balanced (note 1)
- Quaero Capital Funds (Lux) - Bamboo (note 15)
- Quaero Capital Funds (Lux) - China (note 15)
- Quaero Capital Funds (Lux) - Bond Investment Opportunity (note 1)

Quaero Capital Funds (Lux) - Argonaut

Management report

2023 performance - a tough year for smaller companies

Despite the partial recovery in November and December, the sub-fund (class H EUR) ended the year down -5.7% compared to the index rising by +12.9% over the full year. 2023 was a particularly tough year for Quaero Capital Funds (Lux) - Argonaut for 3 main reasons:

1. Micro caps being particularly shunned and sold-off. The sub-fund invests in small and micro caps and has a much lower average market cap than the benchmark. The whole micro-cap universe was down last year.
2. The sub-fund proved substantially more resilient than the benchmark in 2022's sell-off and therefor benefitted less from a bounce-back this year.
3. Stock selection: there were 5 stocks that contributed negatively to performance by over one percentage point - Safilo, Pricer, Damartex, Bigben Interactive and Rapala. Their negative contribution was not compensated by the more limited number of strong performers.

We adopted the MSCI Europe Small Cap as our new benchmark index in 2023 because it is used as an industry standard, and because the EMIX (previously HSBC) benchmark of 20 years was discontinued from July of last year. Whilst the old benchmark was reasonably suited to our sub-fund, the MSCI European Small Cap does not show well what is happening in micro caps.

In a year where the biggest investment story has been the 7 largest tech stocks in the US, investors have been particularly shunning the smallest end of the small cap market - where we operate. The underperformance of the sub-fund this year is less based on company fundamentals and more on the asset class being completely out of favour. Stock markets have been in an upbeat mood this year, but at our end of the market it feels more like the capitulation point of the Bear Market of 2008/9.

The way we look at the sub-fund is as a portfolio of companies whose shares need to catch up with their (good) fundamentals, whereas many listed companies will need to see the fundamentals catch up with their lofty share prices.

The outlook for 2024 is uncertain, as it always is, but we have a portfolio already trading on low expectations with valuations (PE of 10x and price to book value of 0.88x) at historical lows vs large caps and Private Equity-owned peers.

Bottom contributors for the year

The sub-fund's largest negative contribution came from the 40% fall in the shares of Italian eyewear retailer Safilo. The company has been transformed over recent years by new management that has put the focus on its own brands (Carrera, Polaroid, Smith...) and partner brands, streamlined the manufacturing footprint and reinforced the balance sheet. The business had been so strong in the USA and for the sports brand Smith in 2022, that it was not easy to sustain for 2023 when sales drifted lower with a corresponding decline in Ebit margin due to the volume effect. This decline in revenues and margins has hidden the positive restructuring and cost reduction plan effects, but we should see them come through this year and next which will take the share back to a single digit PE ratio.

Management report (continued)

The sharpest fall came from French retailer of textiles and home equipment for senior citizens Damartex which fell 66% in a difficult trading environment. The company suffered operational losses for their financial year ended in June with further non-cash write-offs. Life has been very tough on the high street in France with transport strikes following the Gilets Jaunes movement and now weak consumer spending. This has led to a cost reduction plan with ambitious profit margin targets to yield an Ebitda of EUR 40 million for a company with a market capitalisation of barely EUR 50 million. Even after the full year operating losses and substantial asset write downs, the share is trading on a 60% discount to the recalculated book value. After the fall, Damartex is now only a small holding.

German computer peripherals supplier Cherry fell by 51% over the year. We invested in this company as a 'failed IPO' that had already fallen 80% due to disappointments. After poor results for 2022 and disappointing results for the first 9 months of 2023, the new management accelerated the transformation program for the company which was already in the process of implementing 'operational excellence' measures everywhere. We had a discussion with the new CEO at the end of the year and came away with the impression that he had a reasonable chance of succeeding in returning the company to growth and profitability by focusing on the higher value-added activities and particularly the promising German eHealth terminals business. He seemed relatively confident in his target to return to generating free cashflow in 2024. The share is trading on single digit multiple of forward earnings (after turnaround) and a discount of 70% to book value with net cash on the balance sheet.

Our Swedish supplier of electronic shelf label systems for supermarkets Pricer fell by 46% due to corporate governance and investor disputes. The source of the problem was the issue of a bond with an undisclosed clause requiring a capital increase within a year. Some of the larger Swedish shareholders decided to boycott the approval of the issue at an EGM. This delayed the issue and left the share drifting downwards as the Chairman and part of the Board were replaced. The share issue has now been completed and the board and shareholders are all working in the same direction. The company is continuing to grow strongly (+19% over the first 9 months) and the gross margin is starting to improve from lower levels. The company announced a further streamlining plan in December which will make the business more competitive. Starting with a clean slate now points to a strong recovery in profits this year and next, which puts the share on a single digit multiple with net cash on the balance sheet. This is clearly a strong growth story with electronic shelf labels starting to be adopted in retail stores around the world: an efficiency necessity in the face of volatile prices (inflation) and higher labour costs relevant to the manual alternative. The clear leader in this accelerating market is SES Imagotag (a successful past investment when it was a micro-cap) which now has a market capitalisation of EUR 2 billion compared to the EUR 100 million of Pricer, which is the global number 2 player with a significant share of the installed base.

In the same retail-tech area, Norwegian peer StrongPoint fell 37% as retail clients were postponing shop upgrade investments to save money in the short term. Looking beyond the short term, the stock is trading on a PE of 10x this year's net profits and less than 5x for 2025 with a solid growth profile. We are also invested in Sweden's ITAB (+15%) whose shares are doing better due to a share buyback plan. As contrarian investors, we have identified the retail-tech sector in Scandinavia as an opportunity with short-term headwinds (retailers cutting investment), but longer-term tailwinds in the form of the necessary transformation of retail stores to be more attractive and efficient.

Quaero Capital Funds (Lux) - Argonaut

Management report (continued)

The video games sector has transformed from a Covid-winner to a reopening-loser and shares have moved from over-reacting on the upside (we sold part of our holding) to over-reacting on the downside (we started adding again too early). French video games and smartphone accessories supplier BigBen Interactive fell another 41% over the year. The company had issued a bond convertible into the shares of its highly valued listed subsidiary Nacon, which seemed like a clever move and an indication that the vehicle was willing to sell an asset at the right price. With Nacon shares having fallen, this bond is now looking more like debt than a potential asset sale. However, on our estimates the share is trading on a PE of 7x profits expected for this year with a dynamic game release schedule which should ensure solid growth and further profit expansion.

Another example of a Covid-winner becoming a reopening-loser is Finnish world-leading fishing tackle company Rapala which fell by 39%. We had invested in the company as they expanded from being just a consumables (lures and hooks) brand to developing a wide range in rods and reels through bolt on acquisitions they would develop. Business was strong during lockdowns and margins rose to double digit, but demand for fishing tackle fell on reopening before we could take profits on our holding. The decline in the end market was exacerbated by overstocking by retailers during the boom, so we expect the company to have seen sales fall by 15% last year with profit margins divided by three. This led to the family owners changing the whole management team. Rapala has a reputation for poor communication with the stock market, but we have noted clear improvements with the new management since the summer. The company has recently further restructured and streamlined the business, refinanced its balance sheet and taken control of the minorities in important operating subsidiaries. In a recent discussion with management, we found them less downbeat than usual, suggesting that the destocking in the core US market may be coming to an end, particularly in consumables. 2024 is setting itself up to be a growth year for Rapala as the market stabilises, it further develops market share in rods and reels and launches new soft lures to complement its range of hard lures. The family owners have recently acquired a further 3% block of shares and are approaching the 50% level now. With such a low valuation, we believe Rapala is a prime candidate for a delisting. There is a US private equity fund with a 19% stake who could either tended to an offer at a more attractive price (they bought this stake at twice the current level) or team-up with the family in a delisting. In any case, as per all de-listings, the bidders would have to offer an attractive premium to be able to reach the required 90% level to obtain the squeeze-out and delisting.

The shares of German supplier of manufacturing lines for the printing and packaging sector Koenig & Bauer declined 27% as the company continued to show reasonable growth in sales, but a decline in new order intake as clients delayed their investment decisions on fears of the recession ahead.

Quaero Capital Funds (Lux) - Argonaut

Management report (continued)

Top contributors for the year

French broker/holding company Viel et Cie was the sub-fund's biggest contribution to performance with a 51% rise. The company published solid results for its two main operating subsidiaries in the first half of the year. Swiss inter-dealer broker Tradition saw operating profits rise by 39% on the back of greater productivity of their broker teams. French online retail broker Bourse Direct published a doubling in net profits thanks to the positive impact on their business model of rising interest rates. Viel is a listed holding company with its two main assets also listed. All three vehicles trade with low valuations and low volume and Viel currently trades on a discount of over 40% to the value of its assets (or over 50% according to the management). In the past we have helped the company to improve their communication and introduced them to a broker to initiate coverage of the Swiss entity Tradition, which has helped the share progress. Now we are engaging with them to streamline and simplify the capital structures which should help further reduce the discount. The market likes pure play focussed businesses, so they could create two focused businesses out of three listed vehicles by Viel spinning off its shares in Tradition to shareholders (thereby increasing the free float) and then merging with Bourse Direct. This would unlock significant value and we are continuing to engage with management in this direction.

French mail services and software supplier Quadient rose 44% as the company continued to generate good profitability whilst transforming itself away from its historic franking machines business to expand its software and parcel locker businesses. The business of leasing mail franking machines to small companies is a very profitable, albeit declining, cash cow with an Ebit margin of circa 25%. And the good news continues to be that this business has been declining less than expected. The cash has been reinvested to develop a large software business for automating and managing accounts receivables and payables. These software packages are helping to replace the invoices that their clients were sending out and receiving using their franking machines in the past. The company has the unique advantage of being able to market the software packages to its installed base of 450,000 small companies. The share continues to trade at a very low PE ratio of 7x estimated net profits for this year despite the strong growth profile of two out of the three divisions. This lowly valuation was noticed by France-based Czech entrepreneur Daniel Kretinsky who announced taking a 6% stake in October.

After a particularly weak performance over the previous 18 months, Swiss comfort furniture components supplier Phoenix Mecano rose 37%. The company finalised the deals to sell two non-core businesses and use the proceeds to launch a share buyback programme. This shows good capital allocation deployment to sell two small non-strategic businesses at a 'real world' valuations to redeploy into buying shares at a temporarily depressed market value. What was even more interesting is that the company launched a tender offer to buy back CHF 15 million of shares and only received CHF 0.4 million, illustrating that longer term investors thought the share was clearly under-valued on a PE ratio of 8x our estimates for this year's earnings.

Quaero Capital Funds (Lux) - Argonaut

Management report (continued)

Greek household (aluminium foil, cling film, garbage bags, cleaning products etc) and personal care (cosmetics and perfume) products supplier Sarantis rose 32% as it is having another strong year. In fact, the company has developed a strong track record for growth and profitability over the last 10 years as it continues to grow organically across Central Europe and acquire small local brands that the large global players do not want. Even through Covid lockdowns and reopening, the supply chain issues and cost inflation the company has continued to grow profits. They even continued trading profitably in Ukraine! And this has kept the share cheap enough (PE of 13x with net cash on the balance sheet) to stay in the portfolio. In the first 9 months of the year the company grew sales by 8% and Ebit by 44%. The company have just confirmed the acquisition of Stella Pack in Poland which they have been negotiating for nearly 2 years. This will have a significantly accretive impact on profits and make Poland their largest market ahead of Greece. The next large markets are Romania, Czech/Slovakia, Balkans, Ukraine, Bulgaria and Hungary, where the larger Western players are less present. We expect continued strong growth in profits in 2024 and 2025 as the acquisitions generate synergies and each country reaches critical mass. We note that management, company and family have been continually buying shares in the market.

The shares of Dutch construction company Heijmans (our largest holding) rose 32%. In November the management made a positive profit warning, raising guidance for 2023 net profits. The market seems to have so far completely ignored the stellar turnaround operated by the management which puts the share on a PE ratio of 5x and a dividend yield of 9%. This is an absurd valuation as the high yield is not from one-off exceptional earnings, but from recurring profitability.

The overall situation for French supplier of software and services to the healthcare sector Cegedim is at last starting to improve and the share rose 32%, albeit from a low level. Since we sent a letter to the management and board in 2022, the company is now interacting more with shareholders (they replaced the IR) and showing greater focus on profitability targets. The continued losses in the UK have at last been recognised as a problem that will not be allowed to continue, with the possibility of a sale in the event a turnaround is not achieved. This coincides with business picking up with organic growth of 12% for the first 9 months of the year and management confirming higher profitability in 2023 and a further substantial rise in 2024. The PE ratio of 10.5x this year's net profits is unexciting, but, if we do a valuation based on the sum-of-the-parts using peer margins for the underlying businesses assuming they were managed with more focus on profitability, this could yield a share target of several times the current price.

Other positive contributors were Swedish expert in Uranium handling and nuclear waste recycling company Studsvik (+19%) and Italian handbag maker Piquadro (+18%). The sub-fund also made good profits when it exited positions at the beginning of the year in Italian product tanker operator D'Amico Shipping and French boat builder Beneteau.

2023 - A difficult 20th Anniversary

As many of you will know 2023 has marked the twentieth anniversary of the Quaero Capital Funds (Lux) - Argonaut sub-fund. Sadly our 20th year was one of our most unpleasant ones, with markets being led by the "Magnificent Seven" and large cap stocks generally.

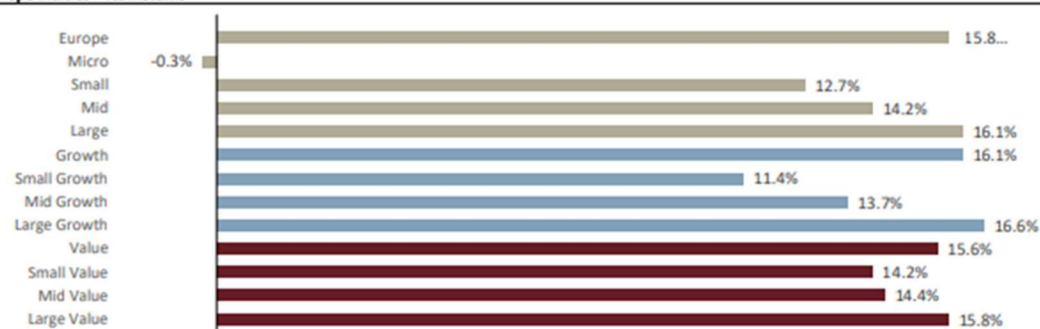
Quaero Capital Funds (Lux) - Argonaut

Management report (continued)

In the 20 years of the sub-fund's life there has not been a year as painful and frustrating as 2023. We have lived through times when micro-cap has underperformed, or a "value" style has underperformed, but this is the first year we have had when we are down, but a lot of other things are up. To someone arriving to investing in the past few years, the first question might be "why bother to invest in small & micro-cap? ". In these days first of the FANGs then the GAFAMs and now the Magnificent Seven, who indeed would want to invest in smaller, less known and often illiquid shares? Are the days of stock-picking over and should we just all have a "Magnificent Seven" portfolio? We are strongly of the opinion that the "Small Cap Effect" as first documented by Fama & French in the 1970s is still extremely important: small companies can grow faster, tend to be less hindered by bureaucracy and inevitable inertia, and also many tend to end up being taken over by larger players looking to "buy" growth. Yet at the moment the disaffection for small/micro is on a scale we have rarely seen small/micro which traditionally sold on a premium to large cap for the reasons mentioned above, now sells on a discount both in terms of P/BV, P/E, and EV/EBITDA compared to their large cap peers. Our portfolio is close to being as cheap as it has ever been, and there are many companies selling between 4-8x earnings... something that we have virtually never seen. And these are not "weak" or "sick" companies - balance sheets are strong and business trends are generally favourable. Even if our earnings are too optimistic, then a company on 8 times earnings becomes a company on 10 times earnings... hardly a disaster.

At the moment the companies are voting with their feet: every week (and almost every day) that goes by sees a few more companies taking themselves private - and almost always with a premium of at least 50% to the last traded price. One company in which we are a shareholder, and who are not normally very outspoken in the reflections on their share price, said that their current valuation was "insane".

MSCI Europe Indices - YTD Returns



Source: MSCI, 2023

In a rather discouraging way, the market no longer seems to be doing what it is there for, which is to provide a "jumping board" to help small companies accelerate their growth via financings and capital increases. The valuations are just too low, and so as a result companies are going private or to private equity. We recently saw that a Swiss company we follow had spoken at a conference on the subject of "Why we decided to go private". In the not-so-distant past the subject might have been "Why we decided to go public".

We are great believers in mean reversion but are often asked what the catalyst will be to provoke this reversion. There are many possibilities: it could be new subscriptions into small cap funds, or more ambitious share buy-back plans, or private equity becoming more active in snatching up bargains. Most likely it would be a combination of these things, but it is also worth remembering that between March and December 2009 as little changed, Quaero Capital Funds (Lux) - Argonaut rose 60% in 9 months. A reduction in the number of "forced" sellers is most important of all.

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

Quaero Capital Funds (Lux) - Argonaut

Management report (continued)

It seems to us at the moment that small/micro valuations are way out of step with reality, and this is confirmed by the wave of public-to-private transactions (which for us provides a "Real World Value" to a business, rather than a market quote). We shall see, but our money's still in the sub-fund.

AUM details

At the end of December total assets under management in the sub-fund stood at EUR 191 million, and in the strategy EUR 253 million (EUR 250 million). The total number of individual positions was 49.

The sub-fund is currently open for subscriptions.

Quaero Capital Funds (Lux) - World Opportunities

Management report

In 2023, the battle against inflation reached a pivotal stage, with the effects of higher benchmark interest rates increasingly felt across economies. Inflation receded from its 2022 peaks, prompting central banks to pause their monetary tightening in the summer. Rate cuts are now under consideration for 2024. The global economy experienced a slowdown, and while certain countries faced more severe impacts than others, the recession scenarios feared at the start of the year have, thus far, been averted. A 'soft landing' for economies was the predominant trend, demonstrating the resilience of the global economy. This resilience was notably evident in the face of banking failures in the United States and Europe, and amid ongoing geopolitical uncertainties stemming from conflicts in Ukraine and the Middle East.

After significant declines in 2022, major stock indices rebounded in 2023, buoyed by the anticipated end of monetary tightening and the enduring strength of the global economy. The MSCI All Country World Index, tracking global stock market movements, finished the year up by 19.5%, a stark contrast to its 17.5% decline in 2022. Developed market stocks, in particular, showed robust performance in 2023, rising 21.8% as per the MSCI World Index. Emerging market indices posted more modest gains of around 7%. Chinese stock markets, however, faced significant downturns amid economic challenges.

In the bond markets, rates climbed for much of 2023 but retreated from their peak in the latter months following dovish remarks from Jerome Powell, signaling potential rate cuts in 2024 coupled with easing inflation pressures. In the U.S., the 10-year Treasury yields ended 2023 at 3.9%, essentially unchanged from the start of the year but well below the 5% peak reached in October. Futures markets indicate that the Federal Reserve has concluded its monetary tightening and is likely to reduce its benchmark rate in 2024.

The impact of interest rate hikes and the specter of a more pronounced economic slowdown will continue to influence financial market trends in 2024. While a 'soft landing' of the economy is our favored scenario, the risk of a more significant slowdown, or even a recession, cannot be dismissed. Stock markets have posted significant gains since the beginning of the year, driven by robust performance in technology stocks. Market valuations, particularly in the U.S., are relatively high. A deterioration in economic conditions could trigger a market correction. The Federal Reserve's commitment to its pivotal shift will be crucial for market dynamics.

Portfolio review

Moderna Inc (+24.58% in December): Despite challenges including revenue dips and competition from Pfizer, Moderna has maintained a strong financial position with \$12.8 billion in liquid assets. The market may be underestimating its potential in cancer treatment and infectious disease control, which are expected to drive significant future revenue. Advanced Micro Devices (+21.44% in December): Benefiting from being chosen by Microsoft and Meta over Nvidia, AMD represents a shift in the industry. Despite needing to enhance its ROCm software to compete with Nvidia's CUDA, AMD's competitive pricing and growing market share in artificial intelligence ("AI") chips suggest a long-term bullish trend. Sika AG (+15.58% in December): undervalued but with strong growth potential, stands out for its quality business model, effective management, and robust dividend policy. Its diverse product portfolio and wide customer base in construction and industrial sectors provide stability against market volatility.

Quaero Capital Funds (Lux) - World Opportunities

Management report (continued)

Ferrari NV (-7.18% in December): Facing challenges despite potential upsides in 2024, Ferrari's new launches and programs may boost sales, but it must overcome negative impacts from the 2023 F1 season and currency fluctuations. Cameco Corp (-5.07% in December): While diversifying its business, including investments in nuclear energy and new uranium deposits, Cameco's stock is considered overvalued relative to historical standards, indicating a need for market recalibration. TotalEnergies (-1.22% in December): Despite weaker financials in FY2022, TotalEnergies' focus on renewable energy and a diversified portfolio keeps it resilient. Its strong financial position enables it to capitalize on the growing demand for low-carbon energy and maintain profitability.

Quaero Capital Funds (Lux) - Bamboo (note 15)

Management report

We underperformed benchmark by almost 20% in 2023 due to our overweight in China. Whilst MSCI China was down -13.2%; the region was +7.4% due to a tech rally in South Korea and Taiwan on the artificial intelligence ("AI") story and India reaching new highs. In first half 2023, we entered the year with high expectations of China reopening and economy recovery. Most investors went into the year with a positive outlook on the excess savings of Chinese consumers, neglecting the impact of psychology and institutional unloading of Chinese stocks. Our Chinese holdings, heavily weighted towards consumer reopening, had an average earnings growth of 101% this year vs. only 23% for the ex-China positions, but suffered extensive multiple contraction in first half of the year due to heavy institutional selling of the entire market. Mid-year, we cut holdings that were more exposed to beta and foreign institutional ownership. While the first half of the year was extremely disappointing, we are heartened that price dispersion has started to emerge, for example, PDD reversed declines of 15.2% in first half to finish up 79.4% by the end of the year. In second half 2023, we outperformed the benchmark by +4.7%, but with a much higher average weighting in China than our benchmark or peers, so the performance was driven purely by stock selection given continued declines in China indices in second half, whereas theirs were driven more by India and AI thematic beta.

We are also heartened by the stock selection outside of China, which did much better than their respective benchmark. Ex-China our returns would have been positive for the year, but our country weighting was mispositioned despite the strong earnings of the China stocks. Our Indian holdings had a total return of 45.3% vs. NIFTY's 19.3%, but our overall weighting in India was half of the benchmark weighting. While Indian macro looked strong, it was harder to commit from a stock selection perspective given valuations and quality of companies. In Korea, where our return was 54.0% in 2023 vs. the KOSPI return of +16.4%, we stayed away from cyclical semis and continued to focus on secular long term holds, for example our key stock Dentium, a dental implant provider, benefits from aging trends and price competitiveness. We also generated a 14.5% return in Australian stocks vs. 8.1% on the market.

Mid-year, we began reallocating capital elsewhere, particularly with any profits from strong performers like PDD. We have a better idea of what will work so long as the market continues to be weak, and we have seen that selectiveness can provide positive returns. Our largest positions at year end, including Fortescue, Evolution Mining, and Futu, reflect our commitment to stay out of crowded trades and a cautious view on global macro that persists into the positioning this year.

Our China overweight is now just 11% over benchmark vs. 20% at the beginning of the year. Although we continue to believe that the Chinese market represents the best opportunities in the longer term, we have seen that the performance is extremely limited in breadth as overall we continue to be in a structural bear market, with multiple compression outweighing any earnings positivity.

Quaero Capital Funds (Lux) - Bamboo (note 15)

Management report (continued)

From an earnings perspective, we were right to overweight China consumer discretionary, as the sector was one of only 3 sectors in MSCI China to record positive earnings growth, with 65.9% earnings growth in the sector overall, but MSCI China Consumer Discretionary Index suffered the most multiple compression and was down -15.5%. Our consumer discretionary weighting was down -4.2%, which outperformed the sector performance in China, but was massively disappointing given the very high growth of the underlying names. Getting a bit away from the numbers, tourism and hospitality reached pre-pandemic levels, F&B surpassed 2019 levels, BYD sold more cars than Tesla, and Bytedance generated sales very close to Meta on a quarterly basis. The most successful thematic this year was consumer optimization - we believe that this is more than just consumer downgrade; it is consumers becoming savvier and choosier about what they want, with operational and technological efficiencies on the business side catering to more selective wallets. One thing we realized which was different about the Chinese post-COVID reopening vs. the Western one was that whereas the Western reopening involved a lot of inflation due to businesses being unprepared and with broken supply chains, the Chinese reopening had none of those supply constraints - and quite the reverse; businesses had already been innovating their models to be even more competitive and bring even lower costs to market. We think that this thematic will be a global phenomenon, as companies like PDD and Miniso next take their business models globally and export deflation, not just on the production side, but on the consumer side as well.

We have always preferred healthcare as a structural thematic globally. Last year we entered with another overweight on the sector as hospital visits were set to recover and general interest in health and wellness had improved since COVID. While our China healthcare stocks had an average EPS growth of +22% on the year, and Korea's Dentium's net income was only up +9%, China stocks were down -20% and Dentium was up 32% on the year. Our overweight in the healthcare sector is down from 15% of the portfolio at the beginning of the year to just 7% of the portfolio at the moment.

We also stayed out of cyclical semiconductor stocks for the year, despite AI, and continue to prefer secular growth stocks in Taiwan and Korea. Valuations continue to be high in India, but we believe that the tech names in India present counter-cyclical opportunities as they've experienced a severe multiple contraction since 2022. Our weighting in India is now 13.7% vs. the index at 16.1%. We also find cheaper valuations elsewhere across Southeast Asia, where we are focusing most of our ex-China diversification. Our weighting in Southeast Asia is now 16.7% vs. benchmark at 8.6%.

On the macro side, the government is under extreme pressure from economic conditions. The malaise and discontent have spread from the elite to the middle classes and public censure of Mr. Xi is widespread. Xi Jinping in his new year's speech mentioned economic challenges facing the country for the first time - stating that with regard to the difficulties facing businesses, the job losses, and the obstacles of the daily lives of people, he "carries it all in his heart." On 4th January, a report was released from Peking University correctly attributing the current economic malaise to the 'scarring effect' from the pandemic, the lower growth rate of per capita GDP, and the weakness in real estate. Both leadership and elite have acknowledged and diagnosed the outstanding problems and their origins, which is a marked change from the beginning of last year which was a "let's wait and see how the re-opening plays out" sort of attitude. We believe that the government will do more this year.

In the meantime, for the first time in four years, there are no high expectations for the China market in the upcoming year. Consensus sentiment is optimistic on everywhere except China and positioning remains extremely low, even though we have started to see earnings growth and individual alpha in stock performance come through since second half of 2023. The decision was made to close the sub-fund at the end of January 2024.

Quaero Capital Funds (Lux) - Bamboo (note 15)

Management report (continued)

Below we summarise the main contributors and draggers at the individual stock level for 2023.

The top contributors:

PDD (+79.4% in 2023) overtook Alibaba as the largest e-commerce company in China in 2023. PDD has been taking market share from other e-commerce giants domestically, and is on track to produce \$34bn of gross merchandise value (GMV) globally through its global e-commerce platform Temu. The company has benefited from consumption downgrading trends in China, and looks to export this e-commerce deflation globally with Temu. PDD is estimated to have +44% FY22-25E EPS CAGR, in contrast to Alibaba (revenue +9% year-on-year) and Tencent (+10% year-on-year).

Zomato (+108.6% in 2023) was one of the strong picks in July as we were optimistic in prominent local life service platforms in India and noticed that Zomato corrected 54% comparing our purchase price vs. its peak in 2021 due to the de-ratings in 2022 for Asian platform companies, which provided a compelling entry point. Zomato has been progressing towards profitability amid a strong moat with an irreplaceable network and resurging Gross Order Value growth due to the demand recovery. Given its user base of 18.4 million monthly transacting customers (MTC) is merely 1.3% of India's population, we see significant headroom for MTC to rise steadily as Zomato extends its presence across the country in both food delivery and quick commerce.

Amber Enterprises (+65.8% in 2023) is India's largest Air Conditioner OEM and manufactures electronic products through its electronics and PCB subsidiaries. As the penetration of ACs is lower in India, we like Amber's long growth runway. Combined with the domestic substitution trend amid India's protectionist policies in the sector and export opportunities, Amber has a promising growth prospect in the long term. Since our initiation in late June, the company had delivered two impressive results.

Our metal and gold exposure contributed the most to the Quaero Capital Funds (Lux) - Bamboo sub-fund. Within the bracket, the gold position Evolution Mining (+32.9% in 2023) contributed 1.4% and Fortescue (+41.5% in 2023) contributed 0.9%. Evolution Mining traces closely to the gold price (+13.1% in 2023). We retained our optimism about gold as it remains an attractive asset in current macro where a decline in real rates boosts gold demand on falling opportunity cost of holding gold and higher rates can lead to a haven bid. A rise in the investment demand and elevated geopolitical risks and resilient strong central bank buying can keep supporting the gold prices. Fortescue moves up along with the resilient iron ore prices (Iron Ore CFR China (62% Fe Fines) index +27.8%). We own Fortescue as we are optimistic about the strong demand from China for iron ore and deem the supply constraints would continue to keep prices at a high level. Among the miners, Fortescue offers the best exposure to long-life iron ore with attractive margin expansion over the long term.

Quaero Capital Funds (Lux) - Bamboo (note 15)

Management report (continued)

The top draggers:

Wuxi Bio (-50.5% in 2023, -32.0% in December) experienced severe multiple compression in 2023. The low sentiment was due to the tough global biotech funding environment amid rate hikes, high-base from COVID revenue, and a surprising guidance cut for 2023/24. In the first half 2023, the company did better than expected with 18% topline growth - much better than peers and our expectations. We attributed these macro defying results to the strength of their business model. The company then had a very successful IPO of XDC which was 9x oversubscribed, and so we thought that the worst was over with most of the negative factors priced in. However, the guidance miss was more severe than we estimated, due to delayed large projects (meaning the revenue is deferred but not lost). This was a shock because during the third quarter results they maintained confidence that they would achieve the 30% target for the year. We are disappointed by the corporate mismanagement of expectations. We exited completely for the Quaero Capital Funds (Lux) - Bamboo sub-fund for risk management in the short-term in December.

We expected Bilibili (-49.9% in 2023) to perform along with China reopening as it is one of the highest beta stock on the market and has the most exposure to macro. Also, we expected the company to make good progress in monetisation as it is the only long-form app with a high-quality growing user base. However, we were disappointed with Bilibili's results. While it continues to demonstrate excellent user data, e.g. a 16% year-on-year growth in Daily Active Users and average new user age was 22, the management is too slow on monetization, and has not pushed enough on this aspect. In this bear market the market has no patience for companies which are focusing on long-term quality, and Bilibili relies on a stronger macro or market beta, neither of which we've had - the index is down since June, but there are many stocks that are performing as well. We would come back to this stock if the management made a more aggressive move towards monetization, or if there was more beta in the market.

We owned Meituan (-53.1% in 2023) to match the benchmark's weighting as we thought this was the highest quality large cap tech name. However, in 2023, facing the competition pressure from Douyin and the ongoing overhang from a potential sell down from the Tencent divestment, Meituan failed to offer comfort to investors. We were concerned about the continuous margin pressure amid worsen competition and macro environment for Meituan, thus we exited in April for the Quaero Capital Funds (Lux) - Bamboo sub-fund and limited the loss contribution to 1.8%.

Shanghai Microport Medbot (-34.4% in 2023) is a leading surgical robot company in China dedicated to developing and commercializing innovative surgical robots and the only company globally to cover five major surgical specialties. We have followed the company since IPO and held it since early 2023 for its long-term expansion in China's rapid installation of laparoscopic and joint replacement surgical robots (by 10- and 50-fold over 2020-26 respectively). However, along with other medical equipment and pharmaceutical companies, Medbot has been negatively impacted by the authorities stepping up on anti-corruption enforcement in the healthcare sector. Although the anti-corruption efforts were meant to accelerate the industry's transition to drive higher compliance standards in a more patient-oriented market, investor concerns on policy uncertainties and near-term earnings impact have remained. To reduce the downside risks on the sector as a whole, we exited our medical equipment names in mid-year.

Quaero Capital Funds (Lux) - International Equities (note 1)

Management report

The sub-fund is a diversified portfolio composed mostly of "best in breed" long only equity managers. Allocation is active on geographical and investment style level in order to identify the best opportunities in light of market conditions. The sub-fund invests in 20 to 30 equity managers to enable ample diversification. The remaining portfolio is invested in commodity-related investment products and short-term deposits. The sub-fund is denominated in EUR, CHF and USD, and it is hedged to protect against significant currency swings.

Macroeconomic commentary

The year 2023 was marked by a slow normalization of economic variables. Global growth is slowing but resilience is confirmed. In the United States, the soft-landing scenario predominates, supported by household consumption, business investment and a solid job market. Europe is flirting with recession from the second half of the year with a gradual deterioration in activity in services. The economic reopening of China after the end of the Covid period seems to be beginning in the first quarter but hopes are quickly disappointed; in the absence of a massive recovery, the Chinese economy is struggling to stabilize with manufacturing activity in decline, hesitant consumer spending and a persistent real estate crisis. In total, the latest GDP estimates (Bloomberg consensus) for the year 2023 expect global growth to increase by 3%, including 2.4% in the USA, 0.5% in the Eurozone, 2% in Japan and 5.2% in China.

The evolution of inflation in developed countries remained at the forefront of concerns throughout the year. After a marked decline at the end of 2022 due to more restrictive monetary policies and the fall in commodity prices, inflation fell as expected in the USA and the Eurozone but at a pace insufficient for the taste of central bankers. In total, overall inflation (global headline inflation consensus Bloomberg) decreases from 8.1% in 2022 to 6% in 2023, including 4.1% in the USA, 5.5% in the Eurozone, 3.2% in Japan and 0.4% in China.

The turbulence in the banking sector in March raised fears of a new solvency crisis of the 2008 type, but quickly turned out to be more of a crisis of confidence than a systemic risk. Likewise, geopolitical risks and the fragmentation of the world were widely discussed during 2023 but did not constitute a brake on financial investment.

Equities

The mix of a soft landing for the global economy and a general decline in inflation is gradually supporting investor confidence during the first part of the year. From the month of August, high valuation levels (more than 20 times current profits in the United States) in a context of rising rates and drying up of global liquidity followed by geopolitical instability led the stock markets falling. Confidence returns in November with the significant decline in inflation which triggers a decline in long-term rates, dragging stocks upward in their wake.

The 2023 stock market year is generally positive for the indices: the S&P500 increases by 24% and the Eurostoxx50 by 20%; in Asia the Nikkei rises 28% while Hong Kong loses nearly 14%; Brazil progresses by 22%. It is the American stock market which wins the jackpot, mainly driven by tech companies with the Nasdaq up 46%. However, the performance lag is significant for many value or secondary companies in the United States and Europe.

Quaero Capital Funds (Lux) - International Equities (note 1)

Management report (continued)

In the equity portfolio, we maintain a balance between geographic diversification (USA, Europe and Asia), management styles (value/growth) and market capitalizations (large/mid and small caps). During the first half of the year, we are strengthening the United States, Europe and Asia excluding Japan; we arbitrage several positions invested in these geographical areas in order to improve the quality and stability of performance. During the second part of the year, we are reducing Asia Pacific excluding Japan and decreasing the "value" share in the United States in favor of the "blend". Throughout the year we maintain, mainly through hedging, a slight underexposure to equities in our asset allocations.

Commodities and Currencies

The decline in energy prices and sluggish demand for industrial metals are weighing on commodity indices; In November, we decided to sell the balance of our position on the "Broad Commodities" index. We are maintaining our position on gold, up more than 13% over the year, which remains a stabilizing asset in a phase of geopolitical and financial uncertainty.

The US dollar varies little against the euro over the year. We are maintaining our hedging on the American currency, which was however partially lifted in December. We are also lifting coverage on the yen in September pending stabilization of the Japanese currency. We have no longer been directly exposed to the yuan since October.

The sub-fund Euro class (ACC) EUR was up 7.34% for the period ending December 8, 2023

The sub-fund merged into a new SICAV on December 8, 2023.

Quaero Capital Funds (Lux) - Global Balanced (note 1)

Management report

The sub-fund is a global portfolio of bond and equity strategies structured in order to obtain a balanced risk profile. The sub-fund invests in a basket of 20 to 30 bond managers or direct fixed income positions and 20 to 30 equity managers. In addition, the sub-fund may invest in commodity-related investment products and in alternative strategies. It is denominated in EUR and CHF, and it is hedged to protect against significant currency swings.

Macroeconomic commentary

The year 2023 was marked by a slow normalization of economic variables. Global growth is slowing but resilience is confirmed. In the United States, the soft-landing scenario predominates, supported by household consumption, business investment and a solid job market. Europe is flirting with recession from the second half of the year with a gradual deterioration in activity in services. The economic reopening of China after the end of the Covid period seems to be beginning in the first quarter but hopes are quickly disappointed; in the absence of a massive recovery, the Chinese economy is struggling to stabilize with manufacturing activity in decline, hesitant consumer spending and a persistent real estate crisis. In total, the latest GDP estimates (Bloomberg consensus) for the year 2023 expect global growth to increase by 3%, including 2.4% in the USA, 0.5% in the Eurozone, 2% in Japan and 5.2% in China.

The evolution of inflation in developed countries remained at the forefront of concerns throughout the year. After a marked decline at the end of 2022 due to more restrictive monetary policies and the fall in commodity prices, inflation fell as expected in the USA and the Eurozone but at a pace insufficient for the taste of central bankers. In total, overall inflation (global headline inflation consensus Bloomberg) decreases from 8.1% in 2022 to 6% in 2023, including 4.1% in the USA, 5.5% in the Eurozone, 3.2% in Japan and 0.4% in China.

The turbulence in the banking sector in March raised fears of a new solvency crisis of the 2008 type, but quickly turned out to be more of a crisis of confidence than a systemic risk. Likewise, geopolitical risks and the fragmentation of the world were widely discussed during 2023 but did not constitute a brake on financial investment.

Bonds and short term

After the relative disappointments regarding the (too) slow decline in inflation, the main central banks continued their monetary tightening from February. The Fed's key rate peaks in July in a range of 5.25% to 5.5% and that of the ECB stands at 4.5% in September. From November, encouraged by the decline in inflation, central banks confirmed the pause mode of their monetary policies and in December suggested that rate cuts could occur in 2024 (under conditions). Over the year, the yield on 10-year US sovereign bonds rose from 3.83% to 5% in October before settling at 3.88% at the end of December. The yield on the German 10-year Bund rose from 2.56% to 2.85% in October before returning to 2.02% at the end of the year.

In the bond portfolio we are strengthening our exposure to sovereign and supranational debt in euros; we maintain a significant share in the credit segments (Investment Grade and High Yield) which benefit from the inversion of the yield curve and the contraction of spreads. Our preference is for close maturities in order to control the duration of the portfolio which is no longer hedged. We sell inflation-linked bonds and Chinese currency debt and reduce convertibles and US High Yield.

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

Quaero Capital Funds (Lux) - Global Balanced (note 1)

Management report (continued)

Equities

The mix of a soft landing for the global economy and a general decline in inflation is gradually supporting investor confidence during the first part of the year. From the month of August, high valuation levels (more than 20 times current profits in the United States) in a context of rising rates and drying up of global liquidity followed by geopolitical instability led the stock markets falling. Confidence returns in November with the significant decline in inflation which triggers a decline in long-term rates, dragging stocks upward in their wake.

The 2023 stock market year is generally positive for the indices: the S&P500 increases by 24% and the Eurostoxx50 by 20%; in Asia the Nikkei rises 28% while Hong Kong loses nearly 14%; Brazil progresses by 22%. It is the American stock market which wins the jackpot, mainly driven by tech companies with the Nasdaq up 46%. However, the performance lag is significant for many value or secondary companies in the United States and Europe.

In the equity portfolio, we maintain a balance between geographic diversification (USA, Europe and Asia), management styles (value/growth) and market capitalizations (large/mid and small caps). During the first half of the year, we are strengthening the United States, Europe and Asia excluding Japan; we arbitrage several positions invested in these geographical areas in order to improve the quality and stability of performance. During the second part of the year, we are reducing Asia Pacific excluding Japan and decreasing the "value" share in the United States in favor of the "blend". Throughout the year we maintain, mainly through hedging, a slight underexposure to equities in our asset allocations.

Alternative, Commodities and Currencies

The diversification and decorrelation that had been provided by our alternative selection seems less obvious now that bond yields have become attractive again. We decide to gradually reduce and then close the alternative portfolio, which has declined significantly over the year compared to other asset classes.

The decline in energy prices and sluggish demand for industrial metals are weighing on commodity indices; In November, we decided to sell the balance of our position on the "Broad Commodities" index. We are maintaining our position on gold, up more than 13% over the year, which remains a stabilizing asset in a phase of geopolitical and financial uncertainty.

The US dollar varies little against the euro over the year. We are maintaining our hedging on the American currency, which was however partially lifted in December. We are also lifting coverage on the yen in September pending stabilization of the Japanese currency. We have no longer been directly exposed to the yuan since October.

The sub-fund Euro class A (ACC) EUR was up 4.6% for the period ending December 8, 2023.

The sub-fund merged into another SICAV on December 8, 2023.

Quaero Capital Funds (Lux) - Infrastructure Securities

Management report

Commentary 2023

The Quaero Capital Funds (Lux) - Infrastructure Securities Class A EUR ACC gained 5.1% whilst the benchmark (S&P Global Infrastructure EUR Net Total Return Index) gained 2.2%.

After a strong start to the year, the global economy decelerated in the first half of the year, partly due to weaker-than-expected activity in China and a lack of significant stimulus in the country. However, global growth has generally remained positive, and worries about an impending recession are receding. Major central banks aggressively increased short-term lending rates to rein in inflation in the steepest rate-hiking cycle in more than 40 years. However, with growth in consumer prices in developing markets trending lower, central banks are currently on pause. Since mid-October, this has provided global equity markets with a strong impetus to rise.

Global infrastructure stocks' performance stood in contrast to broader equity markets in 2023, which rose on the strength of just a few sectors, led by technology (which rallied sharply on optimism surrounding advancements in artificial intelligence). Long duration infrastructure assets such as toll roads, airports, telephone towers and renewable energy normally perform poorly when the prospects for interest rates are "higher for longer" as cash flows are discounted at a higher rate in equity valuations. Higher interest rates also negatively affect utility stocks, which tend to be significantly leveraged. Bond proxy stocks suffer as their dividends fail to keep up with money market rates. As a result, listed infrastructure's valuations moved below their historical average premium relative to the broad equity market. At year end 2023 listed infrastructure equities (represented by the S&P Global Infrastructure index) traded at below 10x EV/EBITDA, one standard deviation below their ten-year average¹. The last time infrastructure equities were this cheap for several months was almost a decade ago.

Outlook 2024

As global earnings growth moderates and interest rates stabilise and begin to fall, the backdrop becomes significantly more supportive for our approach to infrastructure investing. Over the past fifty years, infrastructure equities have produced above-average returns when inflation was high but moderating². Defensive, long-duration infrastructure sectors should continue to outperform as they did in late 2023. Bond proxy equities and stocks representing quality at a reasonable price should also have decent prospects. All three styles are a strong focus of our sub-fund. The global imperative for a successful, timely energy transition and the insatiable demand for data transmission and storage are long-term tailwinds which should propel the stocks in our sub-fund in 2024.

Review of sector performance during 2023

Midstream Energy: The Alerian Midstream Energy Corporation TR Index rose 14% in 2023, the best performing infrastructure sector in 2023, as North American energy production, transportation and exports remained strong. M&A activity picked up, as did the level of capital expenditure to expand processing and export hubs. The sub-fund trimmed its exposure to this sector in 2023.

Airports: The DJ Brookfield Airports index gained 10.4% in 2023, as airline capacity continued its long bounce back from COVID. Ferrovial's sale of its entire 25% stake in UK hub airport Heathrow set a benchmark for valuation. The sub-fund achieved its exposure to this sector by investing in diversified infrastructure companies such as Vinci and Ferrovial.

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

Quaero Capital Funds (Lux) - Infrastructure Securities

Management report (continued)

Toll roads: The DJ Brookfield Toll Road Index rose 3.2%. Developed market toll road companies suffered along with other stocks with long term concessions from the impact that higher rates had on their valuations, however they recovered strongly since October as interest rate hikes went on hold. The sub-fund achieved its exposure to this sector by investing in diversified infrastructure companies such as Vinci, Eiffage and Ferrovial.

The DJ Brookfield Electric Transmission and Distribution Index lost 2% in 2023. Although many of the companies in this sector are leading the global energy transition, most of them are regulated and it remains a slow process to build out the very significant infrastructure required to connect the newly built sources of renewable energy to end users. Many of the companies in this sector are also significant developers of solar and wind power, and market sentiment has been negative on renewables in 2023. The sub-fund has a significant allocation to the key enablers of the global energy transition.

The DJ Brookfield Communication Infrastructure Index lost 4.8% in 2023. Communications infrastructure stocks, especially telephone tower stocks, suffered, along with other companies holding long term contracts, from the impact higher rates had on their valuations, however they recovered strongly since October as interest rate hikes went on hold. The sub-fund has a significant allocation to this sector which will benefit from the insatiable demand for data transmission and storage.

The DJ Brookfield Water Infrastructure Index lost 9.4% in 2023. The UK water sector, one of the largest, came under severe criticism over the quality of their services, and water and waste companies suffered as investors shied away from equities they perceived as being cyclical. In fact, the large waste companies (where the sub-fund has a heavy allocation) fared far better than the water companies (where it has a light allocation).

The Index Renewable Energy Index fell 21.7% in 2023 after staging a muted recovery near the end of the year. Higher interest rates negatively affected the IRR's obtainable on development projects, power prices dropped by around 60% in Europe, inflation was rampant in the prices of offshore wind components and engineering services, and significant costly delays were incurred in major installations. Companies such as Orsted withdrew from major offshore wind projects and took large provisions. The sub-fund has a small allocation to this sector as the managers prefer to invest in the larger diversified power companies leading the energy transition.

Quaero Capital Funds (Lux) - Yield Opportunities

Management report

In December the Fund net asset value rose 2.2%, and the net performance for 2023 was -2.9% for Class A EUR. December was favourable for bonds whose contribution brought 1.53% ex-currency bringing the year to date contribution close to zero.

For the Year the negative performance was mainly coming from the equity allocation, with specifically the Asian equities suffering.

At end of year the asset allocation is bonds 63.5% (almost all in sovereigns) i.e. Brazil 22%, China 12.4%, Sweden 15%, USD 9% and Euro 5%. Equity allocation stands at 26.7%, with Energy 3.6%, gold mines 4.7%, industrials 2%, Asian financials 5% and consumer 10.5%.

Macro-economic prospects did not register any change in December. High interest rates in developed countries are gradually weighing on consumption and investment, with activity indicators switching to negative for the EU and the UK while the US economic growth rate is still positive, but slowing. The impact of high interest rates is now more visible: remunerations for new jobs are not rising any more, credit defaults are mildly rising and consumption trends are favouring cheaper items. Investors have now started to anticipate a reversal of monetary restrictions for 2024. Consensus expectations for the US 2024 GDP have recently migrated towards a recession outcome. This phase of economic slowdown is however usually unstable, and the Fed does not want to anticipate economic surprises as long as the ongoing slowdown remains orderly. Latest statistics hint at an acceleration of the slowdown, but the bond market has gone some way in anticipating this.

In Europe, weakness in Germany has now extended to France which just announced a GDP decline for last quarter. An official recession for the EU is now certain for this second half of 2023. European sovereign long-term interest rates should go on declining. Cyclical equity valuations are reasonable but with good reasons.

In Japan, the cautious fading of yield curve control by the BoJ may not impact the forex market for the time being. Long rates have been rising towards 1%, but this is not enough as the 3% inflation now seems widely spread and resilient. Equities should continue to perform well as institutional and private savings could start flowing back home. A clear outperformer for non-Japanese investors should be commercial banks and domestic consumption equities should outperform if the yield curve disinverts and if the next budget provides a stimulus for domestic consumption.

China consumer equities now stand at fair prices, even as consumption growth perspectives have been reduced by the cautious economic policy. Market pressure remains negative.

Equity market prospects are gradually weakening in Europe and in the US, for two reasons. First, the impact of higher interest rates is going to grow this year as maturing debts will be rolled over at much higher rates. Second, geopolitical crises look more likely to stay on (Ukraine) or to increase (Middle East, Ukraine?) than to recede. Third, long-delayed investments in infrastructure, defence and energy transition are likely to start pressuring consumption. The Fund asset allocation could start reflecting these trends.

Quaero Capital Funds (Lux) - Accessible Clean Energy

Management report

Throughout this year but particularly since the month of July, the volatility of our investment universe - the clean energy sector - was often extreme, accelerating with any hints that appeared on the interest rate front. In terms of performance, the sector suffered a lot in 2023: the iShares Global Clean Energy Index closed down as much as -21.56% and Wilderhill NEX Total Return fell -15%. The clean energy thematic is clearly more sensitive to interest rates than the sub-fund's benchmark, the MSCI World, which closed the year up 23.8% after a +4.9% gain in December.

The sub-fund closed the year with a negative performance of -13.5%.

In our view, this significant rate correlation is most likely very good news for 2024 if, in fact, peak rates have been achieved. Plus, valuations within the universe have fallen back to historically reasonable levels, sometimes back to 2020 levels, despite all the value creation since then and cheap relative to the broader market - especially solar equipment, wind equipment, and renewable energy developers. The year closed with another striking reminder of the significant discounts of publicly listed companies versus the private sector. GreenVolt was bid for by Gamma Lux Holdco/KKR at a bid price representing a 95.3% premium over the IPO price, 11% premium over the last closing price and under 10 times the EV to EBITDA. This move by KKR is rumored to be followed by other similar deals in southern Europe.

Also, beyond the consumer discretionary subsectors of the universe such as residential solar or electric vehicles, companies in our universe are showing very little real stress from higher costs of capital in their financial reporting so far this year.

The levelized cost of energy continues to decline, thanks to continued scaling as well as to falling raw material and component costs. This follows the post COVID period of temporary inflation. And we expect cost (other than labor) to fall even further in 2024 as inventories continue to be cleared, particularly as China continues to sell its huge capacity in solar modules and LFP batteries onto markets, especially outside the US. Already during 2023 Chinese solar module prices fell from USD 0.44/Watt to USD 0.08 - USD 0.09/Watt in December according to SolarEdge management. Companies throughout our universe are pointing to much cheaper battery prices. The Chinese spot lithium price index (ticker: LIBMPRIN) has fallen from 1,182 CCY to 254.6 CCY this year or -78%, and -66% in second half alone. This dramatic decline has still to be fully priced into lithium-ion batteries.

Resumption of this deflationary trend comes at a favorable time. The COP 28 resolution to triple renewable energy and double energy efficiency by 2030 was its clearest message. The potential returns generated by even more competitive cost/watt calculated over the 20 or 30-year life of a clean energy asset is already catalyzing project buildout and acquisitions.

Even offshore wind projects with the most challenging hurdles are now being reassessed at more realistic returns and generating renewed interest.

At the close of the year our key exposures were solar equipment, project developer/utilities and energy efficiency.

Moving into 2024 our preferred investment opportunities are within project developers. These will retain their relatively heavy weight in the sub-fund. Solar will not rise although installers, with likely tailwinds from credit markets and lower hardware costs, will be in preferred.

Our energy efficiency weight will likely increase around two themes:

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

Quaero Capital Funds (Lux) - Accessible Clean Energy

Management report (continued)

1) reliable grid interconnection - energy giants AEP, Duke and Avangrid are focused more than ever on T&D, a key hurdle in the energy transition; and

2) upstream technologies that reduce energy consumption.

Another key hurdle in the transition is the need to reduce energy consumption from greater use of power electronics. Silicon Carbide ("SiC") for improving battery efficiency remains on our preferred list because after much analysis we regard it as nowhere near being commoditized.

The AI boom, scaffolding information stored in servers, stacked in data centers worldwide, will require huge amounts of energy and solutions that are potential investment opportunities. Schneider Electric, a top ten portfolio holding, specialized in digitalization and smart data collection, has energy optimization solutions down to the semiconductor manufacturers themselves. We met other companies during our recent trip to Tokyo providing technologies to significantly improve power and heat management of this data transmission.

So, what's the main risk for 2024? Political risk is probably greatest given some major elections ahead - especially in the US. But this may be simplistic as some of the best periods for clean energy were during Bush II and Trump presidencies, neither of which embraced green energy, unlike Obama and Biden presidencies when clean energy stocks have sold off, yet both supported it.

Could the IRA be repealed? A Trump election and wholesale repeal of the IRA is a risk to portfolio holdings that already discount some IRA tax credit benefits (First Solar for example). A partial repeal with tougher trade sanctions on Chinese products and a limit to 45X, applying this benefit exclusively to US-only manufacturers, may be less disruptive. In this case companies like First Solar would benefit.

In principle, the IRA may be viewed as 'patriotic' and receives bipartisan support. So far, clean energy investments that rely on IRA subsidies have been tallied at an estimated USD 0.7 trillion of project capex over the next 5-7 years. The IRA's geopolitical and economic focus on reshoring entire industries to the US, with massive job creation opportunities, may prove difficult to repeal. Much of the benefit is in Republican-leaning states. The 'domestic content adder' may stand out as symbolically patriotic to both sides of the political fence.

Quaero Capital Funds (Lux) - New Europe (note 15)

Management report

Key Points

The Quaero Capital Funds (Lux) - New Europe Class A EUR share class rose 37.0% in 2023, compared to a 25.4% gain in the MSCI Emerging Markets Europe Net TR Index (EUR).

Market Review

Major regional markets were positive, with Greece and Poland gaining 39.1% and 30.7% respectively during 2023.

Portfolio Review

The biggest contributor to performance was Tauron, a Polish energy company. Its shares benefited from both a re-rating of Polish state-owned companies, alongside a bottom-up policy of reducing its exposure to coal, intending to replace such capacity with renewables. This combination of factors went from making a company that was previously "uninvestible" to be the darling of the local market, all within a year! Whilst we see further long-term upside, as equity risk premiums for such companies continue to dissipate, there is now growing execution risk on meeting market expectation- we chose to sell the shares and reinvest in other opportunities.

The next biggest contributor was Piraeus Financial Holdings, a Greek bank that benefited from rising Eurozone interest rates, alongside a resilient local economy and pro-business political environment. The Greek banking sector's share prices entered the ECBs hiking cycle in deep value territory, as the weak local economy combined with prior negative interest rate environment had completely derailed their business models. Both these factors changed, allowing a long re-rating as investors, initially local and then international reappraised the long-term prospects for the sector, including Piraeus Financial Holding. The sub-fund continues to hold this position, seeing further value on a mid-single digit PE ratio and steep discount to tangible book value.

There were no noteworthy detractors to performance.

Market and Portfolio Outlook

Regional markets performed well in 2023 and trend we expect to continue in 2024, as the region benefits from superior conditions to both Western Europe and many emerging market peers. Likewise, the dearth of institutional investor attention makes it a rich hunting ground for stock pickers such as ourselves.

The number of holdings decreased from 23 to 22.

Quaero Capital Funds (Lux) - China (note 15)

Management report

2023 was the third year of double-digit declines for China markets. Our benchmark was down 11.0% vs. the Quaero Capital Funds (Lux) - China sub-fund -17.7%. Unlike the previous two years, where earnings were in a downtrend, this year earnings recorded a 1.2% year-on-year ("YoY") upward revision during the year, so HSCEI's -14.0% decline was due to multiple contraction. Our holdings, both concentrated and heavily weighted towards consumer reopening, had an average earnings growth of 95% in FY23 but suffered intensive multiple contraction in the first half of the year due to heavy institutional selling of the entire market. Mid-year, we cut holdings that were more exposed to beta and foreign institutional ownership; in second half 2023, we outperformed the benchmark by +10.4% due to solid results, posting positive returns against a negative market. The sub-fund ranked 64th out of 103 Morningstar peers for the full year, but 10th out of 106 Morningstar peers for the last quarter (we don't have 6-month rankings), and this outperformance has continued into the beginning of 2024. While the first half of the year was extremely disappointing, we are heartened that price dispersion has started to emerge, for example, PDD was turning from down 15.2% by first half to positive returns of 79.4% by the end of the year.

From an earnings perspective, we were right to overweight consumer discretionary, as the sector was one of only 3 sectors to record positive earnings growth, with 65.9% growth in the sector overall, but down -13.7%, underperforming the benchmark. Our consumer discretionary weighting was down -4.6%, which outperformed the sector performance, but was massively disappointing given the very high growth of the underlying names. Getting a bit away from the numbers, tourism and hospitality reached pre-pandemic levels, F&B surpassed 2019 levels, BYD sold more cars than Tesla, and Bytedance generated sales very close to Meta on a quarterly basis. The most successful thematic this year was consumer optimization - we believe that this is more than just consumer downgrade; it is consumers becoming savvier and choosier about what they want, with operational and technological efficiencies on the business side catering to more selective wallets. On the other hand, Shiyue Daotian, a company that we own a small position in, is a premium rice brand which IPOed in October of last year, and which is up 42% from its inception. So Chinese are reflecting a greater desire to spend on health and wellness, as much as they are realizing that they can get more for less money. One thing we realized which was different about the Chinese post-COVID reopening vs. the Western one was that whereas the Western reopening involved a lot of inflation due to businesses being unprepared and with broken supply chains, the Chinese reopening had none of those supply constraints - and quite the reverse; businesses had already been innovating their models to be even more competitive and bring even lower costs to market. We think that this thematic will be a global phenomenon, as companies like PDD and Miniso next take their business models globally and export deflation, not just on the production side, but on the consumer side as well.

Because we were most confident on select names in consumer discretionary, we held an average overweight of 7% throughout the year. Regarding other sectors, we had little confidence in banks as easing rates and property pressures continued to be challenging for the financial sector, and clean tech was likely to suffer from overcapacity and declining input costs. We have always preferred healthcare as a structural thematic for the country. Last year we entered with another overweight on the sector as hospital visits were set to recover and general interest in health and wellness had improved since COVID. This was the biggest sector detractor to our portfolio, as although our stocks returned 25+% in earnings growth given a preference towards innovative drugs, the overall sector did -25% earnings growth and the sector was down -20.3%. This was due to some of the anti-corruption measures that were more impactful on generic drugs, and the multiple compression was most severe on this sector. We are still mildly overweight the sector, but it is down from 28% of the portfolio to 12% of the portfolio at the moment.

Quaero Capital Funds (Lux) - China (note 15)

Management report (continued)

We have a better idea of what will work so long as the market continues to be weak, and we have seen that selectiveness can provide positive returns. Our largest positions at year end, including Miniso, ACMR, Futu, New Oriental, and PDD, reflect that the performance came from low investor positioning at the beginning of the year and solid fundamentals, as larger cap names suffered even with strong earnings performance given continued investor reduction of China positioning.

On the macro side, the government is under extreme pressure from economic conditions. The malaise and discontent have spread from the elite to the middle classes and public censure of Mr. Xi is widespread. Xi Jinping in his new year's speech mentioned economic challenges facing the country for the first time -- stating that with regard to the difficulties facing businesses, the job losses, and the obstacles of the daily lives of people, he "carries it all in his heart." On 4th January, a report was released from Peking University correctly attributing the current economic malaise to the 'scarring effect' from the pandemic, the lower growth rate of per capita GDP, and the weakness in real estate. Both leadership and elite have acknowledged and diagnosed the outstanding problems and their origins, which is a marked change from the beginning of last year which was a "let's wait and see how the re-opening plays out" sort of attitude. We believe that the government will do more this year.

In the meantime, for the first time in four years, there are no high expectations for the China market in the upcoming year. Everyone remains extremely bearish and positioning remains extremely low, even though we have started to see earnings growth and individual alpha in stock performance come through since second half of 2023.

The decision was made to close the sub-fund at the end of January 2024.

Below we summarise the main contributors and draggers at the individual stock level for 2023.

The top contributors:

PDD (+79.4% in 2023) overtook Alibaba as the largest e-commerce company in China in 2023. PDD has been taking market share from other e-commerce giants domestically, and is on track to produce USD 34 billion of gross merchandise value ("GMV") globally through its global e-commerce platform Temu. The company has benefited from consumption downgrading trends in China, and looks to export this e-commerce deflation globally with Temu. PDD is estimated to have +44% FY22-25E EPS CAGR, in contrast to Alibaba (revenue +9% YoY) and Tencent (+10% YoY).

We initiated on New Oriental Education (+110.5% in 2023) in August and the share price was up 32.6% from then. We re-entered the position after 3 years of the education crackdown as the company has demonstrated a strong execution capability during the challenging regulatory period. Many competitors exited the market while New Oriental reinvented themselves to adapt to the new situation with the East Buy livestreaming e-commerce business and new education business initiatives while maintaining the traditional business in overseas test preparation and study consulting on strong demand post COVID-19 and continued market share gain. The company managed to bring the quarterly revenue and net income to 112% and 95% of pre-crackdown level (first quarter 2021).

Quaero Capital Funds (Lux) - China (note 15)

Management report (continued)

Futu (+34.4% in 2023) has navigated itself out of the impact of the regulator blocking mainland China investors from opening accounts with online brokers and has managed to seek growth elsewhere. Futu's mainland customers account for less than a third of its total customers vs. 41% in 2021. Futu's client assets in HK continued to rise despite the app being removed from the China app store, suggesting assets inflow amid strong client stickiness. In September, Futu launched an online brokerage business in Japan, which has shown strong active user trends. For Futu, commission incomes benefited from strong US tech stocks offsetting the weakness in HK and China ADRs in the first half while interest income remained favourable amid a high interest rate environment for 2023. Thus, Futu kept its growth momentum and reported solid results with strong new client acquisitions in the year.

Luckin (+23.9% in 2023) represents domestic localization in China; it is now the largest coffee chain in China. Its "Maotai-flavour Latte" co-branded with Moutai has been the most successful consumer story in the year. Luckin made itself the first coffee chain in China with 10,000 stores in 2023, yet its market cap accounts for only 8.3% of Starbucks' market cap.

KE Holdings/Beike (+17.0% in 2023) has been a strong performer in a difficult segment. Beike is China's dominant home transaction platform with consistent share gain potential. Although the property market has been the most challenging part of the economy, the company has gained market share as remaining buyers shift from firsthand sales to second-hand sales, higher take rates, and margin expansion from OPEX control. New initiatives could see a 24% revenue CAGR in 2023-26E and contribute to half of 12% adjusted EBIT CAGR in 2023-26E. Beike YTD has returned USD 813 million capital to shareholders via share buybacks and cash dividends, which amounts to 4.5% of market cap.

The top draggers:

Wuxi Bio (-50.5% in 2023, -32.0% in December) experienced severe multiple compression in 2023. The low sentiment was due to the tough global biotech funding environment amid rates hike, high base from COVID revenue, and a surprising guidance cut for 2023/24. In the first half 2023, the company did better than expected with 18% topline growth - much better than peers and our expectations. We attributed these macro defying results to the strength of their business model. The company then had a very successful IPO of XDC which was 9x oversubscribed, and so we thought that the worst was over with most of the negative factors priced in. However, the guidance miss was more severe than we estimated, due to delayed large projects (meaning the revenue is deferred but not lost), it is still a shock because during the third quarter results they maintained confidence that they would achieve the 30% target for the year. We are disappointed by the corporate mismanagement of expectations, so we cut the position to a weighting of 2% in December and await more clarity as the business itself is still unrivalled even given the current business and macro challenges. Lower rates should yield a better environment for biotech funding and investment in the medium term, which would result in a turnaround for the business pipeline. On Jan 11, Wuxi Bio announced that it added 132 projects in 2023, in which 41 projects were signed in December 2023, beating market expectations, and that it targets to add 110 projects (was 80 projects) in 2024, eyeing a potential strong demand recovery in second quarter 2024. Wuxi Bio raised its YoY 2024 full-year guidance marginally from low-teens to mid-teen revenue & adj. net profit growth given new project guidance for 2024 and improved client sentiment since December 2023. Given its recent share price correction, the marginal 2024 guidance revision and global biotech funding bottoming, we deem there is limited downside risk at its current share price and will closely monitor the visibility of its CMO expansion to see if there is opportunity to add to it in 2024.

Country Garden Services (-65.3% in 2023) was bought early in 2023, as in case of any stimulus this would have been the biggest beneficiary. However, there were no meaningful measures throughout the year, and given the downside risk and our pivot out of any beta bets on the market, we exited the position.

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

Quaero Capital Funds (Lux) - China (note 15)

Management report (continued)

We owned Meituan (-53.1% in 2023) to match the benchmark's weighting as we thought this was the highest quality large cap tech name. However, in 2023, facing the competition pressure from Douyin and the ongoing overhang from potential sell down from Tencent divestment, Meituan failed to offer comfort to investors and both our sub-fund and benchmark suffered c.3% loss from it. Although the company still expects to sustain 2-year food delivery volume CAGR into fourth quarter (est.: +24% YoY), competition and the macro environment remain challenging for the company. The management's softer outlook comments during third quarter results confirmed the bear thesis and thus we exited Meituan after its third quarter results due to lack of visibility on competitive pressures.

We expected Bilibili (-49.9% in 2023) to perform along with China reopening as it is one of the highest beta stocks on the market and has the most exposure to macro. Also, we expected the company to make good progress in monetisation as it is the only long-form app with a high-quality growing user base. However, we were disappointed with Bilibili's results. While it continues to demonstrate excellent user data, e.g. a 16% YoY growth in Daily Active Users and average new user age was 22, the management is too slow on monetization, and has not pushed enough on this aspect. In this bear market the market has no patience for companies which are focusing on long-term quality, and Bilibili relies on a stronger macro or market beta, neither of which we've had - the index is down since June, but there are many stocks that are performing as well. We would come back to this stock if the management made a more aggressive move towards monetization, or if there was more beta in the market.

AK Medical (-36.1% in 2023) is a domestic leader in high-value orthopaedic consumables (artificial joints), with long-term growth driven by ongoing import substitutions, lower penetration of joint replacement in China, and the strong pipeline/ 3D-printing technologies. In 2023, along with other medical equipment and pharmaceutical companies, AK Medical has been negatively impacted by the authorities stepping up on anti-corruption enforcement in healthcare sector. Although the anti-corruption efforts were meant to accelerate the industry's transition to drive higher compliance standards in a more patient-oriented market, investor concerns on policy uncertainties and near-term earnings impact have remained. To reduce the downside risks on the sector as a whole, we exited our medical equipment names in July and August.

Quaero Capital Funds (Lux) - Cullen ESG US Value

Management report

Fourth quarter market comments:

The US equity market posted strong returns in the fourth quarter, with our index, the Russell 1000 Value, up 9.5%. After declining in October, the market rallied sharply in November and December. The gains were driven partly by signs the US economy remains strong alongside cooling inflation, a so-called soft-landing scenario. Optimism was further fueled by investor hopes that the Federal Reserve ("Fed") is not only done raising interest rates but could cut rates multiple times in 2024. A primary theme throughout the year was the performance of the Magnificent Seven¹ technology stocks, which, given their outsized weights in the S&P 500, accounted for 60% of the return of the index for the year. Absent the Magnificent Seven, the remaining 493 stocks in the index returned 13.9% for 2023. In October, the 10-year US Treasury yield topped 5% for the first time since before the Great Recession in 2007 but declined to 3.9% at year-end. The drop in Treasury yields put pressure on the US dollar, which declined against most major currencies. The Department of Commerce reported 3rd quarter GDP growth of 5.2%², while US CPI for November declined to 3.1%.³

Fourth quarter performance & attribution:

In the fourth quarter, the sub-fund returned +9.7% versus +9.3% for the Russell 1000 Value index. For the full year, the sub-fund returned +7.7% versus +10.7% for the Russell 1000 Value index.

Relative to the Russell 1000 Value index, the strongest contributor to our relative performance this quarter was our stock selection in the Consumer Staples and Financials sectors as well as our underweight allocation to the Energy sector.

Within the Consumer Staples sector, shares of Target returned 30.1% in the fourth quarter, after the third quarter results came well above expectations, due to lower markdowns as well as lower freight and supply chain costs. Further contributing to our relative performance was our position in Kenvue, the consumer healthcare business recently spun off from Johnson & Johnson. In December, investors welcomed news that a judge rejected the scientific evidence behind lawsuits alleging that prenatal exposure to the company's over-the-counter painkiller, Tylenol, caused autism.

Financials was the second-best performing sector in the quarter, as mark-to-market losses on bank balance sheets declined and funding costs eased. For our strategy, the best-performing stock in this sector was PNC Financial Services Group ("PNC"), which returned 27.8% in the fourth quarter, as the relief rally in the sector buoyed stocks that had sold off earlier this year. While a potential credit cycle in the US economy could lead to rising loan losses across the sector, we believe that overall exposures and underwriting at PNC remain conservative - office commercial real estate, for example, represents only 2.7% of outstanding loans at PNC, significantly less than at other US regional banks.

Lastly, Energy was the worst performing sector in the quarter. The WTI oil benchmark retreated from a September high of USD 93 per barrel to USD 71 by year-end, largely on concerns of slowing global growth and excess supply. OPEC+ agreed to a production cut of another million barrels per day, on top of the one million per day reduction announced in June.

¹ Microsoft (MSFT), Apple (AAPL), Nvidia (NVDA), Meta Platforms (META), Tesla (TSLA), and Alphabet (GOOGL).

² <https://www.bea.gov/news/2023/gross-domestic-product-second-estimate-corporate-profits-preliminary-estimate-third>

³ <https://www.bls.gov/news.release/pdf/cpi.pdf>

Quaero Capital Funds (Lux) - Cullen ESG US Value

Management report (continued)

Detracting from relative performance was our underweight allocation to Real Estate and our stock selection in the Consumer Discretionary sector.

In the fourth quarter, Real Estate was the best performing sector, as the decline in bond yields eased pressure on REITs and lowered borrowing costs. Our sole position in this sector, Simon Property Group ("SPG") returned 34.0% in the quarter, after posting solid third quarter results and boosting the full-year outlook. As one of the largest owners of shopping malls and outlet centers, SPG offers a good litmus test for the health of the US consumer; management noted that the business is ahead of plan, with tenancy remaining strong and rents nearing record levels.

In the Consumer Discretionary sector, our positions exposed to the auto sector sold off in the fourth quarter amid a softening EV environment. Amid higher interest rates, an under-developed charging infrastructure system and ongoing anxieties about driving range, expectations for the EV market growth in the US normalized somewhat in the quarter. For our strategy, shares of BorgWarner sold off 10.9% in the last three months of the year after the company reduced its midterm outlook for eProducts revenue, flagging customer launch delays and slower volume ramps on near-term programs. These cuts reflect weakened end-consumer demand and challenging profitability that is slowing the EV momentum. However, management maintained the long-term guidance for eProducts revenue and profitability. BorgWarner's exposure to ICE and hybrid vehicles with high-margin components positions it favorably to uphold EPS and FCF.

Fourth quarter top/bottom contributors:

Top Contributors:

1. INTC ("INTC") - The shares gained 41.8% during the quarter on the back of the company's strong quarterly earnings report. Intel's recent results were attributed to improved execution and stabilized demand conditions. The company's impressive margin performance has also alleviated concerns about 2024 margin expansion. The technology roadmap remains on track, with two new Foundry customers for its 18A node, indicating execution progress. Despite limited short-term credit for AI efforts, there are positive signs, such as the doubling of the Gaudi 2 accelerator pipeline in the last 90 days. Moreover, next-gen server CPUs are set for a first half 2024 launch, and the PC market seems ready for an upgrade cycle in the next 12-18 months.
2. Qualcomm ("QCOM") - The stock increased 31.0% in the quarter. Information Technology was the second-best performing sector during the quarter, up over 17%. Qualcomm reported better-than-expected performance in the third quarter as handset and automotive sales remained resilient. Importantly, the company delivered an upbeat outlook for the upcoming fiscal year, telegraphing the handset chip business may have already bottomed out. The company's robust pipeline of automotive products, including infotainment and central processor chips, and AI chips designed for edge computing are expected to drive mid to long term growth.

Top Detractors:

1. Bristol-Myers Squibb ("BMY") - The shares declined 10.7% in the quarter. Sales of Bristol-Myers' multiple myeloma drug, Revlimid, declined a greater than expected 41% in the 3rd quarter due to increasing generic competition. Despite the decline, the pharmaceutical firm's overall EPS improved year-over-year, driven by increased sales of anticoagulant Eliquis, along with its immuno-oncology drug, Opdivo. The firm also announced two acquisitions late in the quarter, a USD 14 billion deal for neuroscience drug developer Karuna Therapeutics, and a USD 4.1 billion deal for RayzeBio, a developer of radiopharmaceutical drugs.

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

Quaero Capital Funds (Lux) - Cullen ESG US Value

Management report (continued)

2. BorgWarner ("BWA") - The shares declined 10.9% in the quarter. While BorgWarner reported third quarter earnings during the month that came in above consensus expectations on EPS, management lowered its 2023 revenue and EPS guidance to reflect a softening EV environment. The company also reduced its 2023 and 2025 outlooks for eProducts revenue by 12.8% and 15.2%, respectively, flagging customer launch delays and slower volume ramps on near-term programs. These cuts reflect weakened end-consumer demand and challenging profitability that is slowing the EV momentum. Positively, management has maintained its longer-term revenue guidance for eProducts, in addition to its expectations for profitability. BorgWarner's exposure to ICE and hybrid vehicles with high-margin components positions it favorably to uphold EPS and FCF.

Fourth quarter portfolio changes:

Purchases: NextEra Energy ("NEE")

Sales: None

Fourth quarter ESG factors:

The sub-fund has an A MSCI ESG Rating compared to A for the Russell 1000 Value index. The sub-fund's weighted average ESG score is 6.9 vs. 6.4 for the Russell 1000 Value. The sub-fund's carbon risk is 127 compared to 191.1 for the Russell 1000 Value index.

This month, we engaged with one of our newest portfolio holdings, Warner Bros. Discovery ("WBD"). Born from the merger of WarnerMedia and Discovery Inc. in 2022, the company has one of the broadest portfolios of premium entertainment, sports and news assets, including HBO, CNN, Discovery, Food Channel, Eurosport, etc. As a new entity, WBD plans to file its first sustainability report in the spring of 2024, at or around the time of its proxy statement. As such, we took this opportunity to better understand the company's key ESG priorities and how WBD has approached some of the latest challenges. We were left impressed by the scope of the company's assessment of its carbon footprint, where we discussed WBD's efforts to integrate sustainable practices into its studio business, noting that sustainability is very important for many of its creative directors. Fans of HBO's True Detective will be happy to hear that the latest season, due to be released in January, was shot in Iceland using primarily renewable energy. On the social front, WBD, along with other studio businesses, recently struck a deal with the Writers Guild of America following a protracted strike that halted production of several franchises over the course of 2023. The deal includes increases in minimum payments to actors, a greater share of streaming revenue going to performers, as well as protections against the use of artificial intelligence in writing scripts or recreating performances. From our discussion, we learned that WBD is implementing robust guardrails to protect its creative writers, its overall IP and consumer data security, which includes random audits of its overall privacy and security framework. Given that Warner Bros. Discovery's overall sustainability framework is still being formalized, the company receives a BBB MSCI ESG rating. We believe that there is significant opportunity for a rating upgrade once additional disclosures are made public over the course of 2024.

Fourth quarter ESG rating trends:

Our portfolio experienced the following MSCI ESG rating changes this quarter:

- J.M. Smucker was downgraded from AA to A

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

Quaero Capital Funds (Lux) - Cullen ESG US Value

Management report (continued)

- Kenvue received a rating of BBB
- Merck was downgraded from AA to A

Quaero Capital Funds (Lux) - Global Convertible Bonds

Management report

Key Points

The year ended on a high, as the strong performance seen in global equity markets during November spilled over into December - with the exception of Chinese markets.

Our convertible bond strategy continued to participate in the rebound and captured a large part of the global indices' performances in Euro. Investor optimism regarding the number of Federal Reserve ("Fed") interest rates cuts in 2024 backed the large equity inflows in December and triggered a risk-on sentiment. Corporate credit spreads tightened during the month and 10-year treasury yields decreased, which helped the year end bull rally.

Our average portfolio delta finished the month up at 57.80% with a cash position at 2.20% as the portfolio is fully invested. Our gamma increased to 0.966 in order to continue to optimize the natural convexity of the portfolio and be able to capture as much upside as possible if equity markets continue to rise or to be resilient in the case of a market correction. Our weighted average credit rating remains investment grade at BBB (including our internal shadow ratings). The modified duration decreased to 1.353 and our portfolio ESG MSCI equivalent rating stayed at an A rating.

Portfolio Review

From a geographical perspective, our allocations continued to track the geographical allocations of the global convertible bond market and remained stable compared to the previous month with the US being the dominant region (48%) followed by Europe (35%). Asia Ex-Japan stayed at 4.93% as well as Japan at 10.40%. Those weights are gross numbers and are not delta adjusted.

Portfolio Positioning

The goal of our strategy is to build a "Brick of Convexity" by investing only in pure "vanilla" convertible bonds. The anchor parameters we implemented at the portfolio level for our strategy play a crucial role in delivering the natural convexity of the vanilla convertible bond.

Our strategy will continue to optimize the convexity of the portfolio to benefit our investors, specifically in a more volatile and uncertain world. Our disciplined investment process and our portfolio anchors allow the strategy to achieve its goal and to act as a "Brick of Convexity" through a global allocation for our investors.

Convertible Bond Primary Market Review

For obvious reasons, December is not usually the most active month for the convertible bond primary market. However, seven new issuances were launched during the month for a total notional of USD 3.6 billion equivalent. The year saw the resumption of a healthy primary activity with a total notional issued of USD 87.7 billion equivalent. We expect this trend to continue in 2024 as financial conditions became very attractive for corporates to use the convertible asset class to raise money, thanks to lower borrowing costs vs. vanilla bonds.

In the US, the region issued four new convertible bond deals for a total notional of USD 3 billion. The biggest deal was Evergy Inc (another Integrated Electric Utilities company) for USD 1.4 billion, followed by Merit Medical Systems Inc for USD 747.5 million, Evolent Health Inc (Application Software) for USD 402.5 million and Sphere Entertainment Inc (Film & TV company) for USD 258.75 million.

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

Quaero Capital Funds (Lux) - Global Convertible Bonds

Management report (continued)

Europe was muted with zero new deals.

In Asia, Microport Scientific Corp (Medical Services) was the only new deal issued for USD 220 million equivalent. In Japan, OSG Corp (Metalworking Machinery) was also the only new issuance for JPY 22 billion.

In 2023, the number of new issuances surpassed the entire 2022 year and should continue the strong trend started in 2020. Overall, this primary activity should be beneficial for investors and increase the size of the investable universe. Hence, the interesting fact is that new deals are more discounted to fair value at launch for investors, a positive sign, and should attract more inflows to the asset class.

Outlook

While an accumulation of negative factors (rising rates, widening spreads, falling equities and lack of de-correlation between asset classes) caused 2022 to be a catastrophic year for convertible bonds, the situation has evolved and is now much more favorable for this asset class:

- Very active primary market. Rising rates have prompted many companies to turn to convertible bonds to reduce costs. This is because convertible bonds can be issued cheaper compared to vanilla bonds due to the equity conversion element of the convertible bond. The market is therefore very active worldwide, particularly in Japan, Europe and in the technology, clean energy, and infrastructure sectors in the USA.
- Attractive entry point. The asset class is currently trading at a discount compared to its theoretical value.
- Limited risk: Convertible bonds offer an interesting alternative for exposure to the performance of the stock markets while having a lower risk budget than a direct investment in stocks.
- Positive Coupon. Coupons and returns are now positive, and investors are now "paid to wait" while waiting for the stock markets to start to rise again, which allows them to not "time" the market and still be invested.
- Return of mergers & acquisitions activity.

All planets therefore finally seem aligned for a revival of the convertible bond asset class. Today, the financial conditions are met, potential for rate cuts, tightening of credit spreads for companies, resilience of the equity markets and high probability of an increase in the volatility of the equity markets in the years to come.

The correlation between stocks and interest rates has reached its highest level in 20 years. The last time we reached such a level was during the period 1996-2001. The convertible bond share class then experienced an exceptional period! During this period and with similar conditions, American convertible bonds, for example, had outperformed American equity markets. We believe we are entering a similar period.

Quaero Capital Funds (Lux) - Global Convertible Bonds

Management report (continued)

December market comments:

December continued the bullish trend from the previous month and US economic data published at the beginning of the month pushed markets higher. Despite a very upbeat sentiment on the number of Fed rates cuts expected in 2024, Fed speakers tended to push back on the idea of early cuts. In fact, Fed Chairman, Powell seems way more focused on inflation than what the market thinks, and he will not cut until he is clear that inflation is reaching the Fed's goal. In the meantime, the question is how the labour market has become vulnerable? It seems that businesses will struggle to pass on further price increases to an increasingly strained consumer, and margins will fall as inflation slows, leading to layoffs eventually. That will certainly be the most important data to monitor in early 2024.

At the beginning of December, Powell's comments were signaling that the rate hike cycle is likely done, and probably recognize that any hint at easing is going to cause an unwanted, immediate easing in financial conditions. He declared that it was 'Premature to Conclude with Confidence' that increases are over yet.

In China, equities extended their selloff and were trading at their lowest level since 2019 and investors continued to stay on the sideline as no bazooka style fiscal policy from the government seems expected soon. China's consumer prices fell the most in three years last month, by 0.5% year on year, and producer costs declined 3%, their 14th straight drop. Also, there were some worries over China's debt burden after Moody's lowered its view on a number of local companies after earlier cutting its outlook for the nation's sovereign bonds. Furthermore, disappointing China import data for November also dashed hopes that domestic demand would rebound from a low base to spur growth in a slowing economy.

In Japan, the final GDP print showed the economy shrank an annualized 2.9% last quarter, worse than the estimate for a 2% contraction. The deeper drop adds to the case for the BOJ to keep stimulus and argues against the scrapping of yield-curve control.

Approaching the middle of the month, investors focused on Central Banks' last decisions for 2023 and some data publications. The NFP publication presented some bumps for the soft-landing scenario with job growth slightly stronger (199k vs 185k estimated), unemployment rate unexpectedly dropping two tenths to 3.7% (3.9% estimated), and wages slightly higher (+.4%mm vs +.3%mm estimated).

The US CPI publication came out as expected but the dots were more dovish than expected. This data supported equities as following the publication, the FOMC & Powell could not have been more dovish, 2024 dot plot revised to show 3 cuts vs 2 previously, risks around inflation more balanced, and forecasts depicting a perfect landing with growth revised up, inflation revised down, and unemployment rate remaining the same. The press conference was the icing on the cake with little push back from Powell on market pricing nor easing of financial conditions.

In Europe, the European Central Bank ("ECB") held its rates at 4%. It delivered a hawkish hold and announced a tapering of PEPP reinvestments in the second half of 2024, with reinvestments to be discontinued at the end of 2024. The main focus was, however, on rates. Lagarde struck a decent contrast to Powell, not even discussing rate cuts.

Quaero Capital Funds (Lux) - Global Convertible Bonds

Management report (continued)

Finally, investors turned their attention to the BOJ decisions. The Yen dropped as it decided to maintain its policy rate at -0.1%. Forward guidance was also maintained, with no specific references to the prospects for a rate increase. During his press conference, Governor Kazuo Ueda expressed the view that the bank sees continued progress toward a virtuous cycle for wages and prices that could lead to policy normalization. No changes were made to negative interest rate policy ("NIRP") and yield curve control ("YCC"), but the expectation that changes will happen in the first half of 2024 will likely remain.

Market Review:

As previously mentioned, the year-end rally we mentioned last month did materialize in December.

Even Asia (HSI Index) joined the party and closed up 0.16% in December. The rest of the world displayed impressive monthly performances. Starting with the US region, the Nasdaq and the S&P 500 closed up (+5.56% and +4.54% respectively). Japan consolidated due to the strength of the Yen currency but managed to close up 0.09% followed by Europe with Eurostoxx 50 (closing up 3.21%).

In that context, equity volatility indices were under pressure and closed all down except for Japan.

The US VIX index was down 3.64% trading below 13 at 12.45, similarly the V2X index in Europe was down 1.74% at 13.57, the VNKY in Japan increased to 17.46 (up 5.37%) and the Asian index ("VHSI") closed at 21.94 down 6.84%. We continue to notice that equity volatility tends to struggle to rise during bearish market phases but swiftly decreases when markets rebound. We note that volatility is far more important in the bond market and as institutional investors have pretty low exposure to equity globally for the moment, market makers tend to be sellers of volatility.

Corporate credit spreads continued to tighten in December with investment grade and high yield spreads down 5.72bps and 46.13bps respectively. IG credit spreads continued to trade below 60 bps now at 56.69bps whereas HY credit spreads crossed down below the 400-bps level closing at 356.35bps.

Regarding 10-year treasuries markets, all regions saw their 10-year treasury yields decreasing, led by the US, which closed below 4% at 3.88% after having tested the 5%-mark last month. In Europe as well, the 10-year yields decreased to 2.02% and in Japan, its 10-year yield closed at 0.60% having approached the 1% yield after the yield curve control bands allowed the 10 years treasuries to keep on rising.

And finally, on the commodities front, oil and natural gas prices were still under pressure, down 5.67% at USD 71 per barrel and down 10.28% at USD 2.51 per MMBtu. Elsewhere, gold rose 1.30% trading above USD 2,000 per ounce due to the USD currency weakening whereas silver dropped 5.84%.

Quaero Capital Funds (Lux) - Taiko Japan

Management report

Portfolio Review

Whilst the market was relatively subdued in December, the Japanese market rounded off the year as the best performing Asian market and touching 33-year highs in 2023. All eyes are now on Bank of Japan ("BOJ") policy direction, what impact this has on rates in Japan and the direction of the Japanese yen in 2024. The benchmark index rose 28.3%, whilst the Class Z JPY of the sub-fund rose 22.1% over the year.

Enplas (6961 JP), the semiconductor equipment related manufacturer, was the largest positive contribution for the year rising 210% and contributing 5.56% of performance for the sub-fund, followed by NEC (6701 JP) and Hitachi (6501 JP) contributing 2.79% and 2.09% respectively. Digital Hearts Holding (3676 JP) posted the largest negative contribution for the year. This was followed by, Like Inc (2462 JP). These stocks detracted 177 bps and 67 bps respectively from the sub-fund's performance.

Market Review

Following another visit to Japan and an intensive 6 months of corporate management meetings we have reached some conclusions that could influence 2024.

Large Japanese corporates have compiled a list of overseas acquisition targets and will take advantage of any moderate yen appreciation to start this process. Nippon Steel and their proposed US Steel acquisition are first out of the blocks. This potential transaction is noteworthy as the acquisition price and the debt on US Steel, c\$19bn collectively, will only move the debt-to-equity ratio at Nippon Steel from 0.5x to 0.9x. Affordability for acquisitions has never been higher as the recent profits and cashflow improvements have left balance sheets in a very strong position. Almost negligible levels of financial leverage provide Japanese corporates with a strong competitive advantage relative to western peers. Japanese managements do concede that in many cases the leverage is too low.

2023 will prove the real turning point in the domestic corporate sector in respect of selling prices. Inflationary cost pressures, with the likelihood of further to come in 2024 from inputs such as distribution/logistics given regulatory changes on overtime pay, have allowed prices to rise through supply chains and manufacturing. Customers now accept these rises as the new normal and this has not happened in Japan since the late 1980s. There is no sense that, were certain inputs to moderate, companies would move to lower any prices.

Recent manufacturing reshoring trends will continue for some time. Manufacturers are anxious over supply chain reliability following Covid and the rising wage costs in China. The extreme cases have seen companies exit from the Chinese market and others cancelling plans to expand further capacity. The Japanese government continue to provide major subsidies for inbound investment and for some Japanese companies, domestic production still qualifies for IRA regulations in the US.

The domestic labour shortage continues to worsen, related to the new capex and investment, as well as only a trickle of foreign workers who are not incentivised to come to Japan due to the weaker yen and hence lower repatriated income levels. In my 35 years of travelling on the bullet train from Tokyo to Osaka, I was shocked recently to see that passenger catering services had finally ended in all carriages. Mid-career labour mobility is at record levels and likely to remain an embedded feature of the labour market going forward. The number of automated functions in hotels/restaurants only becomes more visible. The return to almost new peaks in foreign tourist numbers only compounds the problem.

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

Quaero Capital Funds (Lux) - Taiko Japan

Management report (continued)

Rising cost pressures continue to pressure the smaller weaker players within industries. Consolidation activity will accelerate as 2024 will see many companies shed non-core uncompetitive business units to stronger rivals, an unimaginable development until recently. The number of small company owners looking to sell or close businesses illustrates these competitive issues. Our Hokkaido scallop industry rollup investment will be replicated in many other industries. The additional involvement of foreign PE firms and the first sign of contested takeovers amongst Japanese companies collectively implies a more robust deal environment which appears set to continue.

Japanese corporates, in the main, enter 2024 in a very strong position with the prospect of yet further cashflow improvements from technology driven labour productivity gains. Investors should stand to benefit from a general improvement in shareholder returns even though we sense the composition may change in favour of higher dividends over share buybacks. Ongoing corporate governance measures from the TSE will pressure the more extremely undervalued companies. This should continue in spite of the fact that some managements are expressing frustration over what appears to be an overly short-term focus on PBR discounts whilst in limited cases certain companies have surrendered and abandoned their long-term strategy and are instead returning funds to shareholders.

As regards the stock market, we have yet to reach the point of a bull market consensus. Certain foreigners have yet to participate but this could change into mild yen appreciation which we think likely as the YCC are withdrawn by the BOJ. For domestic investors, dividend yields higher than interest rates are a sufficient reason to participate especially against the higher inflationary background. Nothing ever goes up in a straight line but the Japanese stock market should have further to offer from current levels.

Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 15)

Management report

Football pundits are prone to summarize with it was a game of two halves. For Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap the experience was similar; the sub-fund enjoyed strong outperformance through the first three quarters of 2023, and it was only in the final quarter where the sub-fund stumbled and fell behind the index.

The mood in markets soured in October as the third quarter results season got underway. Companies that weren't able to meet guidance and expectations were dealt with harshly and individual stock volatility picked up. The sub-fund had its fair share of stocks being marked down for deteriorating order books due to the softening macro, but it suffered in particular for holding 2 recent IPO's that came out with disappointing numbers; Euroapi and CAB Payments. Additionally, the horrendous events of October 7th in Israel meant that Energean (then our largest position) fell over 20%. As a result, the sub-fund fell 11.5% in October, underperforming the MSCI Europe SMID cap index which fell 5.3%.

Going into the final two months of the year, the market reversed direction abruptly on the back of falling government yields and a change in rhetoric from the Federal Reserve ("Fed"); consensus shifted to a 'goldilocks' view of the market, seeing economic weakness as a valid reason for calling a halt to the threat of further rate hikes. Speculation rapidly grew that it was a case of 'when' rate cuts would come, not 'if' they would come. Growth stocks reacted positively, and, in the US, the Nasdaq rallied a massive 20% in the final two months of the year. Quaeronaut's value bias and tilt towards industrials meant it wasn't able to keep up.

In terms of activity, we exited two positions in December: Hoegh Autoliner and Energean. Energean (gas production) remains outstanding value but the binary risk of an attack by Hezbollah on their floating production asset in the Mediterranean is a risk that looks to be growing as the Israelis pursue Hamas in Gaza. Of course, we will continue to follow the situation but for now, we have chosen to exit whilst the risks of further confrontation look to be rising.

Hoegh Autoliner, the Norwegian family-owned car carrier, had performed extremely well and whilst we continue to believe the medium-term supply/ demand outlook remains attractive in car shipping we chose to take profits as there is considerable new supply coming in the next 2-3 years. This may unsettle the strong market and provide an opportunity to re-enter at lower levels.

Taking advantage of the year end strength, we took profits in a number of names and looked to re-allocate into two new positions: Nexi and Solvay. Other names where we have continued to build a position in are Babcock, Conduit, Teleperformance and Fugro.

With regard to the new positions, we have sought to broaden the positioning of the sub-fund across a wider spectrum of the economy to diversify risk. Trying to call a soft landing over a hard landing, over a mild recovery post de-stocking is an impossible task at this stage. For now, the US economy continues to defy gravity with strong employment and healthy consumer spending. Until we see weakness in the US, the markets appear to be well supported.

In hindsight, a natural moderation in inflation was the tonic a nervous market needed in November, and it allowed the high cash levels to be put to work as bond investors chased yields down.

Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 15)

Management report (continued)

Our view now is that much of the yield compression is behind us and with the Vix tramelled in a range we haven't seen since the lows before Covid in 2020, we think markets look to be a little complacent short term. We anticipate increased volatility over the upcoming results season which we would aim to take advantage of; we would see short term macro headwinds attached to a moribund macro and geopolitical concerns (cargo ships being attacked in the Red Sea) as setting us up for excellent entry opportunities in the sub-fund.

At the time of writing, small and mid-caps have just started to build some relative outperformance against large caps with two months of consecutive outperformance. After over two years of underperformance, we don't see this reversing meaningfully any time soon.

The sub-fund now trades on a forecast PE of under 10x 2025 earnings (9.3x) - we remain of the belief that it's a good time to build a weighting in European SMID caps.

Quaero Capital Funds (Lux) - Net Zero Emission (note 1)

Management report

Once again, 2023 proved the consensus to be wrong! As a reminder, at the beginning of 2023, most of the economist were expected a recession in the US, pressure on consumer due to inflation. As we know, none of it happened. The US economy avoided the recession and the consensus for 2024 became a soft landing. 2023 was a strong year for the global equity market, except for China, with the MSCI Global index up +21%.

In the US, the strong performance was driven by what we have called the magnificent seven: Apple, Meta, Alphabet, Tesla, Amazon, Microsoft and Nvidia. Among them Tesla was the best performance of the portfolio in 2023 (+83%). Behind the stellar performance of the magnificent 7, Generative AI was probably the most important driver. The new generation of GPU produced by Nvidia and used by ChatGPT could be a game changer, not only for the consumer, but more many industries like healthcare, mobility, defence... The latest generation of chips are 2-3x times more energy efficient than the former one and need the latest generation of semiconductors materials and tools.

Semiconductors names were the best performers of the sub-fund (AMSL, VAT) and we have increased our position and exposure all along the year.

Still in technology, the software simulation names like Dassault Systems and Ansys were also strong after delivering strong results. Ansys was taken over by Synopsys in 2024.

During the second half, the consumer ingredient space recovered on the prospect of the end of the inventory correction and in a expectation of a rate cut. We started to increase our exposure in the second half.

The largest detractor was the pure "cleantech" company, in green hydrogen (Ceres Power), solar inverter, Solaredge and Enphase, the lithium company AMG and the pure renewable EDPR and Acciona. The thematic has been affected by the sharp increase in rate and in the case of the renewable developer by the volatility of the energy price in Europe. We sold our lithium exposure and sold Solaredge.

The funds were liquidated on December 12, 2023. At this time the performance was +85bp.

Quaero Capital Funds (Lux) - Bond Investment Opportunity (note 1)

Management report

The year under review covers a short period, from November 13, the sub-fund's inception date, to December 31, 2023, the date on which the accounts are closed.

It wasn't until the fourth quarter, with signs of slowing inflation, that Jerome Powell gave his first "dovish" speech in the United States, signaling that the peak in key interest rates had been reached.

This was all it took to trigger a massive year-end fall in long rates of over 100bp on 10-year yields in both the US and Europe.

It was against this backdrop that Bonds Investment Opportunity was launched on November 14, 2023.

The rally that began 3 weeks earlier lasted until the end of the year. From 2.70% in mid-November, the German 10-year yield ended the year at 2.02%. This fall in rates was identical across the entire curve, with the exception of the very short end of the curve, where the ECB refinancing rate was maintained at 4.50%.

The same was true of the credit market. The Crossover index fell by over 90 bp, from 400 at the start of the period to 310 bp at the end.

With almost 40% in High Yield bonds and a sensitivity close to 5, the portfolio took full advantage of this year-end rally. We will wait until the end of December and the 2% level on the German 10-year bond before implementing a put spread strategy maturing in March 2024 to reduce sensitivity to 3.

On the other hand, the lack of liquidity and the weakness of the primary market, particularly in the HY segment at the end of the "confectioners' holiday" period, meant that the credit market was not very active.

Purchases totaled EUR 38 million, while sales amounted to EUR 2 million. This significant difference is launch money being invested.

The portfolio's average rating was maintained at BBB.

From November 14 to December 31, 2023, Bonds Investment Opportunity returned 3.53% for Class X EUR net of fees.



Audit report

To the Shareholders of
Quaero Capital Funds (Lux)

Our opinion

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

What we have audited

The Fund’s financial statements comprise:

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

Basis for opinion

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

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

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

Other information

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

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

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

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

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

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

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements

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

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

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



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

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 16 April 2024

Frédéric Botteman

Quaero Capital Funds (Lux)

Quaero Capital Funds (Lux)

Statement of net assets as at December 31, 2023

	Combined	Quaero Capital Funds (Lux) - Argonaut	Quaero Capital Funds (Lux) - World Opportunities
	EUR	EUR	USD
ASSETS			
Investments in securities at acquisition cost (note 2.g)	584,505,913.90	225,152,200.18	20,248,119.06
Net unrealised gain/loss on investments	-12,288,176.93	-38,935,677.76	5,854,005.18
Investments in securities at market value (note 2.c)	572,217,736.97	186,216,522.42	26,102,124.24
Cash at banks (note 2.c)	12,521,175.58	4,626,604.58	1,693,626.37
Bank deposits (note 2.c)	2,405,790.78	0.00	0.00
Dividend and interest receivable, net	869,047.49	14,731.69	10,717.37
Formation expenses (note 2.d)	5,445.84	0.00	0.00
Net unrealised gain on forward foreign exchange contracts (notes 2.i, 9)	1,152,108.28	241,710.02	261,539.61
	589,171,304.94	191,099,568.71	28,068,007.59
LIABILITIES			
Bank overdraft (note 2.c)	538,720.98	0.00	0.00
Investment management and advisory fees payable (note 4)	500,509.57	221,837.45	35,293.49
Performance fees payable (note 5)	133,296.17	0.00	0.00
"Taxe d'abonnement" payable (note 3)	45,820.96	17,610.42	3,536.42
Net unrealised loss on forward contracts (notes 2j, 2.k, 10, 11)	11,320.00	0.00	0.00
Net unrealised loss on forward foreign exchange contracts (notes 2.i, 9)	81,880.14	0.00	0.00
Other fees payable (note 6)	557,055.98	141,588.01	26,743.16
	1,868,603.80	381,035.88	65,573.07
TOTAL NET ASSETS AS AT DECEMBER 31, 2023	587,302,701.14	190,718,532.83	28,002,434.52
TOTAL NET ASSETS AS AT DECEMBER 31, 2022	813,103,569.02	284,919,730.44	24,278,914.42
TOTAL NET ASSETS AS AT DECEMBER 31, 2021	957,128,217.23	352,037,742.93	42,827,879.01

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

Quaero Capital Funds (Lux)

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

Quaero Capital Funds (Lux) - Bamboo (note 15)	Quaero Capital Funds (Lux) - Infrastructure Securities	Quaero Capital Funds (Lux) - Yield Opportunities	Quaero Capital Funds (Lux) - Accessible Clean Energy	Quaero Capital Funds (Lux) - New Europe (note 15)
USD	EUR	EUR	USD	EUR
14,185,366.77	36,384,925.96	9,697,176.67	85,498,535.11	14,979,318.91
1,498,451.57	3,292,039.57	-1,759,261.74	11,688,222.81	-3,134,994.76
15,683,818.34	39,676,965.53	7,937,914.93	97,186,757.92	11,844,324.15
829,724.82	954,120.73	91,935.48	871,304.44	389,357.21
0.00	0.00	724,211.04	0.00	0.00
3,872.60	18,268.24	117,819.98	44,748.45	0.00
0.00	0.00	0.00	0.00	0.00
0.00	72,436.73	59,937.07	12,513.17	176.77
16,517,415.76	40,721,791.23	8,931,818.50	98,115,323.98	12,233,858.13
0.00	0.00	329.33	138.83	470.69
16,259.97	39,395.58	6,265.83	77,871.53	13,795.19
0.00	0.00	0.00	0.00	899.38
1,085.32	1,912.91	820.80	8,917.22	554.75
0.00	0.00	0.00	0.00	0.00
3,301.14	0.00	0.00	0.00	0.00
94,005.86	31,565.60	18,088.30	85,623.63	9,944.12
114,652.29	72,874.09	25,504.26	172,551.21	25,664.13
16,402,763.47	40,648,917.14	8,906,314.24	97,942,772.77	12,208,194.00
22,446,402.74	51,411,723.04	33,387,666.69	138,436,195.62	20,668,195.28
57,041,526.34	53,471,967.76	40,436,937.93	155,142,903.14	27,044,624.64

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

Quaero Capital Funds (Lux)

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

	Quaero Capital Funds (Lux) - China (note 15)	Quaero Capital Funds (Lux) - Cullen ESG US Value	Quaero Capital Funds (Lux) - Global Convertible Bonds
	USD	USD	EUR
ASSETS			
Investments in securities at acquisition cost (note 2.g)	35,524,506.95	36,205,272.97	75,030,046.06
Net unrealised gain/loss on investments	-1,483,566.11	3,522,123.82	4,106,877.12
Investments in securities at market value (note 2.c)	34,040,940.84	39,727,396.79	79,136,923.18
Cash at banks (note 2.c)	589,081.93	336,974.67	1,381,223.16
Bank deposits (note 2.c)	0.00	1,250,000.00	0.00
Dividend and interest receivable, net	0.00	43,327.05	137,884.44
Formation expenses (note 2.d)	0.00	1,286.74	0.00
Net unrealised gain on forward foreign exchange contracts (notes 2.i, 9)	92,266.53	19,449.44	395,704.58
	34,722,289.30	41,378,434.69	81,051,735.36
LIABILITIES			
Bank overdraft (note 2.c)	123,046.81	374,462.28	0.00
Investment management and advisory fees payable (note 4)	27,708.41	24,361.24	34,933.48
Performance fees payable (note 5)	0.00	0.00	0.00
"Taxe d'abonnement" payable (note 3)	1,665.61	4,004.48	2,104.56
Net unrealised loss on forward contracts (notes 2j, 2.k, 10, 11)	0.00	0.00	0.00
Net unrealised loss on forward foreign exchange contracts (notes 2.i, 9)	0.00	0.00	0.00
Other fees payable (note 6)	40,639.47	32,370.82	61,652.95
	193,060.30	435,198.82	98,690.99
TOTAL NET ASSETS AS AT DECEMBER 31, 2023	34,529,229.00	40,943,235.87	80,953,044.37
TOTAL NET ASSETS AS AT DECEMBER 31, 2022	53,608,353.09	40,954,683.02	73,295,281.37
TOTAL NET ASSETS AS AT DECEMBER 31, 2021	91,324,384.05	21,837,668.14	87,799,892.05

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

Quaero Capital Funds (Lux)

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

Quaero Capital Funds (Lux) - Taiko Japan	Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 15)	Quaero Capital Funds (Lux) - Bond Investment Opportunity (note 1)
JPY	EUR	EUR
2,493,476,236.00	7,043,421.66	26,703,151.80
644,973,484.00	-55,467.27	974,514.60
3,138,449,720.00	6,987,954.39	27,677,666.40
50,198,437.15	241,391.15	602,823.23
0.00	0.00	550,000.00
3,893,224.00	641.89	461,762.63
146,546.00	3,340.00	0.00
0.00	32,920.63	0.00
3,192,687,927.15	7,266,248.06	29,292,252.26
13,613,952.10	0.00	0.00
804,316.98	6,232.91	8,583.90
0.00	0.00	132,396.79
398,357.27	915.04	1,955.28
0.00	0.00	11,320.00
12,286,078.62	0.00	0.00
2,538,438.10	12,255.48	12,746.37
29,641,143.07	19,403.43	167,002.34
3,163,046,784.08	7,246,844.63	29,125,249.92
2,392,864,377.72	5,233,357.60	-
2,215,144,886.30	-	-

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

Quaero Capital Funds (Lux)

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

	Combined	Quaero Capital Funds (Lux) - Argonaut	Quaero Capital Funds (Lux) - World Opportunities
	EUR	EUR	USD
NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD	813,103,569.02	284,919,730.44	24,278,914.42
INCOME			
Dividends, net (note 2.h)	11,374,738.10	5,468,332.48	292,975.01
Interest on bonds, net (note 2.h)	973,133.86	0.00	0.00
Bank interest	164,292.98	0.00	0.00
Income on subscriptions	894.50	0.00	0.00
	12,513,059.44	5,468,332.48	292,975.01
EXPENSES			
Amortization of formation expenses (note 2.d)	6,380.30	0.00	0.00
Investment management and advisory fees (note 4)	7,680,729.88	3,242,460.60	420,793.18
Performance fees (note 5)	133,296.17	0.00	0.00
Depository fees, bank charges and interest	294,255.49	84,637.16	11,048.65
Professional fees, audit fees and other expenses	3,353,595.05	959,546.83	121,031.03
Administration fees	429,150.12	139,414.20	21,255.66
"Taxe d'abonnement" (note 3)	204,343.82	76,669.21	12,871.94
Transaction fees (note 2.m)	1,234,214.03	185,451.02	8,446.22
	13,335,964.86	4,688,179.02	595,446.68
NET INVESTMENT INCOME/LOSS	-822,905.42	780,153.46	-302,471.67
Net realised gain/loss on sales of investments (note 2.e)	-11,487,851.25	11,338,693.12	-1,596,096.76
Net realised gain/loss on foreign exchange (note 2.f)	2,156,328.80	-387,294.02	416,891.91
Net realised gain/loss on forward foreign exchange contracts (notes 2.i, 9)	3,141,188.37	1,521,015.95	311,153.01
Net realised gain on forward contracts (notes 2.j, 2.k, 10, 11)	105,155.87	0.00	0.00
NET REALISED GAIN/LOSS	-6,908,083.63	13,252,568.51	-1,170,523.51
Change in net unrealised appreciation/depreciation:			
- on investments	-10,744,697.60	-24,870,513.80	4,979,895.35
- on forward foreign exchange contracts	929,183.39	522,696.32	207,688.59
- on forward contracts	-112,629.84	0.00	0.00
INCREASE/DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS	-16,836,227.68	-11,095,248.97	4,017,060.43
Redemption concerning a merger (note 1)	-41,907,622.15	0.00	0.00
Proceeds from subscriptions of shares	153,150,128.90	27,547,975.49	783,441.47
Cost of shares redeemed	-318,020,921.76	-112,238,755.78	-2,802,490.31
Dividend distributed (note 14)	-87,415.42	0.00	0.00
Revaluation difference*	8,890,466.91	1,584,831.65	1,725,508.51
Revaluation difference on the net assets at the beginning of the year**	-10,989,276.68		
NET ASSETS AT THE END OF THE YEAR/PERIOD	587,302,701.14	190,718,532.83	28,002,434.52

* The difference mentioned above is the result of fluctuations in the exchange rates used to convert the different items related to share classes denominated in a currency other than the currency of the sub-funds into the currency of the related sub-funds between December 31, 2022 and December 31, 2023.

** The difference mentioned above 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 December 31, 2022 and exchange rates applicable on December 31, 2023.

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

Quaero Capital Funds (Lux)

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

Quaero Capital Funds (Lux) - Bamboo (note 15)	Quaero Capital Funds (Lux) - International Equities (note 1)	Quaero Capital Funds (Lux) - Global Balanced (note 1)	Quaero Capital Funds (Lux) - Infrastructure Securities	Quaero Capital Funds (Lux) - Yield Opportunities
USD	EUR	EUR	EUR	EUR
22,446,402.74	26,664,022.34	24,018,479.08	51,411,723.04	33,387,666.69
193,794.14	63,874.34	47,006.23	1,084,733.04	53,422.14
0.00	0.00	25,982.66	0.00	417,279.42
0.00	41,125.36	36,849.89	0.00	18,466.81
0.00	520.25	374.25	0.00	0.00
193,794.14	105,519.95	110,213.03	1,084,733.04	489,168.37
0.00	0.00	0.00	0.00	0.00
225,270.06	280,071.50	350,885.66	526,127.07	117,416.83
0.00	0.00	0.00	0.00	0.00
8,210.39	7,086.16	8,751.17	18,691.13	9,331.20
137,991.66	83,628.22	104,721.85	218,994.49	97,805.63
11,246.00	11,943.23	12,602.05	26,145.50	9,678.40
4,665.52	3,601.75	4,862.91	8,094.29	4,164.67
105,561.55	10,704.55	13,124.49	76,952.94	37,101.76
492,945.18	397,035.41	494,948.13	875,005.42	275,498.49
-299,151.04	-291,515.46	-384,735.10	209,727.62	213,669.88
-4,524,299.38	4,310,995.08	2,593,566.92	-914,142.84	-1,699,495.05
147,577.87	-164,021.92	-126,575.83	-145,895.48	-96,486.57
-30,084.40	465,808.84	208,392.43	105,962.86	174,014.51
0.00	8,915.65	53,411.21	0.00	0.00
-4,705,956.95	4,330,182.19	2,344,059.63	-744,347.84	-1,408,297.23
1,941,330.81	-2,694,660.38	-1,223,052.35	2,863,369.37	1,482,350.91
-16,315.07	9,688.58	3,813.62	77,049.91	109,982.51
0.00	-42,113.64	-59,196.20	0.00	0.00
-2,780,941.21	1,603,096.75	1,065,624.70	2,196,071.44	184,036.19
0.00	-18,254,222.42	-23,653,399.73	0.00	0.00
2,318,151.59	2,018,638.07	5,688,259.61	6,065,099.29	385,457.51
-5,751,390.22	-12,297,986.78	-7,174,747.84	-19,200,443.53	-25,328,172.27
0.00	0.00	0.00	0.00	-87,415.42
170,540.57	266,452.04	55,784.18	176,466.90	364,741.54
16,402,763.47	-	-	40,648,917.14	8,906,314.24

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

Quaero Capital Funds (Lux)

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

	Quaero Capital Funds (Lux) - Accessible Clean Energy	Quaero Capital Funds (Lux) - New Europe (note 15)	Quaero Capital Funds (Lux) - China (note 15)
	USD	EUR	USD
NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD	138,436,195.62	20,668,195.28	53,608,353.09
INCOME			
Dividends, net (note 2.h)	2,281,463.61	375,554.49	316,749.19
Interest on bonds, net (note 2.h)	0.00	0.00	0.00
Bank interest	0.00	4,280.65	0.00
Income on subscriptions	0.00	0.00	0.00
	2,281,463.61	379,835.14	316,749.19
EXPENSES			
Amortization of formation expenses (note 2.d)	0.00	0.00	0.00
Investment management and advisory fees (note 4)	1,175,777.92	213,649.38	425,090.35
Performance fees (note 5)	0.00	899.38	0.00
Depository fees, bank charges and interest	55,413.47	10,716.14	21,991.87
Professional fees, audit fees and other expenses	542,576.84	98,593.94	263,053.39
Administration fees	70,670.43	8,962.85	34,773.73
"Taxe d'abonnement" (note 3)	39,371.93	2,359.23	7,496.35
Transaction fees (note 2.m)	152,057.66	262,469.77	270,917.27
	2,035,868.25	597,650.69	1,023,322.96
NET INVESTMENT INCOME/LOSS	245,595.36	-217,815.55	-706,573.77
Net realised gain/loss on sales of investments (note 2.e)	-6,863,261.00	2,832,656.17	-20,311,658.33
Net realised gain/loss on foreign exchange (note 2.f)	740,822.87	-44,462.67	1,363,036.24
Net realised gain/loss on forward foreign exchange contracts (notes 2.i, 9)	-433,468.94	429.70	-193,206.13
Net realised gain on forward contracts (notes 2j, 2.k, 10, 11)	0.00	0.00	0.00
NET REALISED GAIN/LOSS	-6,310,311.71	2,570,807.65	-19,848,401.99
Change in net unrealised appreciation/depreciation:			
- on investments	-13,950,544.15	3,028,732.42	7,526,367.23
- on forward foreign exchange contracts	-59,366.74	789.36	-2,215.44
- on forward contracts	0.00	0.00	0.00
INCREASE/DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS	-20,320,222.60	5,600,329.43	-12,324,250.20
Redemption concerning a merger (note 1)	0.00	0.00	0.00
Proceeds from subscriptions of shares	15,503,773.77	58,578.45	8,227,708.69
Cost of shares redeemed	-36,848,443.72	-14,111,730.64	-16,822,204.03
Dividend distributed (note 14)	0.00	0.00	0.00
Revaluation difference*	1,171,469.70	-7,178.52	1,839,621.45
NET ASSETS AT THE END OF THE YEAR/PERIOD	97,942,772.77	12,208,194.00	34,529,229.00

* The difference mentioned above is the result of fluctuations in the exchange rates used to convert the different items related to share classes denominated in a currency other than the currency of the sub-funds into the currency of the related sub-funds between December 31, 2022 and December 31, 2023.

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

Quaero Capital Funds (Lux)

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

Quaero Capital Funds (Lux) - Cullen ESG US Value	Quaero Capital Funds (Lux) - Global Convertible Bonds	Quaero Capital Funds (Lux) - Taiko Japan	Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 15)	Quaero Capital Funds (Lux) - Net Zero Emission (note 1)
USD	EUR	JPY	EUR	USD
40,954,683.02	73,295,281.37	2,392,864,377.72	5,233,357.60	15,383,580.82
730,763.92	231.80	66,974,216.95	222,032.21	193,576.67
0.00	406,821.73	0.00	0.00	0.00
67,746.01	0.00	0.00	390.25	380.53
0.00	0.00	0.00	0.00	0.00
798,509.93	407,053.53	66,974,216.95	222,422.46	193,957.20
2,602.15	0.00	80,264.60	0.00	3,876.52
288,933.43	413,163.11	9,977,581.49	74,769.66	98,661.50
0.00	0.00	0.00	0.00	0.00
16,752.68	32,675.83	1,635,401.80	2,551.45	5,828.06
238,244.77	336,383.73	16,953,961.87	55,156.27	105,489.44
26,126.14	42,083.33	2,109,891.57	4,497.10	10,760.48
16,339.18	8,017.57	1,738,898.27	4,283.44	6,709.81
22,943.14	6,266.84	2,901,205.98	45,443.87	65,503.46
611,941.49	838,590.41	35,397,205.58	186,701.79	296,829.27
186,568.44	-431,536.88	31,577,011.37	35,720.67	-102,872.07
433,671.64	-1,758,657.99	294,784,849.09	163,442.74	-593,234.20
513,238.27	-171,363.43	-5,272,389.63	-22,971.03	517,568.98
94,020.79	748,323.61	153,204,532.59	69,371.28	-1,003,214.23
0.00	0.00	0.00	0.00	0.00
1,227,499.14	-1,613,234.69	474,294,003.42	245,563.66	-1,181,751.52
1,687,582.28	5,999,469.38	281,960,081.00	-93,106.09	0.00
-776.34	16,301.25	6,037,945.97	33,298.19	0.00
0.00	0.00	0.00	0.00	0.00
2,914,305.08	4,402,535.94	762,292,030.39	185,755.76	-1,181,751.52
0.00	0.00	0.00	0.00	0.00
14,335,020.96	28,254,255.56	2,368,072,377.73	1,821,028.89	776,356.57
-17,980,163.01	-24,999,028.50	-2,486,616,679.20	-123,015.54	-15,435,832.74
0.00	0.00	0.00	0.00	0.00
719,389.82	0.00	126,434,677.44	129,717.92	457,646.87
40,943,235.87	80,953,044.37	3,163,046,784.08	7,246,844.63	-

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

Quaero Capital Funds (Lux)

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

Quaero Capital Funds
(Lux) - Bond Investment
Opportunity (note 1)

EUR

NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD	-
INCOME	
Dividends, net (note 2.h)	0.00
Interest on bonds, net (note 2.h)	123,050.05
Bank interest	1,507.53
Income on subscriptions	0.00
	124,557.58
EXPENSES	
Amortization of formation expenses (note 2.d)	0.00
Investment management and advisory fees (note 4)	13,176.33
Performance fees (note 5)	132,396.79
Depository fees, bank charges and interest	1,365.67
Professional fees, audit fees and other expenses	14,936.93
Administration fees	2,005.88
"Taxe d'abonnement" (note 3)	1,955.28
Transaction fees (note 2.m)	11,890.98
	177,727.86
NET INVESTMENT INCOME/LOSS	-53,170.28
Net realised gain/loss on sales of investments (note 2.e)	37,698.96
Net realised gain/loss on foreign exchange (note 2.f)	560.97
Net realised gain/loss on forward foreign exchange contracts (notes 2.i, 9)	32.56
Net realised gain on forward contracts (notes 2j, 2.k, 10, 11)	42,829.01
NET REALISED GAIN/LOSS	27,951.22
Change in net unrealised appreciation/depreciation:	
- on investments	974,514.60
- on forward foreign exchange contracts	0.00
- on forward contracts	-11,320.00
INCREASE/DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS	991,145.82
Redemption concerning a merger (note 1)	0.00
Proceeds from subscriptions of shares	28,134,104.10
Cost of shares redeemed	0.00
Dividend distributed (note 14)	0.00
Revaluation difference*	0.00
NET ASSETS AT THE END OF THE YEAR/PERIOD	29,125,249.92

* The difference mentioned above is the result of fluctuations in the exchange rates used to convert the different items related to share classes denominated in a currency other than the currency of the sub-funds into the currency of the related sub-funds between December 31, 2022 and December 31, 2023.

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

Quaero Capital Funds (Lux)

Number of shares outstanding and net asset value per share

Sub-fund Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
		31.12.2023	31.12.2023	31.12.2022	31.12.2021
Quaero Capital Funds (Lux) - Argonaut					
A (ACC) EUR	EUR	132,326.31	397.69	421.61	483.48
A (ACC) CHF	CHF	46,107.84	262.07	284.08	326.57
A (ACC) GBP	GBP	20,067.04	352.91	369.72	419.00
A (ACC) SEK	SEK	2,270.02	335.47	356.50	409.63
A (ACC) USD	USD	26,977.42	303.76	315.93	353.24
A1 (ACC) EUR	EUR	57,655.40	116.33	123.25	141.28
B (ACC) EUR	EUR	205,774.91	287.31	303.72	347.36
D (ACC) EUR	EUR	1,147.92	263.63	280.89	323.72
H (ACC) EUR	EUR	28,560.82	777.78	824.58	945.59
X (ACC) GBP	GBP	70,901.31	243.59	254.56	288.22
S (ACC) EUR	EUR	1.97	447.62	466.43	526.18
Z (ACC) EUR	EUR	97.54	11,897.52	12,400.50	13,982.89
Quaero Capital Funds (Lux) - World Opportunities					
A (ACC) EUR	EUR	20,306.30	121.56	103.89	152.00
A (ACC) CHF	CHF	147,115.85	115.77	100.93	147.73
A (ACC) USD	USD	30,384.98	143.63	119.56	168.22
D (ACC) EUR	EUR	2,490.74	178.86	153.63	225.89
D (ACC) USD	USD	900.00	204.31	170.94	241.71
Quaero Capital Funds (Lux) - Bamboo (note 15)					
A (ACC) USD	USD	18,026.93	111.91	127.34	189.18
A (ACC) EUR	EUR	28,214.60	93.23	109.00	166.49
B (ACC) USD	USD	45,745.08	114.85	130.26	192.86
C (ACC) USD	USD	33,050.99	101.62	115.03	169.97
C (ACC) EUR	EUR	12,182.39	80.97	94.16	143.05
X (ACC) USD	USD	14,714.66	120.79	136.43	201.15
Quaero Capital Funds (Lux) - International Equities (note 1)					
A (ACC) EUR	EUR	-	-	170.40	198.71
A (ACC) CHF	CHF	-	-	139.87	164.06
A (ACC) USD	USD	-	-	109.51	124.81
Quaero Capital Funds (Lux) - Global Balanced (note 1)					
A (ACC) EUR	EUR	-	-	130.81	147.41
A (ACC) CHF	CHF	-	-	115.65	131.09
Quaero Capital Funds (Lux) - Infrastructure Securities					
A (ACC) EUR	EUR	28,639.46	177.04	168.52	186.24
A (ACC) USD	USD	8,149.16	202.32	189.14	204.59
A (ACC) CHF	CHF	9,440.97	163.33	158.92	176.49
A (ACC) GBP	GBP	-	-	-	-
A (DIST) USD	USD	-	-	100.62	110.96
A1 (DIST) CHF	CHF	17,311.19	145.07	141.09	156.64
C (ACC) EUR	EUR	186,551.08	145.87	138.10	151.81
C (ACC) CHF	CHF	6,928.00	112.36	108.74	120.11
C (ACC) USD	USD	11,000.00	107.19	99.67	107.23
D (ACC) EUR	EUR	6,070.00	100.53	96.17	-
Quaero Capital Funds (Lux) - Yield Opportunities					
A (ACC) EUR	EUR	6,058.01	123.03	126.75	136.33
A (ACC) CHF	CHF	1,295.39	91.05	95.93	103.79
A (ACC) USD	USD	6,311.07	114.63	115.82	122.81
D1 (ACC) EUR	EUR	32,000.49	111.16	114.62	123.41
D1 (ACC) CHF	CHF	8,895.04	87.60	92.38	100.04
C (DIST) EUR	EUR	4,282.11	88.66	93.72	104.29
C (DIST) CHF	CHF	27,476.16	81.87	88.51	99.07
C (DIST) GBP	GBP	1,694.75	94.55	98.60	108.32
C (DIST) USD	USD	-	-	103.71	113.75

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

Quaero Capital Funds (Lux)

Number of shares outstanding and net asset value per share (continued)

Sub-fund Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
		31.12.2023	31.12.2023	31.12.2022	31.12.2021
Quaero Capital Funds (Lux) - Accessible Clean Energy					
A (ACC) CHF	CHF	18,712.12	101.99	124.65	158.95
A (ACC) USD	USD	19,365.86	150.72	175.14	213.93
A (ACC) EUR	EUR	12,138.53	120.72	144.70	184.53
B (ACC) USD	USD	16,586.84	157.07	181.99	221.65
B (ACC) EUR	EUR	20,009.90	121.14	144.78	184.09
C (ACC) EUR	EUR	113,334.44	118.65	141.51	179.56
C (ACC) USD	USD	28,658.59	191.35	221.16	268.67
C (ACC) EUR (non hedged)	EUR	134,864.00	160.43	191.92	218.83
C (ACC) GBP	GBP	418.65	74.05	86.88	108.76
D (ACC) EUR	EUR	3,143.00	72.84	87.74	-
X (ACC) USD	USD	215,086.75	192.12	221.58	-
Quaero Capital Funds (Lux) - New Europe (note 15)					
A (ACC) EUR	EUR	15,232.57	140.86	102.80	131.92
A (ACC) USD	USD	2,050.48	158.82	113.85	141.29
C (ACC) EUR	EUR	67,108.00	145.55	105.66	134.87
Z (ACC) EUR	EUR	-	-	10,734.71	13,508.43
Quaero Capital Funds (Lux) - China (note 15)					
C (ACC) USD	USD	166,789.77	51.09	62.08	93.94
C (ACC) CHF	CHF	87,956.36	46.38	58.99	92.38
C (ACC) EUR	EUR	249,956.52	47.55	59.37	92.50
D1 (ACC) EUR	EUR	84,803.42	46.01	57.97	91.12
D1 (ACC) CHF	CHF	82,236.11	35.88	46.04	72.75
D1 (ACC) USD	USD	4,390.92	48.69	59.70	91.14
Quaero Capital Funds (Lux) - Cullen ESG US Value					
A1 (ACC) USD	USD	78,455.74	141.24	131.78	143.46
A1 (ACC) EUR	EUR	2,885.00	124.02	118.71	133.50
C (ACC) GBP	GBP	511.35	95.68	89.89	99.45
D (ACC) USD	USD	46,621.88	140.98	131.59	143.31
X (ACC) EUR	EUR	-	-	106.49	-
X (ACC) USD	USD	51,321.95	144.18	133.91	145.10
X (ACC) GBP	GBP	123,200.80	98.26	92.12	101.74
Quaero Capital Funds (Lux) - Global Convertible Bonds					
A1 (ACC) EUR	EUR	3,098.46	105.89	99.91	120.08
C (ACC) EUR	EUR	286,250.69	108.70	102.31	122.65
C (DIST) EUR	EUR	450,000.00	108.70	102.31	122.65
D (ACC) EUR	EUR	6,840.00	87.26	83.20	101.03
Quaero Capital Funds (Lux) - Taiko Japan					
Z (ACC) EUR	EUR	6,674.36	170.54	135.37	130.23
Z (ACC) CHF	CHF	500.00	111.82	-	-
Z (ACC) GBP	GBP	7,912.03	176.69	138.16	131.02
Z (ACC) GBP (non hedged)	GBP	23,190.46	125.77	116.65	113.60
Z (ACC) USD	USD	29,376.51	179.84	139.91	131.67
Z (ACC) JPY	JPY	86,945.00	16,748.00	13,719.00	13,129.00
Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 15)					
D1 (ACC) EUR	EUR	22,500.00	105.72	100.36	-
D1 (ACC) CHF	CHF	20,200.00	103.40	100.30	-
X (ACC) EUR	EUR	21,772.00	106.65	100.40	-
X (ACC) CHF	CHF	1,500.00	104.31	100.34	-
X (ACC) USD	USD	1,313.96	110.48	101.81	-

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

Quaero Capital Funds (Lux)

Number of shares outstanding and net asset value per share (continued)

Sub-fund Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
		31.12.2023	31.12.2023	31.12.2022	31.12.2021
Quaero Capital Funds (Lux) - Net Zero Emission (note 1)					
X (ACC) EUR	EUR	-	-	105.55	-
X (ACC) USD	USD	-	-	-	-
Quaero Capital Funds (Lux) - Bond Investment Opportunity (note 1)					
D (ACC) EUR	EUR	9.03	1,012.21	-	-
X (ACC) EUR	EUR	28,124.17	1,035.27	-	-

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

Quaero Capital Funds (Lux) - Argonaut

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>AUSTRIA</i>				
ZUMTOBEL	EUR	826,700.00	5,191,676.00	2.72
			5,191,676.00	2.72
<i>FINLAND</i>				
RAPALA VMC	EUR	1,675,763.00	5,027,289.00	2.64
			5,027,289.00	2.64
<i>FRANCE</i>				
BIGBEN INTERACTIVE	EUR	908,096.00	3,142,012.16	1.65
CATERING INTERNATIONAL SERVICES	EUR	269,002.00	2,388,737.76	1.25
CEGEDIM	EUR	377,815.00	6,747,775.90	3.54
CNIM GROUP *	EUR	66,198.00	0.00	0.00
DAMARTEX	EUR	438,567.00	1,951,623.15	1.02
EXAIL TECHNOLOGIES	EUR	401,560.00	7,750,108.00	4.06
GUERBET	EUR	180,901.00	3,527,569.50	1.85
HIGH CO	EUR	402,796.00	1,510,485.00	0.79
LACROIX GROUP	EUR	140,460.00	4,185,708.00	2.19
NACON	EUR	181,619.00	302,940.49	0.16
PRODWAYS GROUP	EUR	687,941.00	660,423.36	0.35
QUADIENT	EUR	383,106.00	7,363,297.32	3.86
VIEL	EUR	1,125,784.00	9,569,164.00	5.02
VISIATIV	EUR	50,633.00	1,372,154.30	0.72
			50,471,998.94	26.46
<i>GERMANY</i>				
A S CREATION TAPETEN	EUR	74,156.00	756,391.20	0.40
CENTROTHERM PHOTOVOLTAICS	EUR	102,400.00	493,568.00	0.26
CHERRY	EUR	345,015.00	1,098,872.78	0.58
DR. HOENLE	EUR	153,433.00	2,685,077.50	1.41
HGEARS	EUR	190,700.00	676,985.00	0.35
KOENIG & BAUER	EUR	289,410.00	3,501,861.00	1.84
MISTER SPEX	EUR	795,644.00	2,510,256.82	1.32
			11,723,012.30	6.16
<i>GREECE</i>				
SARANTIS	EUR	391,735.00	3,282,739.30	1.72
			3,282,739.30	1.72
<i>ITALY</i>				
BIESSE	EUR	30,000.00	381,000.00	0.20
CELLULARLINE	EUR	1,635,319.00	3,826,646.46	2.01
EMAK	EUR	3,774,082.00	4,143,942.04	2.17

* Fair valued investment by the BOD of the SICAV
The accompanying notes form an integral part of these financial statements.

Quaero Capital Funds (Lux) - Argonaut

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
PIQUADRO	EUR	2,842,872.00	6,225,889.68	3.26
SABAF	EUR	390,709.00	6,782,708.24	3.56
SAFILO GROUP -POST RAGGRUPPAMENTO-	EUR	7,288,204.00	6,661,418.46	3.49
			28,021,604.88	14.69
<i>LUXEMBOURG</i>				
EXCEET GROUP	EUR	1,020,158.00	4,651,920.48	2.44
			4,651,920.48	2.44
<i>NETHERLANDS</i>				
HEIJMANS SHS CERT.	EUR	853,698.00	10,346,819.76	5.42
			10,346,819.76	5.42
<i>NORWAY</i>				
NORSKE SKOG	NOK	142,100.00	524,396.39	0.27
STRONGPOINT	NOK	1,791,821.00	2,132,264.94	1.12
			2,656,661.33	1.39
<i>SPAIN</i>				
LABORATORIO REIG JOFRE	EUR	2,331,967.00	5,246,925.75	2.75
			5,246,925.75	2.75
<i>SWEDEN</i>				
ITAB SHOP CONCEPT	SEK	2,051,790.00	2,230,106.25	1.17
PRICER 'B'	SEK	12,281,112.00	8,604,776.02	4.51
STUDSVIK	SEK	336,300.00	3,909,024.74	2.05
			14,743,907.01	7.73
<i>SWITZERLAND</i>				
CICOR TECHNOLOGIES	CHF	66,391.00	3,556,167.23	1.86
HOCHDORF HOLDING	CHF	10,086.00	168,149.00	0.09
IMPLENIA	CHF	169,452.00	5,558,916.63	2.91
PHOENIX MECANO	CHF	7,491.00	3,496,818.97	1.83
RIETER HOLDING	CHF	47,815.00	4,633,749.73	2.43
STARRAGTORNOS	CHF	119,594.00	6,380,205.84	3.35
U-BLOX HOLDING	CHF	88,214.00	9,478,653.03	4.97
			33,272,660.43	17.44
<i>UNITED KINGDOM</i>				
CAMELLIA PLC	GBP	139,148.00	7,450,955.75	3.91
FIH GROUP	GBP	1,021,234.00	2,592,775.90	1.36
HEADLAM GROUP	GBP	358,160.00	892,787.02	0.47
TANFIELD GROUP	GBP	12,202,789.00	549,212.92	0.29
			11,485,731.59	6.03
TOTAL I.			186,122,946.77	97.59

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

Quaero Capital Funds (Lux) - Argonaut

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
II. OTHER TRANSFERABLE SECURITIES				
SHARES				
<i>CYPRUS</i>				
HELESI *	GBP	1,015,200.00	0.00	0.00
			0.00	0.00
<i>LUXEMBOURG</i>				
LUMX GROUP *	CHF	87.00	93,575.65	0.05
			93,575.65	0.05
TOTAL II.			93,575.65	0.05
TOTAL INVESTMENTS			186,216,522.42	97.64
CASH AT BANKS			4,626,604.58	2.43
OTHER NET LIABILITIES			-124,594.17	-0.07
TOTAL NET ASSETS			190,718,532.83	100.00

* Fair valued investment by the BOD of the SICAV
The accompanying notes form an integral part of these financial statements.

Quaero Capital Funds (Lux) - Argonaut

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

Geographical classification

(in % of net assets)

France	26.46
Switzerland	17.44
Italy	14.69
Sweden	7.73
Germany	6.16
United Kingdom	6.03
Netherlands	5.42
Spain	2.75
Austria	2.72
Finland	2.64
Luxembourg	2.49
Greece	1.72
Norway	1.39
Cyprus	0.00
	97.64

Industrial classification

(in % of net assets)

Electronics and electrical equipment	21.16
Construction of machines and appliances	18.16
Holding and finance companies	11.61
Construction and building materials	8.33
Internet, software and IT services	5.54
Photography and optics	4.81
Textiles and clothing	4.28
Food and soft drinks	4.09
Retail and supermarkets	3.01
Gastronomy	2.64
Mortgage and funding institutions	2.44
Stainless steel	2.19
Environmental services & recycling	2.05
Pharmaceuticals and cosmetics	1.85
Chemicals	1.72
Computer and office equipment	1.37
Utilities	1.17
Miscellaneous investment goods	0.87
Mining and steelworks	0.35
Miscellaneous trade	0.00
	97.64

Quaero Capital Funds (Lux) - World Opportunities

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>CANADA</i>				
CAMECO	USD	34,130.00	1,471,003.00	5.25
			1,471,003.00	5.25
<i>CYPRUS</i>				
ALIBABA GROUP HOLDING ADR -SPONS.-	USD	6,800.00	527,068.00	1.88
			527,068.00	1.88
<i>FRANCE</i>				
AIR LIQUIDE	EUR	6,677.00	1,299,017.20	4.64
LVMH MOET HENNESSY LOUIS VUITTON	EUR	1,450.00	1,175,038.71	4.20
TOTALENERGIES	EUR	21,470.00	1,460,957.58	5.22
			3,935,013.49	14.06
<i>IRELAND</i>				
ACCENTURE 'A'	USD	1,890.00	663,219.90	2.37
			663,219.90	2.37
<i>NETHERLANDS</i>				
FERRARI	EUR	2,050.00	691,135.56	2.47
			691,135.56	2.47
<i>SWITZERLAND</i>				
COMPAGNIE FINANCIERE RICHEMONT	CHF	7,440.00	1,023,204.42	3.65
FORBO HOLDING	CHF	380.00	475,874.77	1.70
SIKA	CHF	2,500.00	812,986.40	2.90
SONOVA HOLDING NOMINAL	CHF	2,739.00	892,985.92	3.19
STRAUMANN HOLDING	CHF	5,600.00	902,227.77	3.22
ZURICH INSURANCE GROUP NOMINAL	CHF	1,050.00	548,422.74	1.96
			4,655,702.02	16.62
<i>UNITED STATES</i>				
ADVANCED MICRO DEVICES	USD	9,390.00	1,384,179.90	4.94
ALPHABET 'A'	USD	7,270.00	1,015,546.30	3.63
APPLE	USD	5,310.00	1,022,334.30	3.65
BERKSHIRE HATHAWAY 'B'	USD	1,810.00	645,554.60	2.31
COCA-COLA	USD	13,720.00	808,519.60	2.89
GOLDMAN SACHS GROUP	USD	1,770.00	682,812.90	2.44
MASTERCARD 'A'	USD	3,610.00	1,539,701.10	5.49
MICRON TECHNOLOGY	USD	14,463.00	1,234,272.42	4.41
MICROSOFT	USD	3,180.00	1,195,807.20	4.27

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

Quaero Capital Funds (Lux) - World Opportunities

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
MODERNA	USD	8,500.00	845,325.00	3.02
PAYPAL HOLDINGS	USD	13,000.00	798,330.00	2.85
WALMART	USD	6,900.00	1,087,785.00	3.88
			12,260,168.32	43.78
TOTAL I.			24,203,310.29	86.43
II. UNITS OF INVESTMENT FUNDS				
<i>LUXEMBOURG</i>				
AGIF - CHINA A - SHARES AT USD -ACC.-	USD	84,390.00	790,506.45	2.82
VONTOBEL - SUSTAINABLE E/M LEADERS I	USD	7,250.00	1,108,307.50	3.96
			1,898,813.95	6.78
TOTAL II.			1,898,813.95	6.78
TOTAL INVESTMENTS			26,102,124.24	93.21
CASH AT BANKS			1,693,626.37	6.05
OTHER NET ASSETS			206,683.91	0.74
TOTAL NET ASSETS			28,002,434.52	100.00

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

Quaero Capital Funds (Lux) - World Opportunities

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

Geographical classification

(in % of net assets)

United States	43.78
Switzerland	16.62
France	14.06
Luxembourg	6.78
Canada	5.25
Netherlands	2.47
Ireland	2.37
Cyprus	1.88
	93.21

Industrial classification

(in % of net assets)

Computer and office equipment	12.33
Electronics and electrical equipment	10.50
Oil and gas	10.47
Banks and credit institutions	7.93
Chemicals	7.54
Units of investment funds	6.78
Pharmaceuticals and cosmetics	6.24
Internet, software and IT services	5.51
Holding and finance companies	5.16
Textiles and clothing	4.20
Retail and supermarkets	3.88
Watch-making	3.65
Food and soft drinks	2.89
Automobiles	2.47
Insurance	1.96
Construction and building materials	1.70
	93.21

Quaero Capital Funds (Lux) - Bamboo (note 15)

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>AUSTRALIA</i>				
EVOLUTION MINING	AUD	335,557.00	906,710.78	5.53
FORTESCUE METALS	AUD	46,414.00	919,080.80	5.60
NORTHERN STAR RESOURCES	AUD	52,792.00	491,708.88	3.00
			2,317,500.46	14.13
<i>CAYMAN ISLANDS</i>				
DIDI GLOBAL ADR -SPONS.-	USD	235,227.00	929,146.65	5.67
FUTU HOLDINGS -ADR SPONS.-	USD	14,949.00	816,663.87	4.98
INNOVENT BIOLOGICS 144A/S	HKD	70,500.00	385,972.23	2.35
KE HOLDINGS 'A'	HKD	158,500.00	878,917.25	5.36
LUCKIN COFFEE 'A' ADR -SPONS.-	USD	25,132.00	685,600.96	4.18
MINISO GROUP HOLDING 144A/S	HKD	114,000.00	586,166.82	3.57
PINDUODUO HOLDINGS 'A' ADR -SPONS.-	USD	6,176.00	903,610.56	5.51
WUXI XDC 144A/S	HKD	306.00	1,254.01	0.01
XPENG 'A'	HKD	47,200.00	342,732.97	2.09
			5,530,065.32	33.72
<i>CHINA</i>				
KANZHUN -ADR SPONS.-	USD	53,060.00	881,326.60	5.37
NEW ORIENTAL EDUCATION & TECHNOLOGY GROUP	USD	6,298.00	461,517.44	2.81
			1,342,844.04	8.18
<i>FRANCE</i>				
GAZTRANSPORT & TECHNIGAZ	EUR	4,378.00	579,855.51	3.54
			579,855.51	3.54
<i>INDIA</i>				
AMBER ENTERPRISES INDIA	INR	19,249.00	725,280.27	4.42
ZOMATO -IPO- 144A REG S	INR	523,527.00	778,239.94	4.74
			1,503,520.21	9.16
<i>INDONESIA</i>				
JASA MARGA (PERSERO) TBK 'B'	IDR	1,706,700.00	539,789.27	3.29
MITRA ADIPERKASA	IDR	4,547,600.00	528,656.27	3.22
			1,068,445.54	6.51
<i>MALAYSIA</i>				
GREATECH TECHNOLOGY	MYR	520,800.00	544,034.83	3.32
			544,034.83	3.32
<i>SINGAPORE</i>				
YANGZIJIANG SHIPBUILDING	SGD	383,200.00	432,846.86	2.64
			432,846.86	2.64

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

Quaero Capital Funds (Lux) - Bamboo (note 15)

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>SOUTH KOREA</i>				
DENTIUM CO	KRW	7,008.00	712,830.21	4.35
			712,830.21	4.35
<i>TAIWAN</i>				
PHISON ELECTRONICS	TWD	34,000.00	576,074.12	3.51
			576,074.12	3.51
<i>UNITED STATES</i>				
ACM RESEARCH 'A'	USD	31,699.00	619,398.46	3.78
NEWMONT	AUD	11,012.00	456,402.78	2.78
			1,075,801.24	6.56
TOTAL INVESTMENTS			15,683,818.34	95.62
CASH AT BANKS			829,724.82	5.06
OTHER NET LIABILITIES			-110,779.69	-0.68
TOTAL NET ASSETS			16,402,763.47	100.00

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

Quaero Capital Funds (Lux) - Bamboo (note 15)

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

Geographical classification

(in % of net assets)

Cayman Islands	33.72
Australia	14.13
India	9.16
China	8.18
United States	6.56
Indonesia	6.51
South Korea	4.35
France	3.54
Taiwan	3.51
Malaysia	3.32
Singapore	2.64
	95.62

Industrial classification

(in % of net assets)

Precious metals and stones	16.91
Internet, software and IT services	11.04
Electronics and electrical equipment	7.93
Construction of machines and appliances	7.10
Retail and supermarkets	6.79
Pharmaceuticals and cosmetics	6.70
Transport and freight	5.93
Publishing and graphic arts	5.51
Real Estate Shares	5.36
Holding and finance companies	4.98
Food and soft drinks	4.74
Communications	4.18
Utilities	3.54
Miscellaneous	2.81
Automobiles	2.09
Biotechnology	0.01
	95.62

Quaero Capital Funds (Lux) - Infrastructure Securities

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>AUSTRALIA</i>				
CLEANAWAY WASTE MANAGEMENT	AUD	503,500.00	836,631.46	2.06
			836,631.46	2.06
<i>BELGIUM</i>				
ELIA SYSTEM OPERATOR	EUR	12,500.00	1,416,250.00	3.48
			1,416,250.00	3.48
<i>CANADA</i>				
HYDRO ONE	CAD	51,008.00	1,390,244.37	3.42
KEYERA	CAD	25,500.00	560,737.32	1.38
			1,950,981.69	4.80
<i>DENMARK</i>				
ORSTED	DKK	18,600.00	933,921.42	2.30
			933,921.42	2.30
<i>FRANCE</i>				
EIFFAGE	EUR	6,350.00	616,077.00	1.52
ENGIE	EUR	123,826.00	1,971,062.27	4.85
GETLINK	EUR	74,000.00	1,225,810.00	3.02
VEOLIA ENVIRONNEMENT	EUR	65,300.00	1,864,968.00	4.59
VINCI	EUR	19,612.00	2,229,884.40	5.48
			7,907,801.67	19.46
<i>GERMANY</i>				
R.W.E.	EUR	50,300.00	2,071,354.00	5.10
			2,071,354.00	5.10
<i>GREECE</i>				
GEK TERNA HOLDING REAL ESTATE & CONSTRUCTION	EUR	47,500.00	625,100.00	1.54
TERNA ENERGY	EUR	31,700.00	504,030.00	1.24
			1,129,130.00	2.78
<i>ITALY</i>				
INFRASTRUTTURE WIRELESS ITALIANE	EUR	149,700.00	1,714,065.00	4.22
TELECOM ITALIA	EUR	1,976,000.00	581,339.20	1.43
			2,295,404.20	5.65
<i>NETHERLANDS</i>				
FERROVIAL	EUR	53,955.00	1,781,594.10	4.38
			1,781,594.10	4.38

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

Quaero Capital Funds (Lux) - Infrastructure Securities

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>NEW ZEALAND</i>				
INFRATIL	NZD	284,450.00	1,635,267.78	4.02
			1,635,267.78	4.02
<i>SPAIN</i>				
CELLNEX TELECOM	EUR	64,450.00	2,298,287.00	5.64
SOLARIA ENERGIA Y MEDIO AMBIENTE	EUR	46,764.00	870,278.04	2.14
			3,168,565.04	7.78
<i>UNITED KINGDOM</i>				
SCOTTISH & SOUTHERN ENERGY	GBP	96,000.00	2,056,204.19	5.06
			2,056,204.19	5.06
<i>UNITED STATES</i>				
AMERICAN TOWER	USD	8,900.00	1,739,312.29	4.28
CENTERPOINT ENERGY	USD	49,906.00	1,290,738.17	3.18
CHENIERE ENERGY	USD	6,630.00	1,024,584.17	2.52
CONSTELLATION ENERGY CORP	USD	5,505.00	582,518.65	1.43
EQUINIX	USD	2,100.00	1,531,089.85	3.77
PG & E	USD	88,700.00	1,447,753.08	3.56
REPUBLIC SERVICES	USD	9,400.00	1,403,298.29	3.45
SBA COMMUNICATIONS 'A'	USD	3,730.00	856,618.27	2.11
SEMPRA ENERGY	USD	13,080.00	884,866.75	2.18
TARGA RESOURCES	USD	7,400.00	581,937.97	1.43
WASTE MANAGEMENT	USD	7,100.00	1,151,142.49	2.83
			12,493,859.98	30.74
TOTAL INVESTMENTS			39,676,965.53	97.61
CASH AT BANKS			954,120.73	2.35
OTHER NET ASSETS			17,830.88	0.04
TOTAL NET ASSETS			40,648,917.14	100.00

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

Quaero Capital Funds (Lux) - Infrastructure Securities

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

Geographical classification

(in % of net assets)

United States	30.74
France	19.46
Spain	7.78
Italy	5.65
Germany	5.10
United Kingdom	5.06
Canada	4.80
Netherlands	4.38
New Zealand	4.02
Belgium	3.48
Greece	2.78
Denmark	2.30
Australia	2.06
	97.61

Industrial classification

(in % of net assets)

Public utilities	28.51
Holding and finance companies	15.54
Communications	11.29
Environmental conservation and waste management	10.87
Real Estate Shares	7.42
Construction and building materials	7.00
Oil	3.90
Energy	3.56
Miscellaneous	3.02
Energy equipment & services	2.30
Biotechnology	2.14
Construction of machines and appliances	2.06
	97.61

Quaero Capital Funds (Lux) - Yield Opportunities

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>CANADA</i>				
AGNICO EAGLE MINES	USD	3,000.00	148,961.16	1.67
WHEATON PRECIOUS METALS	USD	3,000.00	133,997.15	1.50
			282,958.31	3.17
<i>CAYMAN ISLANDS</i>				
ANTA SPORTS PRODUCTS	HKD	10,000.00	87,819.03	0.99
CHOW TAI FOOK JEWELLERY GROUP	HKD	30,000.00	40,414.14	0.45
HUAZHOU GROUP ADR -SPONS.-	USD	2,800.00	84,761.66	0.95
MINTH GROUP	HKD	50,000.00	91,470.91	1.03
SANDS CHINA	HKD	41,000.00	108,611.56	1.22
			413,077.30	4.64
<i>CURACAO</i>				
SCHLUMBERGER	USD	3,500.00	164,884.75	1.85
			164,884.75	1.85
<i>CYPRUS</i>				
ALIBABA GROUP HOLDING ADR -SPONS.-	USD	1,300.00	91,217.10	1.02
			91,217.10	1.02
<i>FRANCE</i>				
SEB	EUR	1,400.00	158,200.00	1.78
			158,200.00	1.78
<i>HONG KONG</i>				
AIA GROUP REG. -S-	HKD	16,000.00	126,227.53	1.42
CHINA RESOURCES BEER HOLDINGS	HKD	21,000.00	83,262.87	0.93
			209,490.40	2.35
<i>JAPAN</i>				
MITSUBISHI UFJ FINANCIAL GROUP	JPY	23,000.00	178,924.25	2.01
SUMITOMO MITSUI FINANCIAL GRP	JPY	3,500.00	154,623.12	1.74
			333,547.37	3.75
<i>LUXEMBOURG</i>				
SAMSONITE INTERNATIONAL	HKD	54,000.00	161,204.43	1.81
			161,204.43	1.81
<i>RUSSIA</i>				
GAZPROM ADR -SPONS.- **	USD	44,000.00	0.00	0.00
			0.00	0.00

** Fair valued investment by the BOD of the SICAV (note 13)
The accompanying notes form an integral part of these financial statements.

Quaero Capital Funds (Lux) - Yield Opportunities

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

Description	Currency	Quantity/Nominal	Market value (note 2)	% of net assets
SWEDEN				
SAAB 'B'	SEK	3,000.00	163,736.80	1.84
			163,736.80	1.84
UNITED STATES				
HALLIBURTON	USD	5,000.00	163,626.43	1.84
NEWMONT CORP	USD	3,600.00	134,887.93	1.51
YUM CHINA HOLDINGS	HKD	2,700.00	103,984.68	1.17
			402,499.04	4.52
TOTAL SHARES			2,380,815.50	26.73
BONDS				
BRAZIL				
8.50% BRAZIL (DUAL) -12/24-	BRL	6,000,000.00	1,117,616.28	12.56
10.25% BRAZIL (DUAL) -07/28-	BRL	4,000,000.00	757,338.46	8.50
			1,874,954.74	21.06
CHINA				
3.03% CHINA 19/24 -SR-	CNY	6,000,000.00	767,768.38	8.62
3.80% AGRICULTURAL BANK OF CHINA (HONG KONG) 20/30 -SR-	CNY	2,500,000.00	336,394.05	3.78
			1,104,162.43	12.40
MEXICO				
5.50% PEMEX PROJECT FUNDING MASTER 05/25 -SR-	EUR	400,000.00	403,322.44	4.53
			403,322.44	4.53
RUSSIA				
FRN RUSSIA 14/25 S9006 **	RUB	100,000,000.00	0.00	0.00
			0.00	0.00
SWEDEN				
1.75% SWEDEN 22/33 SR 144A/S	SEK	8,000,000.00	700,820.66	7.87
2.25% SWEDEN 12/32 '1056'	SEK	7,000,000.00	641,555.24	7.20
			1,342,375.90	15.07
UNITED STATES				
0.00% US TREASURY -PRIN- 01/31 -SR-	USD	1,200,000.00	832,283.92	9.34
			832,283.92	9.34
TOTAL BONDS			5,557,099.43	62.40

** Fair valued investment by the BOD of the SICAV (note 13)
The accompanying notes form an integral part of these financial statements.

Quaero Capital Funds (Lux) - Yield Opportunities

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

Description	Market value (note 2)	% of net assets
TOTAL INVESTMENTS	7,937,914.93	89.13
CASH AT BANKS	91,935.48	1.03
BANK DEPOSITS	724,211.04	8.13
BANK OVERDRAFT	-329.33	0.00
OTHER NET ASSETS	152,582.12	1.71
TOTAL NET ASSETS	8,906,314.24	100.00

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

Quaero Capital Funds (Lux) - Yield Opportunities

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

Geographical classification

(in % of net assets)

Brazil	21.06
Sweden	16.91
United States	13.86
China	12.40
Cayman Islands	4.64
Mexico	4.53
Japan	3.75
Canada	3.17
Hong Kong	2.35
Curacao	1.85
Luxembourg	1.81
France	1.78
Cyprus	1.02
Russia	0.00
	89.13

Industrial classification

(in % of net assets)

Bonds issued by countries or cities	54.09
Bonds issued by companies	8.31
Holding and finance companies	3.75
Energy equipment & services	3.69
Gastronomy	3.34
Metals and minings	3.01
Textiles and clothing	2.80
Construction of machines and appliances	1.84
Miscellaneous consumer goods	1.78
Precious metals and stones	1.67
Insurance	1.42
Automobiles	1.03
Internet, software and IT services	1.02
Real Estate Shares	0.93
Watch-making	0.45
Oil and gas	0.00
	89.13

Quaero Capital Funds (Lux) - Accessible Clean Energy

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>BELGIUM</i>				
ELIA SYSTEM OPERATOR	EUR	25,991.00	3,252,952.70	3.32
			3,252,952.70	3.32
<i>CANADA</i>				
BORALEX A	CAD	167,511.00	4,278,609.07	4.37
			4,278,609.07	4.37
<i>CHINA</i>				
BYD 'H'	HKD	23,110.00	634,534.96	0.65
			634,534.96	0.65
<i>FRANCE</i>				
LEGRAND	EUR	24,511.00	2,547,859.66	2.60
LHYFE -IPO-	EUR	37,062.00	206,340.39	0.21
SCHNEIDER ELECTRIC S.A.	EUR	34,860.00	7,000,004.70	7.15
			9,754,204.75	9.96
<i>GERMANY</i>				
WACKER CHEMIE	EUR	5,826.00	735,599.73	0.75
			735,599.73	0.75
<i>IRELAND</i>				
LINDE	USD	15,911.00	6,534,806.81	6.67
			6,534,806.81	6.67
<i>ITALY</i>				
ENEL	EUR	600,047.00	4,460,927.68	4.55
ERG	EUR	65,591.00	2,091,054.87	2.13
PRYSMIAN	EUR	100,726.00	4,580,863.01	4.68
SNAM	EUR	563,079.00	2,895,435.31	2.96
			14,028,280.87	14.32
<i>JAPAN</i>				
IBIDEN	JPY	40,140.00	2,225,098.05	2.27
PANASONIC	JPY	214,200.00	2,121,793.97	2.17
RS TECHNOLOGIES	JPY	44,300.00	939,231.06	0.96
			5,286,123.08	5.40
<i>NETHERLANDS</i>				
ASML HOLDING	EUR	4,184.00	3,150,720.07	3.22
STMICROELECTRONICS	EUR	53,278.00	2,662,829.48	2.72
			5,813,549.55	5.94

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

Quaero Capital Funds (Lux) - Accessible Clean Energy

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>NORWAY</i>				
AKER CARBON CAPTURE	NOK	1,744,446.00	2,332,638.44	2.38
			2,332,638.44	2.38
<i>SPAIN</i>				
CORP.ACCIONA ENERGIAS RENOVABLES	EUR	19,607.00	608,181.36	0.62
EDP RENOVAVEIS	EUR	288,877.00	5,911,477.38	6.04
IBERDROLA	EUR	373,390.00	4,895,964.40	5.00
SOLARIA ENERGIA Y MEDIO AMBIENTE	EUR	150,962.00	3,103,407.92	3.17
			14,519,031.06	14.83
<i>SWITZERLAND</i>				
LANDIS AND GYR GROUP	CHF	17,888.00	1,615,265.25	1.65
			1,615,265.25	1.65
<i>TAIWAN</i>				
TAIWAN SEMICONDUCTOR ADR -SPONS.-	USD	28,234.00	2,936,336.00	3.00
			2,936,336.00	3.00
<i>UNITED STATES</i>				
ALBEMARLE	USD	3,042.00	439,508.16	0.45
ARRAY TECHNOLOGIES	USD	25,862.00	434,481.60	0.44
BLOOM ENERGY	USD	221,347.00	3,275,935.60	3.34
ENPHASE ENERGY	USD	35,272.00	4,660,842.08	4.76
FIRST SOLAR	USD	36,550.00	6,296,834.00	6.43
FLUENCE ENERGY 'A'	USD	133,936.00	3,194,373.60	3.26
HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE	USD	98,449.00	2,715,223.42	2.77
LIVENT	USD	63,313.00	1,138,367.74	1.16
MP MATERIALS 'A'	USD	35,578.00	706,223.30	0.72
SUNRUN	USD	132,605.00	2,603,036.15	2.66
			25,464,825.65	25.99
TOTAL INVESTMENTS			97,186,757.92	99.23
CASH AT BANKS			871,304.44	0.89
BANK OVERDRAFT			-138.83	0.00
OTHER NET LIABILITIES			-115,150.76	-0.12
TOTAL NET ASSETS			97,942,772.77	100.00

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

Quaero Capital Funds (Lux) - Accessible Clean Energy

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

Geographical classification

(in % of net assets)

United States	25.99
Spain	14.83
Italy	14.32
France	9.96
Ireland	6.67
Netherlands	5.94
Japan	5.40
Canada	4.37
Belgium	3.32
Taiwan	3.00
Norway	2.38
Switzerland	1.65
Germany	0.75
China	0.65
	99.23

Industrial classification

(in % of net assets)

Public utilities	35.25
Electronics and electrical equipment	24.22
Chemicals	7.87
Construction of machines and appliances	6.43
Environmental services & recycling	6.04
Communications	4.68
Holding and finance companies	4.42
Mortgage and funding institutions	3.34
Biotechnology	3.17
Oil	2.13
Stainless steel	0.96
Mining and steelworks	0.72
	99.23

Quaero Capital Funds (Lux) - New Europe (note 15)

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>BELGIUM</i>				
VIOHALCO	EUR	70,000.00	368,200.00	3.02
			368,200.00	3.02
<i>CANADA</i>				
GABRIEL RESOURCES	CAD	1,301,000.00	384,067.97	3.15
			384,067.97	3.15
<i>CYPRUS</i>				
NOVENTIQ HOLDINGS GDR -SPONS.- 'S' *	USD	221,287.00	0.00	0.00
			0.00	0.00
<i>GREECE</i>				
ALPHA SERVICES AND HOLDINGS	EUR	357,500.00	550,192.50	4.51
EUROBANK ERGASIAS SERVICES & HOLDINGS	EUR	335,000.00	539,350.00	4.42
KRI - KRI MILK	EUR	50,000.00	479,000.00	3.92
NATL BANK GREECE	EUR	81,000.00	509,490.00	4.17
PIRAEUS FINANCIAL HOLDINGS	EUR	357,000.00	1,142,400.00	9.35
PIRAEUS PORTH AUTHORITY	EUR	24,500.00	568,400.00	4.66
PUBLIC POWER CORP OF GREECE	EUR	16,000.00	178,560.00	1.46
			3,967,392.50	32.49
<i>GUERNSEY</i>				
RAVEN PROPERTY GROUP *	GBP	2,817,701.00	0.00	0.00
			0.00	0.00
<i>HUNGARY</i>				
CHEMICAL WORKS OF GEDEON RICHTER	HUF	22,200.00	508,222.55	4.16
MOL 'A'	HUF	57,000.00	421,444.04	3.45
			929,666.59	7.61
<i>JERSEY</i>				
WIZZ AIR HOLDINGS PLC	GBP	24,200.00	617,477.51	5.06
			617,477.51	5.06
<i>MARSHALL ISLANDS</i>				
OKEANIS ECO TANKERS -S-	NOK	19,500.00	468,445.05	3.84
SCORPIO TANKERS	USD	10,000.00	550,400.39	4.51
			1,018,845.44	8.35

* Fair valued investment by the BOD of the SICAV
The accompanying notes form an integral part of these financial statements.

Quaero Capital Funds (Lux) - New Europe (note 15)

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>POLAND</i>				
BANK PEKAO	PLN	15,000.00	525,063.94	4.30
INCUVO	PLN	170,051.00	93,564.63	0.77
MBANK	PLN	2,000.00	246,330.55	2.02
ORLEN SPOLKA AKCYJNA	PLN	63,500.00	957,523.70	7.84
PKO BANK POLSKI	PLN	49,500.00	573,429.90	4.70
PZU - POWSZECHNY ZAKLAD UBEZPIECZEN	PLN	94,500.00	1,028,375.96	8.42
			3,424,288.68	28.05
<i>RUSSIA</i>				
ALROSA **	RUB	919,460.00	0.00	0.00
			0.00	0.00
<i>UNITED KINGDOM</i>				
CENTRAL ASIA METALS	GBP	205,000.00	427,729.62	3.50
			427,729.62	3.50
TOTAL I.			11,137,668.31	91.23
II. OTHER TRANSFERABLE SECURITIES				
SHARES				
<i>ICELAND</i>				
FLY PLAY	ISK	13,597,594.00	706,655.84	5.79
			706,655.84	5.79
<i>NETHERLANDS</i>				
VIMETCO N.V. *	EUR	325,898.00	0.00	0.00
			0.00	0.00
TOTAL II.			706,655.84	5.79
TOTAL INVESTMENTS			11,844,324.15	97.02
CASH AT BANKS			389,357.21	3.19
BANK OVERDRAFT			-470.69	0.00
OTHER NET LIABILITIES			-25,016.67	-0.21
TOTAL NET ASSETS			12,208,194.00	100.00

* Fair valued investment by the BOD of the SICAV

** Fair valued investment by the BOD of the SICAV (note 13)

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

Quaero Capital Funds (Lux) - New Europe (note 15)

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

Geographical classification

(in % of net assets)

Greece	32.49
Poland	28.05
Marshall Islands	8.35
Hungary	7.61
Iceland	5.79
Jersey	5.06
United Kingdom	3.50
Canada	3.15
Belgium	3.02
Russia	0.00
Cyprus	0.00
Guernsey	0.00
Netherlands	0.00
	97.02

Industrial classification

(in % of net assets)

Banks and credit institutions	33.47
Transport and freight	20.02
Oil	11.29
Insurance	8.42
Pharmaceuticals and cosmetics	4.16
Food and soft drinks	3.92
Holding and finance companies	3.84
Precious metals and stones	3.50
Mining and steelworks	3.15
Stainless steel	3.02
Public utilities	1.46
Internet, software and IT services	0.77
Metals and minings	0.00
Real Estate Shares	0.00
	97.02

Quaero Capital Funds (Lux) - China (note 15)

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>CAYMAN ISLANDS</i>				
ATOUR LIFESTYLE 'A'	USD	82,798.00	1,437,373.28	4.16
BEIGENE	HKD	89,000.00	1,254,897.21	3.63
DIDI GLOBAL ADR -SPONS.-	USD	439,854.00	1,737,423.30	5.03
FUTU HOLDINGS -ADR SPONS.-	USD	35,280.00	1,927,346.40	5.59
INNOVENT BIOLOGICS 144A/S	HKD	339,500.00	1,858,688.99	5.38
KE HOLDINGS 'A'	HKD	322,800.00	1,789,996.78	5.18
LUCKIN COFFEE 'A' ADR -SPONS.-	USD	52,387.00	1,429,117.36	4.14
MINISO GROUP HOLDING 144A/S	HKD	371,600.00	1,910,698.15	5.53
PINDUODUO HOLDINGS 'A' ADR -SPONS.-	USD	13,160.00	1,925,439.60	5.59
WUXI BIOLOGICS	HKD	180,500.00	684,226.27	1.98
WUXI XDC 144A/S	HKD	718.00	2,942.42	0.01
XIAOMI 'B' 144A/S	HKD	816,600.00	1,631,416.32	4.72
XPENG 'A'	HKD	190,400.00	1,382,549.95	4.00
			18,972,116.03	54.94
<i>CHINA</i>				
ADVANCED MICRO-FABRICATION 'A'	CNY	46,576.00	1,008,727.35	2.92
FULL TRUCK ALLIANCE -ADR SPONS.-	USD	157,965.00	1,107,334.65	3.21
KANZHUN -ADR SPONS.-	USD	101,672.00	1,688,771.92	4.89
LI AUTO -ADR SPONS.-	USD	29,026.00	1,086,443.18	3.15
MAXSCEND MICROELECTRONICS 'A'	CNY	77,500.00	1,540,782.04	4.46
NEW ORIENTAL EDUCATION & TECHNOLOGY GROUP	USD	17,791.00	1,303,724.48	3.78
SHIYUE DAOTIAN 144A/S	HKD	209,100.00	716,322.59	2.07
SUNRESIN NEW MATERIALS 'A'	CNY	92,400.00	691,288.94	2.00
YANTAI JEREH OILFIELD SERVICES 'A'	CNY	171,600.00	680,140.32	1.97
ZHEJIANG SANHUA INTELLIGENT CONTROLS 'A'	CNY	203,000.00	841,518.68	2.44
ZHONGJI INNOLIGHT 'A'	CNY	63,800.00	1,015,718.77	2.94
			11,680,772.92	33.83
<i>HONG KONG</i>				
LENOVO GROUP	HKD	1,042,000.00	1,457,206.79	4.22
			1,457,206.79	4.22
<i>UNITED STATES</i>				
ACM RESEARCH 'A'	USD	98,815.00	1,930,845.10	5.60
			1,930,845.10	5.60
TOTAL INVESTMENTS			34,040,940.84	98.59
CASH AT BANKS			589,081.93	1.71
BANK OVERDRAFT			-123,046.81	-0.36
OTHER NET ASSETS			22,253.04	0.06
TOTAL NET ASSETS			34,529,229.00	100.00

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

Quaero Capital Funds (Lux) - China (note 15)

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

Geographical classification

(in % of net assets)

Cayman Islands	54.94
China	33.83
United States	5.60
Hong Kong	4.22
	98.59

Industrial classification

(in % of net assets)

Internet, software and IT services	14.64
Electronics and electrical equipment	12.76
Pharmaceuticals and cosmetics	9.01
Construction of machines and appliances	8.75
Publishing and graphic arts	5.59
Holding and finance companies	5.59
Retail and supermarkets	5.53
Real Estate Shares	5.18
Computer and office equipment	4.22
Banks and credit institutions	4.16
Communications	4.14
Automobiles	4.00
Miscellaneous	3.78
Transportation	3.21
Food and soft drinks	2.07
Chemicals	2.00
Biotechnology	1.99
Oil	1.97
	98.59

Quaero Capital Funds (Lux) - Cullen ESG US Value

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>BERMUDA</i>				
AXALTA COATING SYSTEMS	USD	33,395.00	1,134,428.15	2.77
			1,134,428.15	2.77
<i>IRELAND</i>				
EATON CORPORATION -NPV-	USD	3,395.00	817,583.90	2.00
JOHNSON CONTROLS INTERNATIONAL	USD	21,125.00	1,217,645.00	2.97
MEDTRONIC	USD	11,736.00	966,811.68	2.36
			3,002,040.58	7.33
<i>SWITZERLAND</i>				
CHUBB	USD	5,490.00	1,240,740.00	3.03
			1,240,740.00	3.03
<i>UNITED STATES</i>				
AMERICAN EXPRESS	USD	6,129.00	1,148,206.86	2.80
APPLIED MATERIALS	USD	5,244.00	849,895.08	2.08
BORGWARNER	USD	29,050.00	1,041,442.50	2.54
BRISTOL MYERS SQUIBB CO	USD	20,980.00	1,076,483.80	2.63
CIGNA	USD	3,715.00	1,112,456.75	2.72
CISCO SYSTEMS	USD	18,712.00	945,330.24	2.31
CONAGRA BRANDS	USD	39,970.00	1,145,540.20	2.80
CONOCOPHILLIPS	USD	12,223.00	1,418,723.61	3.47
CSX	USD	31,655.00	1,097,478.85	2.68
DUPONT DE NEMOURS	USD	12,975.00	998,166.75	2.44
GENUINE PARTS	USD	7,150.00	990,275.00	2.42
INTEL	USD	18,280.00	918,570.00	2.24
JM SMUCKER CO	USD	9,900.00	1,251,162.00	3.06
JOHNSON & JOHNSON	USD	7,175.00	1,124,609.50	2.75
JP MORGAN CHASE & CO	USD	9,340.00	1,588,734.00	3.87
KENVUE	USD	38,018.00	818,527.54	2.00
MERCK & CO	USD	10,545.00	1,149,615.90	2.81
MONDELEZ INTERNATIONAL 'A'	USD	14,365.00	1,040,456.95	2.54
MORGAN STANLEY	USD	13,908.00	1,296,921.00	3.17
NEXTERA ENERGY	USD	16,450.00	999,173.00	2.44
ORACLE	USD	7,689.00	810,651.27	1.98
PNC FINANCIAL SERVICES GROUP	USD	7,691.00	1,190,951.35	2.91
QUALCOMM	USD	8,060.00	1,165,717.80	2.85
RALPH LAUREN 'A'	USD	7,589.00	1,094,333.80	2.67
SEMPRA ENERGY	USD	16,210.00	1,211,373.30	2.96
SIMON PROPERTY GROUP	USD	7,325.00	1,044,838.00	2.55
TARGET	USD	6,592.00	938,832.64	2.29
TRAVELERS COMPANIES	USD	6,080.00	1,158,179.20	2.83
UNITED PARCEL SERVICE 'B'	USD	5,863.00	921,839.49	2.25

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

Quaero Capital Funds (Lux) - Cullen ESG US Value

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
VERIZON COMMUNICATIONS	USD	25,115.00	946,835.50	2.31
WALT DISNEY	USD	11,266.00	1,017,207.14	2.48
WARNER BROS DSCV 'A'	USD	73,608.00	837,659.04	2.05
			34,350,188.06	83.90
TOTAL INVESTMENTS			39,727,396.79	97.03
CASH AT BANKS			336,974.67	0.82
BANK DEPOSITS			1,250,000.00	3.05
BANK OVERDRAFT			-374,462.28	-0.91
OTHER NET ASSETS			3,326.69	0.01
TOTAL NET ASSETS			40,943,235.87	100.00

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

Quaero Capital Funds (Lux) - Cullen ESG US Value

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

Geographical classification

(in % of net assets)

United States	83.90
Ireland	7.33
Switzerland	3.03
Bermuda	2.77
	97.03

Industrial classification

(in % of net assets)

Pharmaceuticals and cosmetics	12.55
Holding and finance companies	8.80
Communications	7.21
Banks and credit institutions	6.67
Insurance	5.86
Miscellaneous consumer goods	5.77
Food and soft drinks	5.60
Public utilities	5.40
Automobiles	4.96
Construction of machines and appliances	4.85
Computer and office equipment	4.29
Oil and gas	3.47
Transport and freight	2.68
Textiles and clothing	2.67
Real Estate Shares	2.55
Leisure	2.48
Chemicals	2.44
Retail and supermarkets	2.29
Packaging	2.25
Electronics and electrical equipment	2.24
Miscellaneous	2.00
	97.03

Quaero Capital Funds (Lux) - Global Convertible Bonds

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

Description	Currency	Nominal	Market value (note 2)	% of net assets
I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
BONDS				
<i>BELGIUM</i>				
2.125% CV GRP BRUXELLES LAMBERT 22/25 -SR-	EUR	1,500,000.00	1,461,396.30	1.81
			1,461,396.30	1.81
<i>CANADA</i>				
0.125% CV SHOPIF 20/25 -SR-	USD	1,500,000.00	1,282,889.60	1.58
			1,282,889.60	1.58
<i>FRANCE</i>				
0.00% CV EDENRED 19/24 -SR-S	EUR	22,000.00	1,339,112.94	1.65
0.00% CV SAFRAN 21/28 -SR-	EUR	10,000.00	1,871,002.60	2.32
0.00% CV SCHNEIDER ELECTRIC 20/26 -SR-	EUR	8,000.00	1,565,754.32	1.93
0.00% CV SOITEC 20/25 -SR-S	EUR	6,000.00	1,132,563.84	1.40
0.00% CV VEOLIA ENVIRONNEMENT 19/25 -SR-S	EUR	32,000.00	999,762.56	1.23
0.70% ACCOR 20/27 -SR-	EUR	23,000.00	1,106,197.19	1.37
2.00% CV SPIE 23/28 -SR-	EUR	1,000,000.00	1,042,566.40	1.29
2.25% CV ELIS 22/29 -SR-	EUR	1,000,000.00	1,288,276.70	1.59
			10,345,236.55	12.78
<i>GERMANY</i>				
0.055% CV DEUTSCHE POST 17/25 -SR-	EUR	1,500,000.00	1,469,207.10	1.81
2.25% CV RHEINMETALL 23/30 -SR-	EUR	1,300,000.00	1,485,025.10	1.83
			2,954,232.20	3.64
<i>ISRAEL</i>				
0.00% CV NICE 21/25 -SR-	USD	2,000,000.00	1,721,455.96	2.14
			1,721,455.96	2.14
<i>ITALY</i>				
0.00% CV PIRELLI 20/25 -SR-	EUR	1,600,000.00	1,580,538.40	1.96
0.00% CV PRYSMIAN 21/26 -SR-	EUR	1,000,000.00	1,106,193.20	1.37
2.95% ENI SPA 23/30 -SR-S	EUR	1,500,000.00	1,577,369.25	1.96
			4,264,100.85	5.29
<i>JAPAN</i>				
0.00% CV ANA HOLDING 21/31 -SR-	JPY	200,000,000.00	1,447,719.08	1.79
0.00% CV DAIFUKU CO 23/30 -SR-	JPY	150,000,000.00	1,045,878.72	1.29
0.00% CV DMG MORI 21/24 -SR-	JPY	200,000,000.00	1,440,266.22	1.78
0.00% CV NIPPON STEEL SUMITOMO METAL 21/26 -SR-S	JPY	100,000,000.00	856,999.55	1.06
0.00% CV SBI HOLDINGS 20/25 -SR-	JPY	180,000,000.00	1,355,874.28	1.67
0.00% CV SCREEN HOLDINGS 18/25 -SR-S	JPY	80,000,000.00	1,028,123.65	1.27
0.00% CV TAKASHIMAYA 18/28 -SR-	JPY	200,000,000.00	1,379,890.38	1.70
			8,554,751.88	10.56

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

Quaero Capital Funds (Lux) - Global Convertible Bonds

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

Description	Currency	Nominal	Market value (note 2)	% of net assets
LUXEMBOURG				
3.50% CV LAGFIN 23/28 -SR-	EUR	1,100,000.00	1,080,834.15	1.34
			1,080,834.15	1.34
MEXICO				
2.625% CV FOMENTO ECONOMICO 23/26 -SR-	EUR	1,400,000.00	1,402,110.50	1.73
			1,402,110.50	1.73
NETHERLANDS				
0.00% CV AMERICA MOVIL 21/24 -SR-S	EUR	1,000,000.00	1,005,099.50	1.24
0.00% CV STMICROELECTRONICS 20/27 -SR-	USD	800,000.00	872,437.99	1.08
			1,877,537.49	2.32
SINGAPORE				
0.00% CV SGX TREASURY I 21/24 -SR-	EUR	1,600,000.00	1,587,898.24	1.97
			1,587,898.24	1.97
SOUTH KOREA				
0.00% POSCO HOLDINGS 21/26 -SR-	EUR	1,200,000.00	1,385,865.12	1.71
1.75% CV SK HYNIX 23/30 -SR-S	USD	800,000.00	1,015,232.20	1.25
			2,401,097.32	2.96
SPAIN				
0.80% CV IBERDROLA FINANCE 22/27 -SR-	EUR	1,500,000.00	1,515,439.20	1.87
1.50% CV AMADEUS IT GROUP 20/25 -SR-	EUR	1,000,000.00	1,233,823.30	1.52
			2,749,262.50	3.39
SWEDEN				
0.00% CV SELENA OIL & GAS 20/25 -SR-	EUR	1,200,000.00	1,132,136.88	1.40
			1,132,136.88	1.40
UNITED STATES				
0.00% CV BOX 22/26 -SR-	USD	700,000.00	707,841.09	0.87
0.00% CV DROPBOX 21/28 -SR-	USD	1,400,000.00	1,276,777.12	1.58
0.00% CV FORD MOTOR 22/26 -SR-	USD	1,500,000.00	1,352,647.42	1.67
0.00% CV HAEMONETICS 21/26 -SR-	USD	1,200,000.00	967,310.03	1.19
0.00% CV JP MORGAN 21/24 -SR-	EUR	1,000,000.00	1,023,420.30	1.26
0.00% CV ON SEMICONDUCTOR 21/27 -SR-	USD	400,000.00	592,882.46	0.73
0.00% CV VAIL RESORTS 20/26 -SR-	USD	600,000.00	484,938.12	0.60
0.125% CV BENTLEY 21/26 -SR-	USD	1,600,000.00	1,440,011.08	1.78
0.125% CV DATADOG 20/25 -SR-	USD	1,200,000.00	1,526,257.05	1.89
0.125% CV ZSCALER 20/25 -SR-	USD	500,000.00	688,188.73	0.85
0.25% CV PARSONS 20/25 -SR-	USD	800,000.00	1,039,464.01	1.28
0.25% CV RAPID7 21/27 -SR-	USD	1,200,000.00	983,018.49	1.21
0.25% CV TYLER TECH. 21/26 -SR-	USD	1,500,000.00	1,378,643.11	1.70
0.375% CV AKAMAI TECHNOLOGIES 19/27 -SR-	USD	1,800,000.00	1,826,880.49	2.27
0.375% CV HUBSPOT 20/25 -SR-	USD	700,000.00	1,317,425.96	1.63
0.375% CV PALO ALTO 20/25 -SR- 144A	USD	500,000.00	1,342,546.26	1.66
0.50% CV ON SEMICONDUCTORS 23/29 -SR- 144A	USD	700,000.00	667,555.42	0.82

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

Quaero Capital Funds (Lux) - Global Convertible Bonds

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

Description	Currency	Nominal	Market value (note 2)	% of net assets
0.75% CV BOOKING 21/25 -SR-	USD	750,000.00	1,282,843.10	1.58
0.875% UBER TECHNOLOGY 23/28 -SR-	USD	1,000,000.00	986,136.17	1.22
1.00% CV MIDDLEBY 20/25 -SR-	USD	1,000,000.00	1,104,678.11	1.36
1.125% FLUOR 23/29 -SR- 144A	USD	1,000,000.00	985,493.79	1.22
2.00% CV MATCH GROUP FINANCECO 19/30 -SR- 144A	USD	1,000,000.00	787,705.06	0.97
2.25% LIBERTY MEDIA 22/27 -SR-	USD	1,000,000.00	922,361.15	1.14
2.25% VISHAY INTERTECHNOLOGY 23/30 -SR- 144A	USD	1,000,000.00	891,485.31	1.10
2.75% CV TOPGOLF CALL 20/26 -SR-	USD	700,000.00	679,545.30	0.84
3.00% WESTERN DIGITAL 23/28 -SR- 144A	USD	1,000,000.00	1,108,698.65	1.37
			27,364,753.78	33.79
TOTAL BONDS			70,179,694.20	86.70
STRUCTURED PRODUCTS				
<i>UNITED KINGDOM</i>				
BARC (MSFT) -ELN- 20/25	USD	1,000,000.00	1,719,639.10	2.13
BARC (V) 20/25	USD	1,038,000.00	1,011,078.27	1.25
			2,730,717.37	3.38
TOTAL STRUCTURED PRODUCTS			2,730,717.37	3.38
TOTAL I.			72,910,411.57	90.08
II. OTHER TRANSFERABLE SECURITIES				
BONDS				
<i>UNITED STATES</i>				
0.50% CV AXON ENTERPRISE 22/27 -SR-	USD	1,300,000.00	1,489,443.36	1.84
1.50% CV WINNEBAGO INDUSTRIES 19/25 -SR-	USD	1,000,000.00	1,136,475.59	1.40
1.75% CV EQT 20/26 -SR-	USD	300,000.00	722,954.58	0.89
2.875% CV SOUTHERN CO 23/25 -SR-	USD	1,100,000.00	997,395.58	1.23
3.00% CV MERIT MEDICAL SYSTEMS 23/29 -SR- 144A	USD	700,000.00	703,102.65	0.87
3.625% CV AMERICAN WATER CAPITAL 23/26 -SR- 144A	USD	1,300,000.00	1,177,139.85	1.45
			6,226,511.61	7.68
TOTAL II.			6,226,511.61	7.68
TOTAL INVESTMENTS			79,136,923.18	97.76
CASH AT BANKS			1,381,223.16	1.71
OTHER NET ASSETS			434,898.03	0.53
TOTAL NET ASSETS			80,953,044.37	100.00

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

Quaero Capital Funds (Lux) - Global Convertible Bonds

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

Geographical classification

(in % of net assets)

United States	41.47
France	12.78
Japan	10.56
Italy	5.29
Germany	3.64
Spain	3.39
United Kingdom	3.38
South Korea	2.96
Netherlands	2.32
Israel	2.14
Singapore	1.97
Belgium	1.81
Mexico	1.73
Canada	1.58
Sweden	1.40
Luxembourg	1.34
	97.76

Industrial classification

(in % of net assets)

Bonds issued by companies	92.51
Structured products	3.38
Bonds issued by countries or cities	1.87
	97.76

Quaero Capital Funds (Lux) - Taiko Japan

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>JAPAN</i>				
AEON DELIGHT	JPY	24,500.00	87,220,000.00	2.76
BROADLEAF	JPY	216,300.00	124,805,100.00	3.95
CHIBA BANK	JPY	130,700.00	133,117,950.00	4.21
DAIEI KANKYO	JPY	52,700.00	131,381,100.00	4.15
DAIKIN INDUSTRIES	JPY	2,200.00	50,567,000.00	1.60
DAISEKI	JPY	24,620.00	96,387,300.00	3.05
DIGITAL HEARTS HOLDINGS	JPY	140,800.00	142,348,800.00	4.50
ENPLAS	JPY	10,400.00	124,800,000.00	3.95
H. U. GROUP HOLDINGS	JPY	30,500.00	81,236,750.00	2.57
HITACHI	JPY	13,500.00	137,295,000.00	4.34
JACCS	JPY	13,800.00	71,622,000.00	2.26
JAPAN POST HOLDINGS	JPY	106,500.00	134,136,750.00	4.24
KATAKURA INDUSTRIES CO	JPY	14,000.00	22,932,000.00	0.72
KEYENCE	JPY	1,000.00	62,120,000.00	1.96
KUREHA	JPY	22,800.00	65,664,000.00	2.08
MARUI GROUP	JPY	46,300.00	109,476,350.00	3.46
MURATA MANUFACTURING	JPY	23,190.00	69,407,670.00	2.19
NEC	JPY	17,400.00	145,290,000.00	4.59
NIPPON GAS	JPY	47,900.00	111,487,250.00	3.52
NIPPON TELEGRAPH & TELEPHONE	JPY	656,800.00	113,166,640.00	3.58
NITERRA	JPY	26,900.00	90,088,100.00	2.85
OTSUKA	JPY	23,700.00	137,768,100.00	4.36
RS TECHNOLOGIES	JPY	34,000.00	101,626,000.00	3.21
SECOM	JPY	12,800.00	129,984,000.00	4.11
SEVEN & I HOLDINGS	JPY	17,200.00	96,234,000.00	3.04
SEVEN BANK	JPY	369,800.00	110,829,060.00	3.50
TIS	JPY	29,200.00	90,724,400.00	2.87
TOKAI	JPY	32,700.00	68,343,000.00	2.16
TOKIO MARINE	JPY	43,600.00	153,864,400.00	4.87
TOPCON	JPY	35,100.00	53,352,000.00	1.69
YOSHIMURA FOOD HOLDINGS	JPY	87,500.00	91,175,000.00	2.88
			3,138,449,720.00	99.22
TOTAL INVESTMENTS			3,138,449,720.00	99.22
CASH AT BANKS			50,198,437.15	1.59
BANK OVERDRAFT			-13,613,952.10	-0.43
OTHER NET LIABILITIES			-11,987,420.97	-0.38
TOTAL NET ASSETS			3,163,046,784.08	100.00

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

Quaero Capital Funds (Lux) - Taiko Japan

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

Geographical classification

(in % of net assets)

Japan	99.22
	99.22

Industrial classification

(in % of net assets)

Electronics and electrical equipment	19.40
Utilities	13.43
Holding and finance companies	11.50
Banks and credit institutions	9.97
Communications	7.53
Computer and office equipment	4.59
Internet, software and IT services	4.50
Transport and freight	4.24
Oil	3.52
Retail and supermarkets	3.46
Stainless steel	3.21
Environmental services & recycling	3.05
Food and soft drinks	2.88
Pharmaceuticals and cosmetics	2.57
Chemicals	2.08
Photography and optics	1.69
Construction of machines and appliances	1.60
	99.22

Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 15)

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>BELGIUM</i>				
AZELIS GROUP	EUR	6,143.00	136,251.74	1.88
EURONAV	EUR	21,669.00	346,053.93	4.78
SOLVAY	EUR	2,021.00	56,042.33	0.77
X - FAB SILICON FOUNDRIES	EUR	26,309.00	267,825.62	3.70
			806,173.62	11.13
<i>BERMUDA</i>				
BORR DRILLING 'S'	NOK	29,524.00	199,616.33	2.75
CONDUIT	GBP	43,871.00	237,447.40	3.28
HAFNIA	NOK	17,344.00	108,530.46	1.50
			545,594.19	7.53
<i>FAROE (ISLE)</i>				
BAKKAFROST	NOK	1,465.00	69,472.76	0.96
			69,472.76	0.96
<i>FINLAND</i>				
METSO OUTOTEC	EUR	6,138.00	56,285.46	0.78
			56,285.46	0.78
<i>FRANCE</i>				
BIC	EUR	2,239.00	140,721.15	1.94
CGG AKTIE	EUR	154,572.00	92,434.06	1.28
ELIS	EUR	11,743.00	221,825.27	3.06
ERAMET	EUR	1,163.00	83,154.50	1.15
EUROAPI	EUR	42,786.00	245,163.78	3.38
LISI	EUR	2,802.00	66,127.20	0.91
SCOR	EUR	7,050.00	186,543.00	2.57
SOITEC	EUR	745.00	120,541.00	1.66
SOPRA STERIA GROUP	EUR	1,238.00	244,876.40	3.38
TELEPERFORMANCE	EUR	1,546.00	204,149.30	2.82
TRIGANO	EUR	588.00	87,200.40	1.20
UBISOFT ENTERTAINMENT	EUR	5,713.00	132,027.43	1.82
			1,824,763.49	25.17
<i>GERMANY</i>				
DUERR	EUR	3,836.00	82,013.68	1.13
JUNGHEINRICH PFD NON-VOTING	EUR	2,387.00	79,296.14	1.09
KION GROUP	EUR	2,826.00	109,281.42	1.51
SILTRONIC	EUR	1,262.00	111,623.90	1.54
TRATON	EUR	3,245.00	69,183.40	0.95
			451,398.54	6.22

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

Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 15)

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>GUERNSEY</i>				
TETRAGON FINANCIAL GROUP	USD	25,923.00	231,855.47	3.20
			231,855.47	3.20
<i>ITALY</i>				
NEXI	EUR	11,643.00	86,228.06	1.19
			86,228.06	1.19
<i>LUXEMBOURG</i>				
BEFESA	EUR	4,755.00	167,376.00	2.31
SUBSEA 7	NOK	10,961.00	144,798.37	2.00
			312,174.37	4.31
<i>NETHERLANDS</i>				
AMG CRITICAL MATERIALS	EUR	2,219.00	50,637.58	0.70
FUGRO	EUR	8,549.00	148,239.66	2.05
TECHNIP ENERGIES	EUR	9,435.00	199,644.60	2.75
			398,521.84	5.50
<i>NORWAY</i>				
TGS ASA	NOK	6,289.00	74,110.26	1.02
			74,110.26	1.02
<i>SWEDEN</i>				
BIOARTIC 'B'	SEK	10,846.00	260,908.03	3.60
			260,908.03	3.60
<i>SWITZERLAND</i>				
SULZER	CHF	1,647.00	152,170.47	2.10
			152,170.47	2.10
<i>UNITED KINGDOM</i>				
BABCOCK INTERNATIONAL GROUP	GBP	47,817.00	217,969.87	3.01
CAB PAYMENTS HOLDINGS	GBP	372,727.00	356,154.33	4.92
IP GROUP	GBP	202,399.00	135,706.78	1.87
JOHN WOOD GROUP	GBP	42,355.00	84,120.65	1.16
LEARNING TECHNOLOGIES GROUP	GBP	41,898.00	39,164.75	0.54
OSB GROUP	GBP	24,680.00	132,324.85	1.83
QINETIC GROUP	GBP	59,431.00	211,928.10	2.92
			1,177,369.33	16.25
TOTAL I.			6,447,025.89	88.96

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

Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 15)

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
II. UNITS OF INVESTMENT FUNDS				
<i>FRANCE</i>				
OFI INVEST ESG LIQUIDITES EUR	EUR	120.88	540,928.50	7.47
			540,928.50	7.47
TOTAL II.			540,928.50	7.47
TOTAL INVESTMENTS			6,987,954.39	96.43
CASH AT BANKS			241,391.15	3.33
OTHER NET ASSETS			17,499.09	0.24
TOTAL NET ASSETS			7,246,844.63	100.00

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

Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 15)

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

Geographical classification

(in % of net assets)

France	32.64
United Kingdom	16.25
Belgium	11.13
Bermuda	7.53
Germany	6.22
Netherlands	5.50
Luxembourg	4.31
Sweden	3.60
Guernsey	3.20
Switzerland	2.10
Italy	1.19
Norway	1.02
Faroe (Isle)	0.96
Finland	0.78
	96.43

Industrial classification

(in % of net assets)

Holding and finance companies	15.76
Construction of machines and appliances	12.54
Oil	7.51
Units of investment funds	7.47
Pharmaceuticals and cosmetics	6.98
Electronics and electrical equipment	6.90
Transport and freight	6.28
Insurance	5.85
Computer and office equipment	3.38
Utilities	3.06
Miscellaneous	2.92
Food and soft drinks	2.82
Chemicals	2.65
Stainless steel	2.63
Internet, software and IT services	2.36
Environmental services & recycling	2.31
Miscellaneous consumer goods	1.94
Gastronomy	1.20
Agriculture and fisheries	0.96
Aeronautics and astronautics	0.91
	96.43

Quaero Capital Funds (Lux) - Bond Investment Opportunity (note 1)

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

Description	Currency	Nominal	Market value (note 2)	% of net assets	
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET					
BONDS					
BELGIUM					
3.50%	ONTEX 21/26 -SR-S	EUR	450,000.00	435,226.59	1.49
				435,226.59	1.49
FRANCE					
FRN	KAPLA HOLDING 19/26 -SR-S	EUR	700,000.00	701,566.39	2.41
FRN	KAPLA HOLDING 23/27 -SR-S	EUR	100,000.00	102,218.93	0.35
FRN	RENAULT 13/49	EUR	2,000.00	587,240.00	2.02
0.25%	FNAC DARTY 21/27 -SR-	EUR	11,825.00	832,162.26	2.86
1.875%	VERALLIA 21/31 -SR-	EUR	500,000.00	440,270.05	1.51
2.00%	SUB. CREDIT AGRICOLE 20/30 -S-	EUR	900,000.00	781,719.93	2.68
2.50%	SUB. CNP ASSURANCES 20/51	EUR	300,000.00	262,298.16	0.90
2.50%	SUB. VEOLIA ENVIRONNEMENT 20/PERP -JR-	EUR	600,000.00	538,280.58	1.85
2.625%	SUB. ACCOR 19/PERP -S-	EUR	400,000.00	391,133.92	1.34
2.625%	SUB. E.D.F. 21/PERP -JR-	EUR	600,000.00	535,030.74	1.84
2.75%	ORANO 20/28 -SR-	EUR	500,000.00	484,883.75	1.66
2.875%	SUB. URW 18/PERP -JR-	EUR	600,000.00	529,193.10	1.82
3.625%	SAS NERVAL 22/28 -SR-	EUR	1,500,000.00	1,492,444.65	5.12
4.25%	SUB. AXA S.A. 22/43 -JR-	EUR	600,000.00	593,791.62	2.04
4.50%	BERTRAND 19/24	EUR	200,000.00	196,068.74	0.67
5.25%	SUB. SOCIETE GENERALE 22/32	EUR	1,000,000.00	1,039,106.60	3.57
5.50%	CARMILA 23/28 -SR-	EUR	300,000.00	311,358.42	1.07
5.50%	SUB. BANQUE POSTALE 22/34	EUR	500,000.00	524,311.00	1.80
5.75%	SUB. BPCE 23/33 -JR-	EUR	1,600,000.00	1,693,456.00	5.82
5.75%	SUB. COFACE 23/33 -S-	EUR	400,000.00	415,482.28	1.43
6.00%	SUB. COFACE 22/32	EUR	500,000.00	534,805.65	1.84
6.375%	LOXAM 23/29 -SR-	EUR	500,000.00	519,023.60	1.78
6.375%	SUB. GROUPAMA 14/PERP	EUR	700,000.00	703,292.87	2.41
				14,209,139.24	48.79
GERMANY					
1.375%	SUB. EVONIK INDUSTRIES 21/81 -JR-	EUR	800,000.00	711,608.48	2.44
5.375%	SUB. LANDESBANK HESSEN-THUERINGEN 23/33 -SR-	EUR	500,000.00	470,096.15	1.61
				1,181,704.63	4.05
IRELAND					
1.875%	ZURICH FINANCE IRELAND 20/50	EUR	800,000.00	697,903.76	2.40
2.25%	AIB GROUP 22/28 -SR-	EUR	600,000.00	575,893.80	1.98
2.875%	SUB. AIB GROUP 20/31	EUR	600,000.00	575,881.44	1.98
				1,849,679.00	6.36
ITALY					
FRN	SUB. INTESA SANPAOLO 20/27	EUR	500,000.00	519,314.90	1.78
2.124%	SUB. ASSICURAZIONI 19/30 -SR-S	EUR	600,000.00	530,533.38	1.82
2.375%	SUB. TERNA RETE 22/PERP -JR-	EUR	800,000.00	718,244.32	2.47
				1,768,092.60	6.07

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

Quaero Capital Funds (Lux) - Bond Investment Opportunity (note 1)

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

Description	Currency	Nominal	Market value (note 2)	% of net assets
LUXEMBOURG				
1.625% P3 GROUP 22/29 -SR-	EUR	1,000,000.00	881,495.60	3.03
3.75% STENA INTERNATIONAL 20/25 -SR-S	EUR	1,000,000.00	995,455.00	3.42
			1,876,950.60	6.45
NETHERLANDS				
1.00% SUB. ADECCO IFS 21/82	EUR	600,000.00	522,530.64	1.79
1.425% SUB. AEGON 96/PERP -JR-	NLG	1,000,000.00	317,755.14	1.09
2.875% VZ VENDOR FINANCE 20/29	EUR	500,000.00	440,012.70	1.51
2.88% SUB. TELEFONICA 21/PERP	EUR	600,000.00	548,188.44	1.88
			1,828,486.92	6.27
SPAIN				
4.875% SUB. IBERDROLA 23/PERP -JR-	EUR	900,000.00	909,750.33	3.12
			909,750.33	3.12
SUPRANATIONAL				
2.75% EUROPEAN UNION 22/33 -SR-	EUR	1,500,000.00	1,519,992.00	5.22
			1,519,992.00	5.22
SWEDEN				
0.125% SBAB BANK 21/26 -SR-	EUR	900,000.00	832,870.17	2.86
3.375% HEIMSTADEN BOSTAD 20/PERP	EUR	550,000.00	233,088.46	0.80
			1,065,958.63	3.66
UNITED STATES				
FRN JPMORGAN CHASE&CO 22/28 -SR-	USD	600,000.00	543,319.81	1.87
3.625% LIBERTY MUTUAL 19/59 -JR-S	EUR	500,000.00	489,366.05	1.68
			1,032,685.86	3.55
TOTAL INVESTMENTS			27,677,666.40	95.03
CASH AT BANKS			602,823.23	2.07
BANK DEPOSITS			550,000.00	1.89
OTHER NET ASSETS			294,760.29	1.01
TOTAL NET ASSETS			29,125,249.92	100.00

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

Quaero Capital Funds (Lux) - Bond Investment Opportunity (note 1)

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

Geographical classification

(in % of net assets)

France	48.79
Luxembourg	6.45
Ireland	6.36
Netherlands	6.27
Italy	6.07
Supranational	5.22
Germany	4.05
Sweden	3.66
United States	3.55
Spain	3.12
Belgium	1.49
	95.03

Industrial classification

(in % of net assets)

Bonds issued by companies	89.81
Bonds issued by supranational institutions	5.22
	95.03

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2023

NOTE 1

GENERAL

Quaero Capital Funds (Lux) (the "SICAV") is an open-ended investment company organised under the laws of Luxembourg as a *Société d'Investissement à Capital Variable* ("SICAV"), incorporated under the form of a public limited liability company (*société anonyme*) on April 24, 2009, authorised under Part I of the Luxembourg Act dated December 17, 2010 as amended. It qualifies as a SICAV complying with the provisions of the law of December 17, 2010 (the "2010 Law") regarding Undertakings for Collective Investment.

The SICAV is registered in the Luxembourg Trade and Companies Register under Number B146030. Its original Articles have been published in the *"Mémorial C, Recueil Spécial des Sociétés et Associations du Grand-Duché de Luxembourg"* on May 18, 2009.

The SICAV has an umbrella structure consisting of one or several sub-funds. A separate portfolio of assets is maintained for each sub-fund and is invested in accordance with the investment objective and policy applicable to that sub-fund.

The SICAV was incorporated for an unlimited duration with an initial subscribed capital of EUR 31,000. The minimum share capital of the SICAV must at all times be EUR 1,250,000 which amount has to be attained within six months of the SICAV's authorisation to operate as a UCI. The SICAV's share capital is at all times equal to its net asset value ("NAV"). The SICAV's share capital is automatically adjusted when additional Shares are issued or outstanding Shares are redeemed, and no special announcements or publicity are necessary in relation thereto.

a) Sub-funds in activity

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

- Quaero Capital Funds (Lux) - Argonaut;
- Quaero Capital Funds (Lux) - World Opportunities;
- Quaero Capital Funds (Lux) - Bamboo (note 15);
- Quaero Capital Funds (Lux) - Infrastructure Securities;
- Quaero Capital Funds (Lux) - Yield Opportunities;
- Quaero Capital Funds (Lux) - Accessible Clean Energy;
- Quaero Capital Funds (Lux) - New Europe (note 15);
- Quaero Capital Funds (Lux) - China (note 15);
- Quaero Capital Funds (Lux) - Cullen ESG US Value;
- Quaero Capital Funds (Lux) - Global Convertible Bonds;
- Quaero Capital Funds (Lux) - Taiko Japan;
- Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 15);
- Quaero Capital Funds (Lux) - Bond Investment Opportunity (launched on November 13, 2023).

b) Share classes

Classes of shares offered to investors are presented in the annexes of the Prospectus of the SICAV.

All the sub-funds constitute the SICAV. The net assets of each sub-fund are represented by shares which may be divided into different share classes. All the shares representing the assets of a sub-fund form a class of shares. Where classes of shares are issued, their specificities are detailed in the annexes of the Prospectus of the SICAV.

Quaero Capital Funds (Lux)

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

The Board of Directors of the SICAV may decide to create several share classes for each sub-fund, whose assets would be invested according to the specific investment policy of the relevant sub-fund, but where the share classes may differ by specific subscription and/or redemption fee structures, currency risk hedging policies, distribution policies and/or management or advisory fees or by any other particularities applicable to each class. Where applicable, this information is provided in the current Prospectus of the SICAV.

c) Significant events

A new Prospectus came into force in April and September 2023.

On December 8, 2023 the sub-funds Quaero Capital Funds (Lux) - International Equities and Quaero Capital Funds (Lux) - Global Balanced were respectively merged into Auris - Global Balanced and Auris - International Equities, sub-funds of Auris, *société d'investissement à capital variable*, formed and existing under the laws of the Grand Duchy of Luxembourg having its registered office at 5, allée Scheffer, L-2520 Luxembourg and registered with the RCS under number B197662. The transfer of cash with an amount of EUR 9,789.30 in the sub-fund Quaero Capital Funds (Lux) - International Equities and an amount of EUR 8,902.87 in the sub-fund Quaero Capital Funds (Lux) - Global Balanced are still ongoing to be respectively transferred into Auris - Global Balanced and Auris - International Equities.

The Board of Directors of the SICAV decided to put Quaero Capital Funds (Lux) - Net Zero Emission into liquidation with effect on December 21, 2023. As of December 31, 2023, the sub-fund has a remaining cash of USD 35,383.09.

d) Co-management and pooling

To ensure effective management of the SICAV, the Board of Directors of the SICAV and the Management Company may decide to manage all or part of the assets of one or more sub-funds with those of other sub-funds in the SICAV (pooling technique) or, where applicable, to co-manage all or part of the assets, except for a cash reserve, if necessary, of one or more sub-funds with the assets of other Luxembourg investment funds or of one or more sub-funds of other Luxembourg investment funds (hereinafter referred to as the party(ies) to the co-managed assets) for which the Depositary Bank is the appointed depositary. These assets are managed in accordance with the respective investment policies of the Parties to the co-managed assets, each of which is pursuing identical or comparable objectives. Parties to the co-managed assets only participate in co-managed assets which are in accordance with the stipulations of their respective prospectuses and investment restrictions.

Each Party to the co-managed assets participates in the co-managed assets in proportion to the assets it has contributed to the co-management. Assets and liabilities are allocated to each Party to the co-managed assets in proportion to its contribution to the co-managed assets.

Each Party's rights to the co-managed assets apply to each line of investment in the said co-managed assets.

The aforementioned co-managed assets are formed by the transfer of cash or, where applicable, other assets from each of the Parties participating in the co-managed assets. Thereafter, the Board of Directors of the SICAV and the Management Company may regularly make subsequent transfers to the co-managed assets.

The assets can also be transferred back to a Party to the co-managed assets for an amount not exceeding the participation of the said Party to the co-managed assets.

Quaero Capital Funds (Lux)

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

Dividends, interest and other distributions deriving from income generated by the co-managed assets accrue to each Party to the co-managed assets in proportion to its respective investment. Such income may be kept by the Party to the co-managed assets or reinvested in the co-managed assets.

All charges and expenses incurred in respect of the co-managed assets are applied to these assets. Such charges and expenses are allocated to each party to the co-managed assets in proportion to its respective entitlement to the co-managed assets.

In the case of an infringement of the investment restrictions affecting a sub-fund of the SICAV, when such a sub-fund takes part in co-management and even if the manager has complied with the investment restrictions applicable to the co-managed assets in question, the Board of Directors of the SICAV and the Management Company shall ask the manager to reduce the investment in question in proportion to the participation of the sub-fund concerned in the co-managed assets or, where applicable, reduce its participation in the co-managed assets to a level that respects the investment restrictions of the sub-fund.

When the SICAV is liquidated or when the Board of Directors of the SICAV and the Management Company decide, without prior notice, to withdraw the participation of the SICAV or a sub-fund from co-managed assets, the co-managed assets are allocated to the Parties to the co-managed assets in proportion to their respective participation in the co-managed assets.

The investor must be aware of the fact that such co-managed assets are employed solely to ensure effective management inasmuch as all Parties to the co-managed assets have the same depositary. Co-managed assets are not distinct legal entities and are not directly accessible to investors. However, the assets and liabilities of each sub-fund are constantly separated and identifiable.

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) General

The financial statements are prepared in accordance with generally accepted accounting principles and presented in accordance with the legal reporting requirements applicable in Luxembourg relating to undertakings for collective investment under the going concern basis of accounting except for the sub-funds Quaero Capital Funds (Lux) - Bamboo, Quaero Capital Funds (Lux) - New Europe, Quaero Capital Funds (Lux) - China and Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap that were put into liquidation as indicated in note 15. The application of the non-going concern basis of accounting has not led to material adjustments to the sub-funds' published net asset value' and the liquidation fees that were provisioned in 2024 are indicated in note 15.

The SICAV's total net assets are expressed in euros (EUR) and correspond to the difference between the total assets and the total liabilities of the SICAV.

b) Combined financial statements of the SICAV

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

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

c) Valuation of assets

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

- 1) The value of any cash in hand or on deposit, notes and bills payable on demand and accounts receivable (including reimbursements of fees and expenses payable by any UCI in which the SICAV may invest), prepaid expenses and cash dividends declared and interest accrued but not yet collected, shall be deemed the nominal value of these assets unless it is improbable that it can be paid and collected in full; in which case, the value is arrived at after deducting such amounts as the Board of Directors of the SICAV may consider appropriate to reflect the true value of these assets.
- 2) Securities and money market instruments listed on an official stock exchange or dealt on any other regulated market are valued at their last available price in Luxembourg on the valuation day and, if the security or money market instrument is traded on several markets, on the basis of the last known price on the main market of this security. If the last known price is not representative, valuation are based on the fair value at which it is expected it can be sold, as determined with prudence and in good faith by the Board of Directors of the SICAV.
- 3) Unlisted securities and securities or money market instruments not traded on a stock exchange or any other regulated market as well as listed securities and securities or money market instruments listed on a regulated market for which no price is available, or securities or money market instruments whose quoted price is, in the opinion of the Board of Directors of the SICAV, not representative of actual market value, are valued at their last known price in Luxembourg or, in the absence of such price, on the basis of their probable realisation value, as determined with prudence and in good faith by the Board of Directors of the SICAV.
- 4) Securities or money market Instruments denominated in a currency other than the relevant sub-fund's valuation currency are converted at the average exchange rate of the currency concerned applicable on the valuation day.
- 5) The valuation of investments reaching maturity within a maximum period of 90 days may include straight-line daily amortisation of the difference between the principal 91 days before maturity and the value at maturity.
- 6) The liquidation value of futures, spot, options or forward foreign exchange contracts that are not traded on stock exchanges or other regulated markets is equal to their net liquidation value determined in accordance with the policies established by the Board of Directors of the SICAV on a basis consistently applied to each type of contract. The liquidation value of futures, spot, options or forward foreign exchange contracts traded on stock exchanges or other regulated markets is based on the latest available price for these contracts on the stock exchanges and regulated markets on which these futures, spot, options and forward foreign exchange contracts are traded by the SICAV; provided that if an options or futures contract cannot be liquidated on the date on which the net assets are valued, the basis for determining the liquidation value of said contract shall be determined by the Board of Directors of the SICAV in a fair and reasonable manner.
- 7) Swaps are valued at their fair value based on the last known closing price of the underlying security.
- 8) UCIs are valued on the basis of their last available NAV in Luxembourg. As indicated below, this NAV may be adjusted by applying a recognised index so as to reflect market changes since the last valuation.

Quaero Capital Funds (Lux)

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

9) Liquid assets and money market instruments are valued at their nominal value plus accrued interest, or on the basis of amortised costs.

10) Any other securities and assets are valued in accordance with the procedures put in place by the Board of Directors of the SICAV and with the help of specialist valuers, as the case may be, who are instructed by the Board of Directors of the SICAV to carry out the said valuations.

d) Formation expenses

Formation expenses are amortised on a straight-line basis over a maximum period of five years.

e) Net realised gain/loss on sales of investments

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

f) Foreign exchange translation for each sub-fund

Cash at banks, other net assets as well as the market value of the investment portfolio in currencies other than the currency of the sub-fund are translated into the currency of the sub-fund at the exchange rate prevailing at the closing date.

Income and expenses in currencies other than the currency of the sub-fund are translated into the currency of the sub-fund at the exchange rate prevailing at the payment date. Resulting realised and unrealised foreign exchange gains and losses are included in the statement of operations and changes in net assets.

g) Acquisition cost of securities in the portfolio

Cost of investment securities in currencies other than the sub-fund currency is translated into the sub-fund currency at the exchange rate applicable at the purchase date.

h) Income

Dividends are shown net of withholding tax (deducted at source), and are recorded at ex-date.

Interest is recorded on an accrual basis.

i) Forward foreign exchange contracts

The unrealised gains or losses resulting from outstanding forward foreign exchange contracts are determined on the valuation day on the basis of the forward foreign exchange prices applicable on this date and are recorded in the statement of net assets.

j) Valuation of futures contracts and options on futures contracts

Open futures contracts and options on futures contracts are valued at the last settlement or close price on the stock exchanges or regulated markets.

Quaero Capital Funds (Lux)

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

k) Accounting of futures contracts and options on futures contracts

Unrealised gains or losses of open contracts are disclosed in the statement of net assets. Change in net unrealised appreciation/depreciation on futures contracts and options on futures contracts, and net realised gains or losses on futures contracts and options on futures contracts are disclosed in the statement of operations and changes in net assets. Unrealised gains and/or losses on futures contracts and on options on futures contracts already settled through the receipt/payment of a cash amount are kept as change in net unrealised appreciation/depreciation on forward contracts in the statement of operations and changes in net assets until the termination of the futures contract and options on futures contracts.

l) Payable and receivable

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

m) Transaction fees

The transaction fees represent the costs incurred by each sub-fund in connection with purchases and sales of investments.

They have been defined as brokerage fees, bank commissions, foreign tax, depositary fees and other transaction fees relating to purchases or sales of transferable securities, money market instruments, derivatives or other eligible assets.

NOTE 3

"TAXE D'ABONNEMENT"

The SICAV's assets are subject to tax (*taxe d'abonnement*) in Luxembourg of 0.05% p.a. on net assets (and 0.01% p.a. on total net assets in case of sub-funds or Classes reserved to Institutional Investors), payable quarterly. In case some sub-funds are invested in other Luxembourg UCIs, which in turn are subject to the annual subscription tax (*taxe d'abonnement*) provided for by the 2010 Act, no annual subscription tax (*taxe d'abonnement*) is due from the SICAV on the portion of assets invested therein.

The SICAV's income is not taxable in Luxembourg. Income received from the SICAV may be subject to withholding taxes in the country of origin of the issuer of the security, in respect of which such income is paid. No duty or tax is payable in Luxembourg in connection with the issue of Shares of the SICAV.

NOTE 4

GLOBAL MANAGEMENT FEES

The aggregate amount of fees (to the exclusion of the fixed fees) payable out of the assets of the sub-fund to the Investment Manager (including in its capacity as Global Distributor) and Investment Adviser are disclosed as Global Management fees. The Global Management fees are based on the average value of the NAV of the sub-fund over the relevant period and are payable monthly in arrears.

Quaero Capital Funds (Lux)

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

The maximum annual rates applicable as at December 31, 2023, are as follows:

Quaero Capital Funds (Lux)	A shares (max)	A1 shares (max)	B shares (max)	B1 shares (max)	C shares (max)	C1 shares (max)	D shares (max)	D1 shares (max)	D2 shares (max)	H shares (max)	X shares (max)	X1 shares (max)	Z shares (max)
Argonaut	1.50%	1.50%	1.25%	-	1.00%	-	2.00%	1.60%	-	1.50%	1.25%	-	-
World Opportunities	1.50%	1.50%	1.25%	-	1.00%	-	2.00%	1.60%	-	-	-	-	-
Bamboo	1.50%	1.50%	1.20%	-	1.00%	-	2.00%	1.60%	-	-	0.75%	-	-
International Equities *	1.50%	1.50%	1.25%	-	1.00%	-	2.00%	1.60%	-	-	-	-	-
Global Balanced *	1.50%	1.50%	1.25%	-	1.00%	-	2.00%	1.60%	-	-	-	-	-
Infrastructure Securities	1.50%	1.50%	1.25%	-	1.00%	-	2.00%	1.60%	-	-	-	-	-
Yield Opportunities	0.80%	0.80%	0.70%	-	0.60%	-	1.40%	1.00%	-	-	-	-	-
Accessible Clean Energy	1.50%	1.50%	1.25%	-	1.00%	-	2.00%	1.60%	2.40%	-	0.75%	-	-
New Europe	1.75%	1.75%	1.50%	-	1.25%	-	2.25%	1.85%	-	-	-	-	-
China	-	1.50%	1.25%	-	0.75%	1.00%	2.00%	1.60%	-	-	-	-	-
Cullen ESG US Value	-	1.00%	0.90%	-	0.75%	-	2.00%	1.50%	-	-	0.50%	-	-
Global Convertible Bonds	-	0.75%	0.75%	0.90%	0.50%	-	1.75%	2.20%	-	-	-	-	-
Taiko Japan	-	1.50%	0.45%	-	0.75%	-	1.60%	2.00%	-	-	-	-	0.30%
Quaeronaut Small & Mid Cap	-	1.25%	1.00%	-	0.75%	-	2.00%	1.35%	-	-	0.50%	-	-
Net Zero Emission **	-	1.50%	1.15%	0.90%	0.75%	-	2.00%	1.60%	2.40%	-	0.75%	-	-
Bond Investment Opportunity ***	-	-	0.75%	-	0.50%	-	1.25%	0.75%	-	-	0.35%	-	-

* Until December 8, 2023 (merger date)

** Until December 21, 2023 (liquidation date)

*** Since November 13, 2023 (launch date)

S and Z share classes do not pay any Global Management Fee.

The effective rates applicable as at December 31, 2023, are as follows:

Quaero Capital Funds (Lux)	A shares	A1 shares	B shares	B1 shares	C shares	C1 shares	D shares	D1 shares	D2 shares	H shares	X shares	X1 shares	Z shares
Argonaut	1.50%	1.50%	1.25%	-	-	-	2.00%	-	-	1.50%	1.25%	-	-
World Opportunities	1.50%	1.50%	-	-	-	-	2.00%	-	-	-	-	-	-
Bamboo	1.50%	-	1.20%	-	1.00%	-	-	-	-	-	0.75%	-	-
Infrastructure Securities	1.50%	1.50%	-	-	1.00%	-	2.00%	-	-	-	-	-	-
Yield Opportunities	0.80%	-	-	-	0.60%	-	-	1.00%	-	-	-	-	-
Accessible Clean Energy	1.50%	-	1.25%	-	1.00%	-	2.00%	-	-	-	0.75%	-	-
New Europe	1.75%	-	-	-	1.25%	-	-	-	-	-	-	-	-
China	-	-	-	-	0.75%	-	-	1.60%	-	-	-	-	-
Cullen ESG US Value	-	1.00%	-	-	0.75%	-	1.00%	-	-	-	0.50%	-	-
Global Convertible Bonds	-	0.75%	-	-	0.50%	-	1.75%	-	-	-	-	-	-
Taiko Japan	-	-	-	-	-	-	-	-	-	-	-	-	0.30%
Quaeronaut Small & Mid Cap	-	-	-	-	-	-	-	1.35%	-	-	0.50%	-	-
Bond Investment Opportunity *	-	-	-	-	-	-	1.25%	-	-	-	0.35%	-	-

* Since November 13, 2023

Each sub-fund may, in addition, be required to indirectly pay management fees of a maximum of 4% on account of its investment in other UCIs or UCITS. Quaero Capital Funds (Lux) - World Opportunities and Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap invest a significant portion of their NAVs in underlying funds.

Quaero Capital Funds (Lux)

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

The maximum management fees of these underlying funds are as follows:

Underlying funds	Management fees (max.)
AGIF - CHINA A - SHARES AT USD -ACC.-	2.25%
OFI INVEST ESG LIQUIDITES EUR	0.24%
VONTOBEL - SUSTAINABLE E/M LEADERS I	0.83%

In addition, the Investment Manager is entitled to receive, out of the assets of each class within each sub-fund, fees corresponding to 0.20% p.a. of the NAV (the "fixed fees"). The fixed fees cover all fees and expenses incurred in the day-to-day operation, administration and servicing of the SICAV and its sub-funds in relation to the following:

- (1) marketing and promotion expenses;
- (2) advertising;
- (3) costs relating to the publication of prices;
- (4) distribution of semi-annual and annual reports and other reporting expenses;
- (5) publication and mailing of notifications and reports to shareholders or any other type of communication to shareholders, regulatory authorities or service providers.

Details of calculation of fixed fees are available in the Prospectus.

NOTE 5

PERFORMANCE FEES

The Investment Manager is entitled to receive performance fees in regards to each sub-fund as follows:

a) Quaero Capital Funds (Lux) - Argonaut

The Investment Manager receives out of the assets of the sub-fund attributable to all Classes of Shares, except Classes S and Z Shares, performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 12.5% of the performance of the NAV per Share measured against the High Water Mark (as defined in the relevant special section of the Prospectus) over a hurdle rate of 5% p.a. pro rata temporis, calculated since the last performance fees payment.

The Investment Manager receives out of the assets of the sub-fund attributable to Class X Shares performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV equivalent to 12.5% of the performance of the NAV per share measured against the High Water Mark (as defined in the relevant special section of the Prospectus) over the return of the Benchmark Index (MSCI European MicroCap Index), calculated since the last performance fees payment.

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

Quaero Capital Funds (Lux)

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

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

ISIN code	Share class	Class currency	Performance fees	% of net assets*
LU0428317514	A (ACC) EUR	EUR	-	-
LU0512346346	A (ACC) GBP	GBP	-	-
LU0584436546	A (ACC) CHF	CHF	-	-
LU0551533457	A (ACC) SEK	SEK	-	-
LU0675400260	A (ACC) USD	USD	-	-
LU1890151431	A1 (ACC) EUR	EUR	-	-
LU0866897233	B (ACC) EUR	EUR	-	-
LU0770749538	D (ACC) EUR	EUR	-	-
LU1110857148	D (ACC) USD	USD	-	-
LU0428315906	H (ACC) EUR	EUR	-	-
LU0973085789	X (ACC) GBP	GBP	-	-

* Based on the average of the Net Assets of the Class for the year ended December 31, 2023.

b) Quaero Capital Funds (Lux) - World Opportunities

The Investment Manager receives, out of the assets of the sub-fund attributable to all classes of Shares except the classes D and Z, performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 10% of the performance of the NAV per Share exceeding the High Water Mark (as defined in the relevant special section of the Prospectus).

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

Details of calculation of performance fees are available in the relevant special section of the Prospectus.

ISIN code	Share class	Class currency	Performance fees	% of net assets*
LU0754593787	A (ACC) EUR	EUR	-	-
LU1539115680	A (ACC) CHF	CHF	-	-
LU1539115334	A (ACC) USD	USD	-	-

* Based on the average of the Net Assets of the Class for year ended December 31, 2023.

c) Quaero Capital Funds (Lux) - Bamboo

The Investment Manager receives out of the assets of the sub-fund attributable to all classes of Shares except the class Z, performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 10% of the performance of the NAV per share measured against the High Water Mark (as defined in the relevant Special Section of the Prospectus) over the return of the Benchmark Index (MSCI AC Asia Pacific ex Japan Index Net Total Return USD), calculated since the last performance fees payment.

Quaero Capital Funds (Lux)

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

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

ISIN code	Share class	Class currency	Performance fees	% of net assets*
LU1234769641	A (ACC) EUR	EUR	-	-
LU1206411313	A (ACC) USD	USD	-	-
LU1212064551	B (ACC) USD	USD	-	-
LU1212064718	C (ACC) USD	USD	-	-
LU1771859730	C (ACC) EUR	EUR	-	-
LU1206411156	X (ACC) USD	USD	-	-

* Based on the average of the Net Assets of the Class for the year ended December 31, 2023.

d) Quaero Capital Funds (Lux) - Yield Opportunities

The Investment Manager receives out of the assets of the sub-fund attributable to Class A of Shares performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 5% of the performance of the NAV per Share exceeding the High Water Mark (as defined in the relevant special section of the Prospectus).

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

ISIN code	Share class	Class currency	Performance fees	% of net assets*
LU1136191399	A (ACC) EUR	EUR	-	-
LU1277647605	A (ACC) CHF	CHF	-	-
LU1277647514	A (ACC) USD	USD	-	-

* Based on the average of the Net Assets of the Class for the year ended December 31, 2023.

e) Quaero Capital Funds (Lux) - Accessible Clean Energy

The Investment Manager receives out of the assets of the sub-fund except the class X, performance fees, accrued on each Valuation Day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 12% of the performance of the NAV per Share measured against the High Water Mark (as defined in the relevant special section of the Prospectus) over the return of the Benchmark Index (MSCI World Index), calculated since the last performance fees payment.

Quaero Capital Funds (Lux)

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

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

ISIN code	Share class	Class currency	Performance fees	% of net assets*
LU1710458198	A (ACC) CHF	CHF	-	-
LU1633832339	A (ACC) USD	USD	-	-
LU1710457893	A (ACC) EUR	EUR	-	-
LU1651874312	B (ACC) USD	USD	-	-
LU1807429052	B (ACC) EUR	EUR	-	-
LU1710458354	C (ACC) EUR	EUR	-	-
LU1633832503	C (ACC) USD	USD	-	-
LU1975630440	C (ACC) EUR (non hedged)	EUR	-	-
LU2209348452	C GBP	GBP	-	-
LU2497530845	D (ACC) EUR	EUR	-	-

* Based on the average of the Net Assets of the Class for the year ended December 31, 2023.

f) Quaero Capital Funds (Lux) - New Europe

The Investment Manager receives out of the assets of the sub-fund attributable to all classes of Shares except the class Z performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 12.5% of the performance of the NAV per Share measured against the High Water Mark (as defined in the relevant special section of the Prospectus) over a hurdle rate of 5% p.a. pro rata temporis, calculated since the last performance fees payment.

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

ISIN code	Share class	Class currency	Performance fees	% of net assets*
LU1377519092	A (ACC) EUR	EUR	-	-
LU1377517120	A (ACC) USD	USD	993.50	0.35
LU1377517807	C (ACC) EUR	EUR	-	-

* Based on the average of the Net Assets of the Class for the year ended December 31, 2023.

Quaero Capital Funds (Lux)

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

g) Quaero Capital Funds (Lux) - China

The Investment Manager receives, out of the assets of the sub-fund attributable to all classes of Shares except the class C, performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 15% of the performance of the NAV per Share measured against the High Water Mark (as defined in the relevant special section of the Prospectus), over the return of the Benchmark Index (MSCI China 10-40 Net Total Return USD Index), calculated since the last performance fees payment.

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

ISIN code	Share class	Class currency	Performance fees	% of net assets*
LU2257490198	C (ACC) USD	USD	-	-
LU2257489935	C (ACC) CHF	CHF	-	-
LU2257489778	C (ACC) EUR	EUR	-	-
LU2257490438	D1 (ACC) EUR	EUR	-	-
LU2257490511	D1 (ACC) CHF	CHF	-	-
LU2257490602	D1 (ACC) USD	USD	-	-

* Based on the average of the Net Assets of the Class for the year ended December 31, 2023.

h) Quaero Capital Funds (Lux) - Global Convertible Bonds

The Investment Manager receives, out of the assets of the sub-fund attributable to all classes of Shares, except the classes B1 and Z, performance fees, accrued on each Valuation Day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent up to 15% of the performance of the NAV per Share exceeding the High Water Mark (as defined in the relevant special section of the Prospectus).

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

Quaero Capital Funds (Lux)

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

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

ISIN code	Share class	Class currency	Performance fees	% of net assets*
LU2114351864	A1 (ACC) EUR	EUR	-	-
LU2114352243	C (ACC) EUR	EUR	-	-
LU2141149414	C (DIST) EUR	EUR	-	-
LU2173413373	D (ACC) EUR	EUR	-	-

* Based on the average of the Net Assets of the Class for the year ended December 31, 2023.

i) Quaero Capital Funds (Lux) - Net Zero Emission

The Investment Manager receives, out of the assets of the sub-fund attributable to all classes of Shares, except the classes B, C, X and Z, performance fees, accrued on each Valuation Day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 12% of the performance of the NAV per Share exceeding the High Water Mark over the return of the Benchmark Index (MSCI World Index) calculated since the last Performance Fee payment.

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

ISIN code	Share class	Class currency	Performance fees	% of net assets*
LU2539422233	X (ACC) EUR	EUR	-	-
LU2539422159	X (ACC) USD	USD	-	-

* Based on the average of the Net Assets of the Class for the period from January 1, 2023 to December 21, 2023 (liquidation date).

j) Quaero Capital Funds (Lux) - Bond Investment Opportunity

The Investment Manager receives, out of the assets of the sub-fund attributable to all classes of Shares, except the class Z, performance fees, accrued on each Valuation Day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 15% of the performance of the NAV per Share exceeding the High Water Mark over the return of the Benchmark Index (€STR+ 2.50%) calculated since the last Performance Fee payment.

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

Quaero Capital Funds (Lux)

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

ISIN code	Share class	Class currency	Performance fees	% of net assets
LU2696109219	D (ACC) EUR	EUR	2.32	0.05*
LU2696109565	X (ACC) EUR	EUR	132,394.47	0.46**

* Based on the average of the Net Assets of the Class for the period from December 7, 2023 (launch date) to December 31, 2023.

** Based on the average of the Net Assets of the Class for the period from November 13, 2023 (launch date) to December 31, 2023.

The other sub-funds are not subject to performance fees.

NOTE 6 OTHER FEES PAYABLE

As at December 31, 2023, the other fees payable include mainly audit, operating, Management Company, taxes expenses.

NOTE 7 SUBSCRIPTION AND REDEMPTION

Shareholders or prospective investors may subscribe for a sub-class in a class in a sub-fund at a subscription price per Share equal to:

(a) the initial subscription price where the subscription relates to the initial offering period or initial offering date; or

(b) the NAV per share as of the Valuation Day on which the subscription is effected where the subscription relates to a subsequent offering (other than the initial offering period or initial offering date) of shares of an existing sub-class in an existing class in an existing sub-fund.

If an investor wants to subscribe shares, subscription fees of up to 5.00% of the NAV per share may be added to the subscription price to be paid by the investor. The applicable subscription fees are stipulated in the relevant special section of the Prospectus. The subscription fees are payable to the Global Distributor, sub-distributors, intermediaries or are partially or totally revert to the relevant sub-fund.

A shareholder who redeems his shares receives an amount per share redeemed equal to the NAV per share as of the applicable valuation day for the relevant class in the relevant sub-fund (less, as the case may be, redemption fees of up to 5.00% as stipulated in the relevant special section of the Prospectus and any tax or duty imposed on the redemption of the shares).

Quaero Capital Funds (Lux)

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

NOTE 8

EXCHANGE RATE AS AT DECEMBER 31, 2023

The following exchange rates were used for the conversion of the net assets of the sub-funds into EUR as at December 31, 2023:

1 EUR =	0.92972900	CHF
1 EUR =	0.86652873	GBP
1 EUR =	155.73350080	JPY
1 EUR =	11.13250052	SEK
1 EUR =	1.10465039	USD

NOTE 9

FORWARD FOREIGN EXCHANGE CONTRACTS

Forward foreign exchange contracts on identical currency pairs listed below are aggregated.

The SICAV had the following forward foreign exchange contracts outstanding as at December 31, 2023:

Quaero Capital Funds (Lux) - Argonaut

Currency	Purchase	Currency	Sale	Maturity date
CHF	11,898,471.82	EUR	12,648,650.64	31/01/2024
GBP	24,322,423.22	EUR	27,975,008.75	31/01/2024
SEK	744,600.81	EUR	67,519.93	31/01/2024
USD	8,124,748.61	EUR	7,341,158.36	31/01/2024

The net unrealised gain on these contracts as at December 31, 2023 was EUR 241,710.02 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - World Opportunities

Currency	Purchase	Currency	Sale	Maturity date
CHF	16,769,610.65	USD	19,726,749.41	31/01/2024
EUR	2,869,213.75	USD	3,176,250.32	31/01/2024

The net unrealised gain on these contracts as at December 31, 2023 was USD 261,539.61 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - Bamboo

Currency	Purchase	Currency	Sale	Maturity date
EUR	3,524,224.78	USD	3,901,354.54	31/01/2024

The net unrealised loss on this contract as at December 31, 2023 was USD 3,301.14 and is included in the statement of net assets.

Quaero Capital Funds (Lux)

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

Quaero Capital Funds (Lux) - Infrastructure Securities

Currency	Purchase	Currency	Sale	Maturity date
CHF	4,814,999.38	EUR	5,118,577.07	31/01/2024
USD	2,837,441.18	EUR	2,563,784.56	31/01/2024

The net unrealised gain on these contracts as at December 31, 2023 was EUR 72,436.73 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - Yield Opportunities

Currency	Purchase	Currency	Sale	Maturity date
CHF	3,140,832.22	EUR	3,338,856.46	31/01/2024
EUR	1,187,534.54	USD	1,300,000.00	15/02/2024
GBP	160,133.89	EUR	184,184.09	31/01/2024
USD	727,252.81	EUR	657,113.01	31/01/2024

The net unrealised gain on these contracts as at December 31, 2023 was EUR 59,937.07 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - Accessible Clean Energy

Currency	Purchase	Currency	Sale	Maturity date
CHF	1,877,459.78	USD	2,208,529.43	31/01/2024
EUR	17,700,878.92	USD	19,595,601.21	31/01/2024
GBP	30,507.53	USD	38,847.43	31/01/2024

The net unrealised gain on these contracts as at December 31, 2023 was USD 12,513.17 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - New Europe

Currency	Purchase	Currency	Sale	Maturity date
USD	325,245.36	EUR	293,877.12	31/01/2024

The net unrealised gain on this contract as at December 31, 2023 was EUR 176.77 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - China

Currency	Purchase	Currency	Sale	Maturity date
CHF	6,766,947.07	USD	7,960,224.71	31/01/2024
EUR	15,325,726.67	USD	16,965,743.41	31/01/2024

The net unrealised gain on these contracts as at December 31, 2023 was USD 92,266.53 and is included in the statement of net assets.

Quaero Capital Funds (Lux)

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

Quaero Capital Funds (Lux) - Cullen ESG US Value

Currency	Purchase	Currency	Sale	Maturity date
EUR	351,680.32	USD	389,313.88	31/01/2024
GBP	11,929,345.49	USD	15,190,494.52	31/01/2024

The net unrealised gain on these contracts as at December 31, 2023 was USD 19,449.44 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - Global Convertible Bonds

Currency	Purchase	Currency	Sale	Maturity date
EUR	8,516,224.29	JPY	1,343,500,000.00	14/03/2024
EUR	39,000,000.00	USD	42,562,143.00	14/03/2024
USD	1,000,000.00	EUR	909,461.31	14/03/2024

The net unrealised gain on these contracts as at December 31, 2023 was EUR 395,704.58 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - Taiko Japan

Currency	Purchase	Currency	Sale	Maturity date
CHF	54,367.32	JPY	9,074,406.00	31/01/2024
EUR	1,106,939.97	JPY	173,783,707.00	31/01/2024
GBP	1,352,961.08	JPY	244,328,615.00	31/01/2024
USD	5,172,821.89	JPY	733,714,009.00	31/01/2024

The net unrealised loss on these contracts as at December 31, 2023 was JPY 12,286,078.62 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap

Currency	Purchase	Currency	Sale	Maturity date
CHF	2,230,535.09	EUR	2,371,166.61	31/01/2024
USD	145,186.02	EUR	131,183.57	31/01/2024

The net unrealised gain on these contracts as at December 31, 2023 was EUR 32,920.63 and is included in the statement of net assets.

Quaero Capital Funds (Lux)

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

NOTE 10 FUTURES CONTRACTS

As at December 31, 2023, the SICAV had the following futures contracts:

Quaero Capital Funds (Lux) - Bond Investment Opportunity

	Maturity date	Currency	Commitment in EUR	Unrealised in EUR
Purchase of 47.00 Germany 2Y Schatz Government Bond	07/03/2024	EUR	4,762,106.93	18,330.00
Purchase of 56.00 Germany 5Y Bobl Government Bond	07/03/2024	EUR	5,716,172.34	78,400.00
Sale of 37.00 Germany 10Y Bund Government Bond	07/03/2024	EUR	-3,793,919.65	-112,850.00

NOTE 11 OPTIONS ON FUTURES CONTRACTS

As at December 31, 2023, the SICAV had the following options on futures contracts:

Quaero Capital Funds (Lux) - Bond Investment Opportunity

	Maturity date	Currency	Commitment in EUR	Unrealised in EUR
Purchase of 160.00 PUT Germany 10Y Bund Government Bond 133.00	23/02/2024	EUR	-3,889,583.23	12,800.00
Sale of 160.00 PUT Germany 10Y Bund Government Bond 131.50	23/02/2024	EUR	2,408,902.59	-8,000.00

NOTE 12 COLLATERAL ON OTC DERIVATIVES PRODUCTS

In the framework of their transactions on OTC derivatives products, the sub-funds of the SICAV may receive cash collateral from the various counterparties with which they deal. As at December 31, 2023, no collateral on OTC derivatives products had been received by the SICAV.

NOTE 13 UKRAINE RUSSIA CONFLICT

The Management Company continue to monitor existing exposures to Russia, and the effects of the Ukraine/Russia conflict.

In the context of daily/weekly Valuation Committee and Risk Committee meetings in particular, decisions are made considering the current situation; these decisions are subject to regular adjustments due to changes in the overall assessment.

Key considerations include, but are not limited to:

- Direct and indirect exposures, and spill-over effects likely to have a negative impact on sub-funds;
- Markets, and asset valuation;
- Portfolio Compliance considering capital restrictions and sanctions imposed as an outcome of the Russia/Ukraine conflict.

Quaero Capital Funds (Lux)

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

In light of the current situation in Ukraine/Russia, the Russian shares quoted on domestic stock exchange and the cash in RUB have been temporarily valued at zero due to the situation on markets, liquidity and sanctions amongst some considerations.

This may be subject to change as a result of the evolution of the current situation.

The Board of Directors of the SICAV is confident that the fund operations will continue as a going concern and is carefully following the current crisis.

NOTE 14

DIVIDEND DISTRIBUTED

The sub-fund Quaero Capital Funds (Lux) - Yield Opportunities paid the following dividends during the year:

	Currency	Dividend per Share	Record date	Ex-date	Payment date
C (DIST) EUR	EUR	2.59	11.12.2023	12.12.2023	14.12.2023
C (DIST) CHF	CHF	2.40	11.12.2023	12.12.2023	14.12.2023
C (DIST) GBP	GBP	2.76	11.12.2023	12.12.2023	14.12.2023

NOTE 15

SUBSEQUENT EVENTS

The Board of Directors of the SICAV decided to put Quaero Capital Funds (Lux) - Bamboo and Quaero Capital Funds (Lux) - China into liquidation with effect on January 31, 2024.

The Board of Directors of the SICAV decided to put Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap into liquidation with effect on March 21, 2024.

The Board of Directors of the SICAV decided to put Quaero Capital Funds (Lux) - New Europe into liquidation with effect on March 25, 2024.

As a result, the following liquidation fees were provisioned in 2024:

Sub-fund	Currency	Amount
Quaero Capital Funds (Lux) - Bamboo	USD	90,653.78
Quaero Capital Funds (Lux) - New Europe	EUR	113,493.15
Quaero Capital Funds (Lux) - China	USD	60,575.95
Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap	EUR	35,239.76

Quaero Capital Funds (Lux)

Total Expense Ratio ("TER") (Unaudited Appendix I)

Pursuant to the "Guidelines on the calculation and disclosure of the total expense ratio (TER) of collective investment schemes" of May 16, 2008 (version of August 5, 2021) of the Asset Management Association Switzerland ("AMAS"), the SICAV is obliged to publish a TER for the latest 12-month period.

The TER is defined as the ratio between the total operating expenses (operating charges primarily consist of management and investment advisory fees, depositary fees, bank charges and interest, service fees, performance fees, taxes and duties) and the relevant sub-fund's / share class' average NAV (calculated on the basis of the daily average of the total net assets for the relevant year) expressed in its reference currency.

Moreover, for the new share classes launched during the period, operating fees were annualised as stated in point 8 of the Directive. The amounts were annualised whereas certain fixed costs were not split equally over the period.

For the period from January 1, 2023 to December 31, 2023, the TER was:

Class	Currency	Annualised TER including performance fees	Annualised TER excluding performance fees
Quaero Capital Funds (Lux) - Argonaut			
A (ACC) EUR	EUR	2.05%	2.05%
A (ACC) CHF	CHF	2.08%	2.08%
A (ACC) GBP	GBP	2.08%	2.08%
A (ACC) SEK	SEK	2.08%	2.08%
A (ACC) USD	USD	2.08%	2.08%
A1 (ACC) EUR	EUR	2.00%	2.00%
B (ACC) EUR	EUR	1.76%	1.76%
D (ACC) EUR	EUR	2.55%	2.55%
H (ACC) EUR	EUR	2.05%	2.05%
X (ACC) GBP	GBP	1.82%	1.82%
S (ACC) EUR	EUR	0.35%	0.35%
Z (ACC) EUR	EUR	0.35%	0.35%
Quaero Capital Funds (Lux) - World Opportunities			
A (ACC) EUR	EUR	2.09%	2.09%
A (ACC) CHF	CHF	2.10%	2.10%
A (ACC) USD	USD	2.07%	2.07%
D (ACC) EUR	EUR	2.60%	2.60%
D (ACC) USD	USD	2.57%	2.57%
Quaero Capital Funds (Lux) - Bamboo			
A (ACC) USD	USD	2.35%	2.35%
A (ACC) EUR	EUR	2.38%	2.38%
B (ACC) USD	USD	2.01%	2.01%
C (ACC) USD	USD	1.81%	1.81%
C (ACC) EUR	EUR	1.87%	1.87%
X (ACC) USD	USD	1.61%	1.61%
Quaero Capital Funds (Lux) - Infrastructure Securities			
A (ACC) EUR	EUR	2.11%	2.11%
A (ACC) USD	USD	2.15%	2.15%
A (ACC) CHF	CHF	2.15%	2.15%

Quaero Capital Funds (Lux)

Total Expense Ratio ("TER") (Unaudited Appendix I) (continued)

Class	Currency	Annualised TER including performance fees	Annualised TER excluding performance fees
Quaero Capital Funds (Lux) - Infrastructure Securities (continued)			
A1 (DIST) CHF	CHF	2.10%	2.10%
C (ACC) EUR	EUR	1.57%	1.57%
C (ACC) CHF	CHF	1.59%	1.59%
C (ACC) USD	USD	1.63%	1.63%
D (ACC) EUR	EUR	2.61%	2.61%
Quaero Capital Funds (Lux) - Yield Opportunities			
A (ACC) EUR	EUR	1.77%	1.77%
A (ACC) CHF	CHF	1.81%	1.81%
A (ACC) USD	USD	1.78%	1.78%
D1 (ACC) EUR	EUR	1.80%	1.80%
D1 (ACC) CHF	CHF	1.87%	1.87%
C (DIST) EUR	EUR	1.29%	1.29%
C (DIST) CHF	CHF	1.42%	1.42%
C (DIST) GBP	GBP	1.21%	1.21%
Quaero Capital Funds (Lux) - Accessible Clean Energy			
A (ACC) CHF	CHF	2.12%	2.12%
A (ACC) USD	USD	2.08%	2.08%
A (ACC) EUR	EUR	2.11%	2.11%
B (ACC) USD	USD	1.79%	1.79%
B (ACC) EUR	EUR	1.82%	1.82%
C (ACC) EUR	EUR	1.62%	1.62%
C (ACC) USD	USD	1.55%	1.55%
C (ACC) EUR (non hedged)	EUR	1.54%	1.54%
C (ACC) GBP	GBP	1.57%	1.57%
D (ACC) EUR	EUR	2.63%	2.63%
X (ACC) USD	USD	1.34%	1.34%
Quaero Capital Funds (Lux) - New Europe			
A (ACC) EUR	EUR	2.46%	2.46%
A (ACC) USD	USD	2.84%	2.49%
C (ACC) EUR	EUR	1.94%	1.94%
Quaero Capital Funds (Lux) - China			
C (ACC) USD	USD	1.40%	1.40%
C (ACC) CHF	CHF	1.44%	1.44%
C (ACC) EUR	EUR	1.43%	1.43%
D1 (ACC) EUR	EUR	2.35%	2.35%
D1 (ACC) CHF	CHF	2.34%	2.34%
D1 (ACC) USD	USD	2.33%	2.33%
Quaero Capital Funds (Lux) - Cullen ESG US Value			
A1 (ACC) USD	USD	1.70%	1.70%
A1 (ACC) EUR	EUR	1.77%	1.77%
C (ACC) GBP	GBP	1.48%	1.48%
D (ACC) USD	USD	1.74%	1.74%
X (ACC) USD	USD	1.24%	1.24%

Quaero Capital Funds (Lux)

Total Expense Ratio ("TER") (Unaudited Appendix I) (continued)

Class	Currency	Annualised TER including performance fees	Annualised TER excluding performance fees
Quaero Capital Funds (Lux) - Cullen ESG US Value (continued)			
X (ACC) GBP	GBP	1.27%	1.27%
Quaero Capital Funds (Lux) - Global Convertible Bonds			
A1 (ACC) EUR	EUR	1.26%	1.26%
C (ACC) EUR	EUR	1.01%	1.01%
C (DIST) EUR	EUR	1.02%	1.02%
D (ACC) EUR	EUR	2.29%	2.29%
Quaero Capital Funds (Lux) - Taiko Japan			
Z (ACC) EUR	EUR	1.01%	1.01%
Z (ACC) CHF	CHF	0.98%	0.98%
Z (ACC) GBP	GBP	0.97%	0.97%
Z (ACC) GBP (non hedged)	GBP	0.96%	0.96%
Z (ACC) USD	USD	0.99%	0.99%
Z (ACC) JPY	JPY	0.94%	0.94%
Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap			
D1 (ACC) EUR	EUR	2.28%	2.28%
D1 (ACC) CHF	CHF	2.31%	2.31%
X (ACC) EUR	EUR	1.42%	1.42%
X (ACC) CHF	CHF	1.46%	1.46%
X (ACC) USD	USD	1.44%	1.44%
Quaero Capital Funds (Lux) - Bond Investment Opportunity			
D (ACC) EUR	EUR	1.73%	1.68%
X (ACC) EUR	EUR	1.28%	0.82%

Quaero Capital Funds (Lux)

Performance (Unaudited Appendix II)

The performance per share class was calculated by comparing the net assets per share as at December 31, 2023 with the net assets per share as at December 31, 2022.

For share classes that distributed a dividend, the dividend amount was reintegrated into the net assets as at December 31, 2023, in order to compute the performance including dividends.

The performance was calculated at the end of each financial year according to the "Guidelines on the calculation and publication of the performance data of collective investment schemes" of May 16, 2008 (version of August 5, 2021) of the Asset Management Association Switzerland ("AMAS").

The performance given is based on historical data, which is no guide to current or future performance. Commissions and fees levied for the issue or redemption of shares, as applicable, have not been taken into account in this performance calculation.

As at December 31, 2023, performances were the following:

Class	Currency	Performance for the financial year ending December 31, 2023	Performance for the financial year ending December 31, 2022	Performance for the financial year ending December 31, 2021
Quaero Capital Funds (Lux) - Argonaut				
A (ACC) EUR	EUR	-5.67%	-12.80%	23.74%
A (ACC) CHF	CHF	-7.75%	-13.01%	23.71%
A (ACC) GBP	GBP	-4.55%	-11.76%	23.95%
A (ACC) SEK	SEK	-5.90%	-12.97%	24.14%
A (ACC) USD	USD	-3.85%	-10.56%	24.98%
A1 (ACC) EUR	EUR	-5.61%	-12.76%	22.70%
B (ACC) EUR	EUR	-5.40%	-12.56%	23.92%
D (ACC) EUR	EUR	-6.14%	-13.23%	23.43%
H (ACC) EUR	EUR	-5.68%	-12.80%	23.73%
X (ACC) GBP	GBP	-4.31%	-11.68%	25.83%
S (ACC) EUR	EUR	-4.03%	-11.36%	27.43%
Z (ACC) EUR	EUR	-4.06%	-11.32%	27.46%
Quaero Capital Funds (Lux) - World Opportunities				
A (ACC) EUR	EUR	17.01%	-31.65%	7.91%
A (ACC) CHF	CHF	14.70%	-31.68%	7.69%
A (ACC) USD	USD	20.13%	-28.93%	9.05%
D (ACC) EUR	EUR	16.42%	-31.99%	8.16%
D (ACC) USD	USD	19.52%	-29.28%	9.45%
Quaero Capital Funds (Lux) - Bamboo				
A (ACC) USD	USD	-12.12%	-32.69%	8.74%
A (ACC) EUR	EUR	-14.47%	-34.53%	6.87%
B (ACC) USD	USD	-11.83%	-32.46%	9.01%
C (ACC) USD	USD	-11.66%	-32.32%	9.24%
C (ACC) EUR	EUR	-14.01%	-34.18%	7.94%
X (ACC) USD	USD	-11.46%	-32.17%	9.44%

Quaero Capital Funds (Lux)

Performance (Unaudited Appendix II) (continued)

Class	Currency	Performance for the financial year ending December 31, 2023	Performance for the financial year ending December 31, 2022	Performance for the financial year ending December 31, 2021
Quaero Capital Funds (Lux) - Infrastructure Securities				
A (ACC) EUR	EUR	5.06%	-9.51%	4.13%
A (ACC) USD	USD	6.97%	-7.55%	4.94%
A (ACC) CHF	CHF	2.77%	-9.96%	3.75%
A1 (DIST) CHF	CHF	2.82%	-9.93%	3.80%
C (ACC) EUR	EUR	5.63%	-9.03%	4.70%
C (ACC) CHF	CHF	3.33%	-9.47%	4.32%
C (ACC) USD	USD	7.54%	-7.05%	7.23% *
D (ACC) EUR	EUR	4.53%	-3.83% *	-
Quaero Capital Funds (Lux) - Yield Opportunities				
A (ACC) EUR	EUR	-2.93%	-7.03%	7.25%
A (ACC) CHF	CHF	-5.09%	-7.57%	7.01%
A (ACC) USD	USD	-1.03%	-5.69%	7.95%
D1 (ACC) EUR	EUR	-3.02%	-7.12%	7.16%
D1 (ACC) CHF	CHF	-5.17%	-7.66%	6.89%
C (DIST) EUR	EUR	-2.59%	-6.72%	7.64%
C (DIST) CHF	CHF	-4.75%	-7.25%	7.37%
C (DIST) GBP	GBP	-1.27%	-5.51%	8.14%
Quaero Capital Funds (Lux) - Accessible Clean Energy				
A (ACC) CHF	CHF	-18.18%	-21.58%	-14.24%
A (ACC) USD	USD	-13.94%	-18.13%	-12.59%
A (ACC) EUR	EUR	-16.57%	-21.58%	-14.54%
B (ACC) USD	USD	-13.69%	-17.89%	-12.19%
B (ACC) EUR	EUR	-16.33%	-21.35%	-13.95%
C (ACC) EUR	EUR	-16.15%	-21.19%	-13.71%
C (ACC) USD	USD	-13.48%	-17.68%	-11.93%
C (ACC) EUR (non hedged)	EUR	-16.41%	-12.30%	-5.56%
C (ACC) GBP	GBP	-14.77%	-20.12%	8.76% *
D (ACC) EUR	EUR	-16.98%	-12.26% *	-
X (ACC) USD	USD	-13.30%	-8.20% *	-
Quaero Capital Funds (Lux) - New Europe				
A (ACC) EUR	EUR	37.02%	-22.07%	10.11%
A (ACC) USD	USD	39.50%	-19.42%	10.98%
C (ACC) EUR	EUR	37.75%	-21.66%	10.63%
Quaero Capital Funds (Lux) - China				
C (ACC) USD	USD	-17.70%	-33.92%	-19.38%
C (ACC) CHF	CHF	-21.38%	-36.14%	-20.54%
C (ACC) EUR	EUR	-19.91%	-35.82%	-20.46%
D1 (ACC) EUR	EUR	-20.63%	-36.38%	-20.74%
D1 (ACC) CHF	CHF	-22.07%	-36.71%	-27.25% *
D1 (ACC) USD	USD	-18.44%	-34.50%	-19.69%

Quaero Capital Funds (Lux)

Performance (Unaudited Appendix II) (continued)

Class	Currency	Performance for the financial year ending December 31, 2023	Performance for the financial year ending December 31, 2022	Performance for the financial year ending December 31, 2021
Quaero Capital Funds (Lux) - Cullen ESG US Value				
A1 (ACC) USD	USD	7.18%	-8.14%	23.49%
A1 (ACC) EUR	EUR	4.47%	-11.08%	22.32%
C (ACC) GBP	GBP	6.44%	-9.61%	-0.55% *
D (ACC) USD	USD	7.14%	-8.18%	23.45%
X (ACC) USD	USD	7.67%	-7.71%	24.07%
X (ACC) GBP	GBP	6.67%	-9.46%	1.74% *
Quaero Capital Funds (Lux) - Global Convertible Bonds				
A1 (ACC) EUR	EUR	5.99%	-16.80%	3.37%
C (ACC) EUR	EUR	6.25%	-16.58%	3.81%
C (DIST) EUR	EUR	6.25%	-16.58%	3.81%
D (ACC) EUR	EUR	4.88%	-17.65%	1.03% *
Quaero Capital Funds (Lux) - Taiko Japan				
Z (ACC) EUR	EUR	25.98%	3.95%	15.29%
Z (ACC) CHF	CHF	11.82% *	-	-
Z (ACC) GBP	GBP	27.89%	5.45%	15.89%
Z (ACC) GBP (non hedged)	GBP	7.82%	2.68%	4.99%
Z (ACC) USD	USD	28.54%	6.26%	16.26%
Z (ACC) JPY	JPY	22.08%	4.49%	16.02%
Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap				
D1 (ACC) EUR	EUR	5.34%	0.36% *	-
D1 (ACC) CHF	CHF	3.09%	0.30% *	-
X (ACC) EUR	EUR	6.23%	0.40% *	-
X (ACC) CHF	CHF	3.96%	0.34% *	-
X (ACC) USD	USD	8.52%	1.81% *	-
Quaero Capital Funds (Lux) - Bond Investment Opportunity				
D (ACC) EUR	EUR	1.22% *	-	-
X (ACC) EUR	EUR	3.53% *	-	-

* The performance of share classes launched during the period was calculated by comparing the net assets per share as at the launch date of the share class with the net assets per share at the end of the year.

Quaero Capital Funds (Lux)

Other information to Shareholders (Unaudited Appendix III)

1. Remuneration of the members of the Management Company

The Management Company has adopted a Remuneration Policy which is in accordance with the principles established by the law of May 10, 2016, amending the law of December 17, 2010 (the "2010 Law").

The financial year of the Management Company ends on December 31 of each year.

The table below shows the total amount of the remuneration for the financial year ended as at December 31, 2023, split into fixed and variable remuneration, paid by the Management Company to its staff.

The table has been prepared taking into consideration point 162 of section 14.1 of the European Securities and Markets Authority (ESMA) remuneration guidelines relating to the confidentiality and data protection in presenting the remuneration information.

	Number of Beneficiaries	Total remuneration (EUR)	Fixed remuneration (EUR)	Variable remuneration (target or discretionary bonuses, parts remuneration) (EUR)
Total remuneration paid by the Management Company during the year	32	61,293	43,518	17,775

Additional explanation

- The beneficiaries reported are composed of the risk takers (including the 4 Conducting Officers) and the staff of the Management Company dedicated to Management Company activities for all the Funds under management, remunerated by the Management Company. In addition, the Management Company did not remunerate directly the staff of the Investment Manager, but rather ensured that the Investment Manager complies with the Remuneration Policy requirements itself.
- The benefits have been attributed according to criteria such as level of seniority, hierarchic level, or other eligibility criteria, not taking into account performance criteria, and are thus excluded from the fixed or variable remuneration figures provided above.
- Total fixed and variable remuneration disclosed is based on apportionment of Asset Under Management represented by the SICAV.
- The 2023 annual review outcome showed no exception.
- There have been no changes to the adopted remuneration policy since its implementation.

Other information to Shareholders (Unaudited Appendix III) (continued)

2. Securities Financing Transactions Regulation ("SFTR")

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

3. Information on risk measurement

The sub-funds' global risk exposure is monitored by using the Commitment approach. In that respect, financial derivatives instruments are converted into their equivalent position in the underlying asset. The global risk exposure shall not exceed the sub-fund's NAV.

Quaero Capital Funds (Lux)

Sustainable Finance Disclosure Regulation ("SFDR") (Unaudited Appendix IV)

On November 27, 2019, Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector was published (the "SFDR"). The SFDR aims to increase the harmonization of, and transparency towards the end investors with regard to, the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics and sustainable investment by requiring pre-contractual and ongoing disclosures to end investors.

The SFDR provides high-level definitions and distinguishes between several categorizations of products including "Article 8 products" which are financial products that promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices ("SFDR Article 8 Products") and "Article 9 products" which are products that have sustainable investment as their objective ("SFDR Article 9 Products").

The following sub-funds of Quaero Capital Funds (Lux) are categorized as financial products falling under the scope of the following SFDR articles as at December 31, 2023:

Sub-funds	Current SFDR categorization as at December 31, 2023
Argonaut	Article 8
Infrastructure Securities	Article 8
Cullen ESG US Value	Article 8
Global Convertible Bonds	Article 8
Quaeronaut Small & Mid Cap	Article 8
Accessible Clean Energy	Article 9
Net Zero Emission	Article 9
Bond Investment Opportunity	Article 8

For the sub-funds, referred to under article 8 or 9, the unaudited Regulatory Technical Standards ("RTS") annexes are presented on the pages hereafter.

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

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

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: **Quaero Capital Funds (Lux) – Argonaut** (hereafter the “Sub-Fund”)

Legal entity identifier: 549300WF6E2RM1DSS471

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☐ It made **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**

☒ ☒ ☒ No

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 4% of sustainable investments

☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

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



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

The Sub-Fund invests primarily in a portfolio of micro and small capitalisation European companies. These investments rarely have third party ESG ratings which means they could be, and often are, ignored by the sustainable investment community. ESG analysis is completed alongside financial analysis by our ESG specialists.

The ESG analysis is considered by the investment team and integrated into the portfolio construction, it is also used to formulate an engagement plan. The Sub-Fund commits to engage with 80% of investments, either through direct engagement or through collaboration with other investors. The objective of each engagement is based on the ESG analysis, often focused on general ESG disclosure or specifically on carbon reduction targets.

To ensure that investments are aligned with the E/S characteristics above described, the Sub-Fund applies certain exclusions in order to not allocate capital to companies that severely and systemically cross ethical lines as well as companies that have a significantly negative impact on global warming. In this sense, the environmental and social characteristics promoted have been met.

Sustainability indicators

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

● *How did the sustainability indicators perform?*

Indicators	31.12.2023
Percentage of investments in companies with over 20% revenue from coal mining and/or coal thermal power.	0%
Percentage of investments in companies involved in the manufacture or selling of controversial weapons.	0%
Percentage of investments in companies that have been involved in severe and systemic violations of the UN Global Compact principle.	0%
Percentage of issuers the Investment manager engaged with.	78%

The sustainability indicators listed above demonstrate the ESG commitment in the portfolio. In 2023, the Sub-Fund engaged with 32 of the issuers in the portfolio on governance issues, as well as encouraging companies to provide more data and better transparency on ESG related policies.

In addition, the Sub-Fund did not breach an exclusion rule on controversial weapons and companies violating the United Nations Global Compact principle.

● *...and compared to previous periods?*

The Sub-Fund appears similarly to last year in terms of ESG performance of the sustainability indicators.

● *What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?*

While the Sub-Fund does not have a sustainable investment objective and is not committed to a have a minimum of sustainable investments, it may have invested in sustainable investments (please see hereafter).

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

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The assessment of sustainable investments was done either using the reported Taxonomy metrics provided by MSCI (reported by companies themselves).

Or by the Investment Manager's internal methodology to evaluate sustainable investments, the company must meaningfully contribute to the environmental objectives of climate change mitigation, climate change adaptation and /or circular economy (assessed internal using either revenue alignment and/or a qualitative assessment).

For the DNSH and good governance assessment:

- Companies with more than 10% revenue from coal except for those with transition commitments that reach 2 degrees by 2035 according to TPI, and in absence of TPI according to own analysis
- Companies in severe and systemic breach of UN Global Compact principles
- Companies with over 5% revenue from tobacco, either as a producer or distributor
- Companies involved in controversial weapons
- Companies with a high controversy level according to third party providers
- Companies with an MSCI ESG rating lower than BB, or when not available an internal ESG rating of 'very poor'

It is important to note that the assessment of sustainable investments linked to taxonomy has changed compared to last year. Last year, the Investment Manager relied on MSCI estimated data because companies had not started to report their alignment. The assessment of sustainable investments was performed using the Taxonomy metrics measured by MSCI that also assesses the DNSH (Do No Significant Harm) and good governance principles. Companies with more than 10% taxonomy revenue alignment were considered as taxonomy aligned, as long as the company met the DNSH and good governance assessments.

This year, as companies are disclosing their taxonomy alignment, the Investment Manager only uses companies reported data provided by MSCI and reports the taxonomy revenue weighted alignment of its investments.

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

The Principal Adverse Impacts ("PAIs") are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Investments are only considered sustainable investments if they are assessed internally as a sustainable investment due to its contribution to a sustainability objective as well as does not significant harm and with good governance. The latter two elements of the assessment incorporate the principles of the OECD guidelines and the UN Guiding Principles, with a required minimum ESG rating of BB on MSCI or 'fair' on the Quaero Capital internal methodology. In addition, a company evaluated as having a very severe controversy, using the input of third party assessment and internal assessments, will not be considered as a sustainable investment.

The sub-fund also excludes companies that are in severe and systemic breach of the UN Global Compact principles, which align tightly with the OECD guidelines and the UN Guiding Principles on human rights, labour, the environment, and economic and business issues.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

The PAIs are incorporated into an ESG assessment of a company, either through the MSCI ESG rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

The PAIs are also considered actively by the Sub-Fund at portfolio level, with monthly internal reporting highlighting every position in the Sub-Fund and the full list of principal adverse impacts.

PAIs	31.12.2023
Exposure to companies active in the fossil fuel sector.	0%
Exposure to controversial weapons.	0%
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) for multinational enterprises.	0%



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion** of investments of the financial product during the reference period which is the year ended 31.12.2023 (quarterly data).

Description	Economic sector	Country	% of Investments
VIEL	Holding and finance companies	France	5.41%
HEIJMANS SHS CERT.	Construction and building materials	Netherlands	5.07%
QUADIENT	Electronics and electrical equipment	France	4.31%
U-BLOX HOLDING	Electronics and electrical equipment	Switzerland	4.14%
EXAIL TECHNOLOGIES	Construction of machines and appliances	France	3.79%
SAFILO GROUP -POST RAGGRUPPAMENTO-CAMELLIA PLC	Photography and optics	Italy	3.67%
CEGEDIM	Holding and finance companies	United Kingdom	3.64%
PRICER 'B'	Internet, software and IT services	France	3.54%
IMPLENIA	Electronics and electrical equipment	Sweden	3.51%
SABAF	Construction and building materials	Switzerland	3.04%
PIQUADRO	Construction of machines and appliances	Italy	2.82%
LABORATORIO REIG	Textiles and clothing	Italy	2.70%
JOFRE	Food and soft drinks	Spain	2.70%
EXCEET GROUP	Mortgage and funding institutions	Luxembourg	2.64%
RAPALA VMC	Gastronomy	Finland	2.53%



What was the proportion of sustainability-related investments?

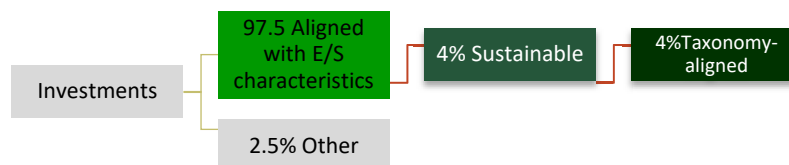
While the Sub-Fund does not have a sustainable investment objective and is not committed to have a minimum of sustainable investments, the Sub-Fund has 4% revenue weighted aligned to the EU taxonomy, based on reported company data provided by MSCI, thus considered as sustainable investments.

What was the asset allocation?

97.5% of the Sub-Fund's net assets were aligned with E&S characteristics as of December 31, 2023.

The remaining 2.5% were held in cash, as referred hereafter as "#2 Other. ".

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● *In which economic sectors were the investments made?*

Sector	% of Investments
Automobiles	0.39%
Banks and credit institutions	0.25%
Chemicals	1.43%
Computer and office equipment	1.57%
Construction and building materials	8.12%
Construction of machines and appliances	16.18%
Electronics and electrical equipment	19.53%
Environmental services & recycling	1.67%
Food and soft drinks	4.10%
Gastronomy	2.76%
Holding and finance companies	12.61%
Internet, software and IT services	5.98%
Mining and steelworks	0.30%
Miscellaneous investment goods	0.78%
Miscellaneous trade	0.52%
Mortgage and funding institutions	2.64%
Pharmaceuticals and cosmetics	1.57%
Photography and optics	4.48%
Real Estate Shares	1.11%
Retail and supermarkets	3.04%
Stainless steel	2.31%
Textiles and clothing	3.98%
Automobiles	0.39%
Utilities	0.86%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the sub-fund does not have an objective of sustainable investments to be aligned with the Taxonomy, it has 4% revenue weighted aligned to the EU Taxonomy, based on reported company data provided by MSCI.

Does the financial product invested in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

☐

Yes

☐

In fossil gas

☐

In nuclear energy

☒

No

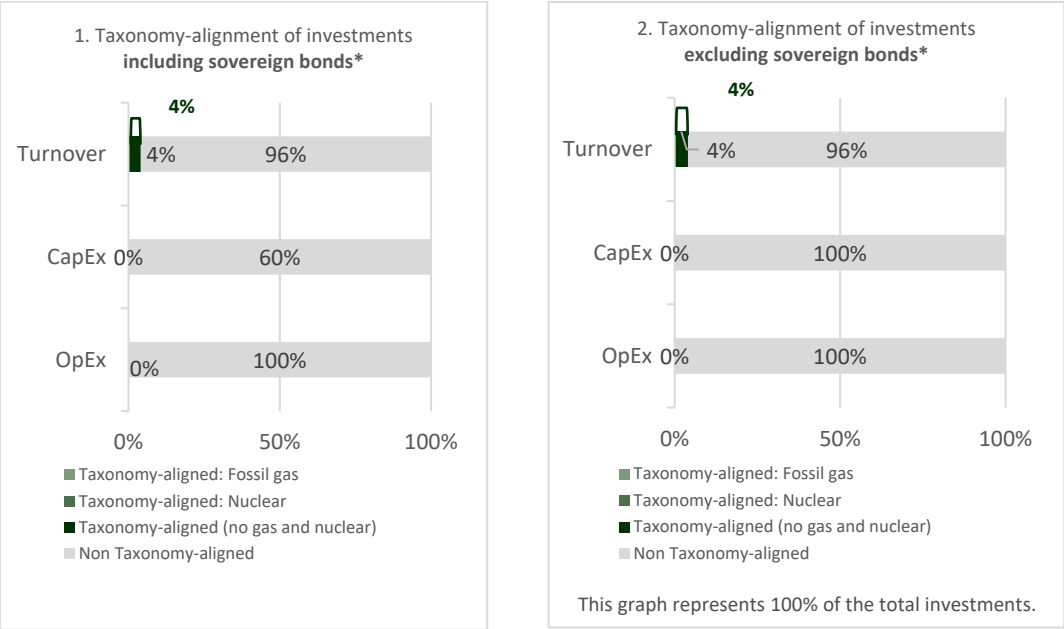
The Sub-Fund does have certain investments exposed to fossil gas and nuclear energy; however it does not have sufficient information from the companies or from the third party data providers to report the alignment of these activities with the EU Taxonomy.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The two graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

● What was the share of investments made in transitional and enabling activities?

As of 31.12.2023, the Sub-Fund has investments with alignment to transitional and enabling activities, but due to the lack of exact disclosure from companies, it reports zero alignment.

● How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

The Investment Manager can not compare the percentage to last year. Indeed, this year European companies started to report their alignment to the Taxonomy in their reports, thus only reported data from companies (provided by MSCI) in the Sub-Fund are considered in the Investment Manager's assessment.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

 **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The sustainable investments are all taxonomy aligned.

 **What was the share of socially sustainable investments?**

N/A

 **What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

The 2.5% was invested in cash as defined as "#2 Other".

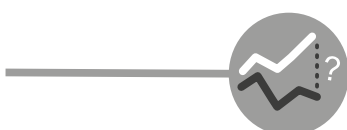


What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Sub-Fund participated in the CDP (Carbon Disclosure Project) non-disclosure campaign and asked eight companies in the Sub-Fund's portfolio to disclose to CDP on climate change, water and forests, taking the role of lead investor for four and cosignatory for four.

The Sub-Fund sent nine direct letters to companies asking them to set emission reduction targets aligned with 1.5 degree temperature scenario approved by the SBTi (Science-based Target initiative). These letters were followed by email exchanges and direct discussions with some of these companies.

In addition, the Sub-Fund engaged with 11 companies in portfolio on various themes, such as to better understand ESG risks and opportunities, asking for more transparency on carbon emission reduction strategies including medium to long-term targets, on governance issues, as well as encouraging companies to provide more data and better transparency on ESG related policies.



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

N/A

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

 **How does the reference benchmark differ from a broad market index?**

N/A

 **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

N/A

 **How did this financial product perform compared with the reference benchmark?**

N/A

 **How did this financial product perform compared with the broad market index?**

N/A

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: **Quaero Capital Funds (Lux) - Infrastructure Securities** (hereafter the “Sub-Fund”)

Legal entity identifier: 222100OKRMRD7I8NQN78

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☐ It made **sustainable investments with an environmental objective**: %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**: %

☒ ☒ ☒ No

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 21% of sustainable investments

☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

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



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

The Sub-Fund supports companies which demonstrate a high level of environmental and social responsibility and stewardship. The long-term nature of the infrastructure investments means that particular attention is put to the climate strategy of the organisation; the Investment Manager wants to see companies that are decarbonising their operations. Additionally, the Investment Manager believes that companies that exhibit elevated standards of governance are generally the better managed firms and therefore have superior prospects for financial outperformance. The Investment Manager considers E/ S characteristics as being integrated in an ESG score and, as of December 31, 2023 the Sub-Fund was scored AA on MSCI ESG score reflecting the high of ESG commitment of companies in the portfolio.

Moreover, the exclusions of the Sub-Fund were well respected and no breach was noted in 2023.

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

How did the sustainability indicators perform?

Indicators	31.12.2023
Percent of investments scored BBB or above based on MSCI's or equivalent by the Investment Manager proprietary ESG ranking system	100%
Percent of investments scored above Poor based on the ESG Investment Manager proprietary methodology further described in the investment strategy section.	0%
Carbon intensity (tCO ₂ e/USDm) sales	472
Female directors percentage	38%
Board independence percentage	85%
UN Global Compact signatory	55%
Percentage of investments in companies with over 20% revenue from coal mining and/or coal thermal power	0%
Percentage of investments in companies involved in the manufacture or selling of controversial weapons	0%
Percentage of investments in companies that have been involved in severe and systemic violations of the UN Global Compact principles	0%

...and compared to previous periods?

As of December 31, 2023, the carbon intensity of the Sub-Fund was slightly lower than last year (11%) but still quite significant; this can be explained by the focus of the Sub-Fund on the infrastructure industry which is known to be very carbon intensive.

However, compared to the Sub-Fund's universe (1,095 tCO₂/\$M), the Sub-Fund is better positioned, and this is reflected by the selection of best-in-class companies. The Investment Manager also tries to make sure companies in the Sub-Fund have ambitious CO₂ emission targets by engaging with them asking them to participate to CDP (Carbon Disclosure Project) campaign and asking them to set science-based targets.

Regarding the level of board independence, women on board and company's signatories to the UNGP (United Nations Guiding Principles on Business and Human Rights), the Sub-Fund appears better than the universe which has a board independence of 70% and 26% women on board and 33% being UNGP signatories.

In addition, the Sub-Fund did not breach any of its exclusion rules on coal, weapons and violation of UN Global Compact.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

While the Sub-Fund does not have a sustainable investment objective and is not committed to a have a minimum of sustainable investments , it may have invested in sustainable investments (please see hereafter).

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

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The assessment of sustainable investments was done either using the reported Taxonomy metrics provided by MSCI (reported by companies themselves).

Or by the Investment Manager's internal methodology to evaluate sustainable investments, the company must meaningfully contribute to the environmental objectives of climate change mitigation, climate change adaptation and /or circular economy (assessed internal using either revenue alignment and/or a qualitative assessment).

For the DNSH and good governance assessment:

- Companies with more than 10% revenue from coal except for those with transition commitments that reach 2 degrees by 2035 according to TPI (Transition Pathway Initiative), and in absence of TPI according to own analysis
- Companies in severe and systemic breach of UN Global Compact principles
- Companies with over 5% revenue from tobacco, either as a producer or distributor
- Companies involved in controversial weapons
- Companies with a high controversy level according to third party providers
- Companies with an MSCI ESG rating lower than BB, or when not available an internal ESG rating of 'very poor'

It is important to note that the assessment of sustainable investments linked to taxonomy has changed compared to last year. Last year, the Investment Manager relied on MSCI estimated data because companies had not started to report their alignment. The assessment of sustainable investments was performed using the Taxonomy metrics measured by MSCI that also assesses the DNSH (Do No Significant Harm) and good governance principles. Companies with more than 10% taxonomy revenue alignment were considered as taxonomy aligned, as long as the company met the DNSH and good governance assessments.

This year, as companies are disclosing their taxonomy alignment, the Investment Manager only uses companies reported data provided by MSCI and reports the taxonomy revenue weighted alignment of its investments.

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

The Principle Adverse Impacts ("PAIs") are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Investments are only considered sustainable investments if they are assessed internally as a sustainable investment due to its contribution to a sustainability objective as well as does not significant harm and with good governance. The latter two elements of the assessment incorporate the principles of the OECD guidelines and the UN Guiding Principles, with a required minimum ESG rating of BB on MSCI or 'fair' on the Quaero Capital internal methodology. In addition, a company evaluated as having a very severe controversy, using the input of third party assessment and internal assessments, will not be considered as a sustainable investment.

The Sub-Fund also excludes companies that are in severe and systemic breach of the UN Global Compact principles, which align tightly with the OECD guidelines and the UN Guiding Principles on human rights, labour, the environment, and economic and business issues.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

The PAIs are incorporated into an ESG assessment of a company, either through the MSCI ESG rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

The PAIs are also considered actively by the Sub-Fund at portfolio level, with monthly internal reporting highlighting every position in the Sub-Fund and the full list of principle adverse impacts.

The PAIs the Sub-Fund reports are:

PAIs	31.12.2023
Carbon footprint (the total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio.)	587
Exposure to companies active in the fossil fuel sector.	42%
Exposure to controversial weapons	0%
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) guidelines for multinational enterprises.	0%

The Sub-Fund identified no breach of UNGC principles during the year 2023.

Regarding the exposure to companies active in the fossil fuel sector the Sub-Fund has a strict exclusion to exclude companies with over 10% revenue from coal mining, coal thermal power generation. The Sub-Fund does not have strict exclusion of oil and gas companies. However, the Sub-Fund encourages companies to have plans to reduce their carbon emissions with for example emission reduction targets aligned with SBTi.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion** of investments of the financial product during the reference period which is the year ended 31.12.2023 (quarterly data).

Description	Economic sector	Country	% of Investments
INFRASTRUTTURE WIRELESS ITALIANE R.W.E. VINCI	Communications	Italy	5.32%
	Public utilities	Germany	5.28%
	Construction and building materials	France	5.20%
CELLNEX TELECOM ENGIE *	Communications	Spain	5.04%
	Public utilities	France	4.64%
VEOLIA ENVIRONNEMENT	Environmental conservation and waste management	France	4.30%
INFRATIL	Holding and finance companies	New Zealand	4.21%
HYDRO ONE	Public utilities	Canada	4.09%
CENTERPOINT ENERGY *	Public utilities	United States	3.89%
SEMPRA ENERGY *	Public utilities	United States	3.70%
SCOTTISH & SOUTHERN ENERGY *	Public utilities	United Kingdom	3.62%
EIFFAGE	Construction and building materials	France	3.54%
WASTE MANAGEMENT	Environmental conservation and waste management	United States	3.16%
REPUBLIC SERVICES	Environmental conservation and waste management	United States	2.77%
PG & E	Energy	United States	2.58%



What was the proportion of sustainability-related investments?

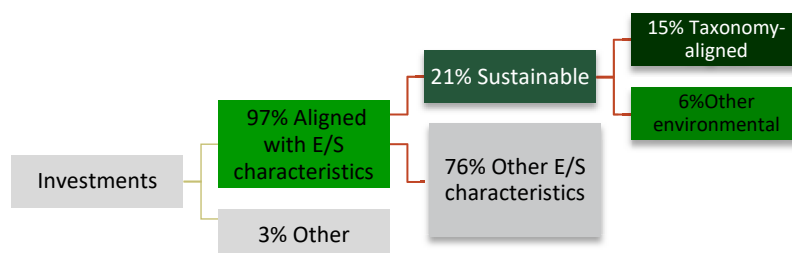
While the Sub-Fund does not have a sustainable investment objective, and is not committed to have a minimum of sustainable investments 9% of investments are sustainable according to the Investment Manager methodology and the Sub-Fund has 15% revenue weighted aligned to the EU taxonomy, based on reported company data provided by MSCI, thus considered as sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

97.4% of the Sub-Fund's net assets were aligned with E&S characteristics as of December 31, 2023.

The remaining 2.6% were hold in cash as defined as "#2 Other"



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● *In which economic sectors were the investments made?*

Sector	% of Investments
Biotechnology	1.88%
Communications	12.26%
Construction and building materials	8.74%
Construction of machines and appliances	2.11%
Energy	2.58%
Energy equipment & services	0.57%
Environmental conservation and waste management	10.23%
Holding and finance companies *	11.76%
Internet, software and IT services	0.54%
Miscellaneous *	0.75%
Oil *	2.71%
Oil and gas *	0.95%
Public utilities *	32.32%
Real Estate Shares	4.27%
Transport and freight *	5.19%
Utilities	0.55%

* Please note one or more ISINs from this sub sector is considered as involved in Fossil Fuel according to an external data provider. The level of involvement may vary.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Sub-Fund does not have an objective of sustainable investments to be aligned with the taxonomy, it has 15% revenue weighted aligned to the EU Taxonomy, based on reported company data provided by MSCI.

Does the financial product invested in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

☐

Yes

☐

In fossil gas

☐

In nuclear energy

☒

No

The Sub-Fund does have certain investments exposed to fossil gas and nuclear energy; however it does not have sufficient information from the companies or from the third party data providers to report the alignment of these activities with the EU Taxonomy.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

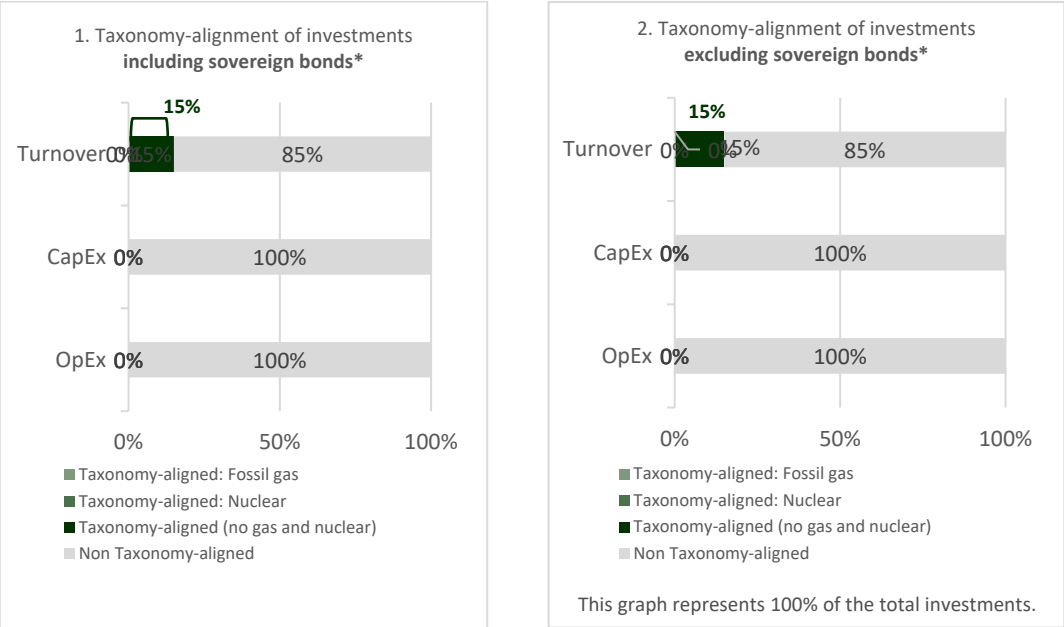
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.

- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.

- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The two graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



*For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

As of 31.12.2023, the sub-fund has investments with alignment to transitional and enabling activities, but due to the lack of exact disclosure from companies, it reports zero alignment.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Investment Manager can not compare the percentage to last year. Indeed, this year European companies started to report their alignment to the Taxonomy in their reports, thus only reported data from companies (provided by MSCI) in our Sub-Fund are considered in our assessment.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

 What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

5.6% of the sustainable investments were not aligned with the EU Taxonomy.

The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy relates to companies outside of the European perimeter, thus not included in the EU Taxonomy classification, or European companies that have not yet reported their taxonomy alignment.

 What was the share of socially sustainable investments?

N/A

 What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The 2.6% was invested in cash as defined as "#2 Other".



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Sub-Fund participated in the CDP (Carbon Disclosure Project) non-disclosure campaign and asked four companies in the Sub-Fund's portfolio to disclose to CDP on climate change, water and forests, taking the role of lead investor for one and cosignatory for three. The Sub-Fund sent 11 direct letters to companies asking them to set emission reduction targets aligned with 1.5 degree temperature scenario approved by the SBTi (Science-based Target initiative). These letters were followed by email exchanges and direct discussion with some of these companies.



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

N/A

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

 How does the reference benchmark differ from a broad market index?

N/A

 How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

N/A

 How did this financial product perform compared with the reference benchmark?

N/A

 How did this financial product perform compared with the broad market index?

N/A

ANNEX V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: **Quaero Capital Funds (Lux) - Accessible Clean Energy** (hereafter the “Sub-Fund”)

Legal entity identifier: 222100RMTDFAE27XXO79

Sustainable Investment Objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☒ ☒ ☒ **Yes**

☒ It made **sustainable investments with an environmental objective**: 98.95%

☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**

☒ ☐ **No**

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

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



To what extent was the sustainable investment objective of this financial product met?

The Sub-Fund pursues a sustainable objective of contributing to decarbonisation by investing and taking an active role along the clean energy value chain. This is achieved through the investment in companies that are either directly contributing to climate change mitigation, through companies whose products and services play a key role in supply chains to enable end-product and services to mitigate climate change, or through companies who are investing significantly in products and services which will have a material impact on climate change mitigation in the future.

The Sub-Fund invested in companies aligned with this objective, investing only in companies that have a significant impact on climate change mitigation. This is assessed not only based on the proportion of green revenue, but also based on the critical role that certain investments have in accelerating the green transition. As of December, 31 2023:

- 63% of net assets had more than 50% of green revenue
- The weighted average green revenue across the portfolio was 68%
- 100% of the investments had positive green revenues
- Potential avoided emissions of the investments in the portfolio was 136 millions of tCo2.

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

● *How did the sustainability indicators perform?*

Indicators	31.12.2023
The scope 1 and 2 carbon emission intensity (mt of CO2 per \$m)	233
The proportion of revenue of investments which contribute to the clean energy value chain	68%
Potential avoided emissions (mt of CO2)	136
Percentage of investments in companies active in coal	0%
Percentage of investments in companies involved in the manufacture or selling of controversial weapons	0%
Percentage of investments in companies that have been involved in severe and systemic violations of the UN Global Compact principles	0%

● *...and compared to previous periods?*

The sustainability indicators demonstrate the impact the investments in the portfolio have on climate change mitigation, having 100% of its investments contributing to the clean energy value chain and allowing a reduction of 136 million of tCo2.

Scope 1 and 2 emissions intensity decreased significantly comparing to last year (44%).

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

How did the sustainable investments not cause significant harm to any sustainable investment objective?

The assessment of sustainable investments was done

- either using the reported Taxonomy metrics provided by MSCI (reported by companies themselves).
- Or by the Investment Manager's internal methodology to evaluate sustainable investments, the company must meaningfully contribute to the environmental objectives of climate change mitigation, climate change adaptation and /or circular economy (assessed internal using either revenue alignment and/or a qualitative assessment).

For the DNSH (Do Not Significantly Harm) and good governance assessment:

- Companies with more than 10% revenue from coal except for those with transition commitments that reach 2 degrees by 2035 according to TPI (Transition Pathway Initiative), and in absence of TPI according to own analysis
- Companies in severe and systemic breach of UN Global Compact principles
- Companies with over 5% revenue from tobacco, either as a producer or distributor
- Companies involved in controversial weapons
- Companies with a high controversy level according to third party providers
- Companies with an MSCI ESG rating lower than BB, or when not available an internal ESG rating of 'very poor'

It is important to note that the assessment of sustainable investments linked to taxonomy has changed compared to last year. Last year, the Investment Manager relied on MSCI estimated data because companies had not started to report their alignment. The assessment of sustainable investments was performed using the Taxonomy metrics measured by MSCI that also assesses the DNSH (Do No Significant Harm) and good governance principles. Companies with more than 10% taxonomy revenue alignment were considered as taxonomy aligned, as long as the company met the DNSH and good governance assessments.

This year, as companies are disclosing their taxonomy alignment, the Investment Manager only uses companies reported data provided by MSCI and reports the taxonomy revenue weighted alignment of its investments.

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

The Principle Adverse Impacts (PAIs) are incorporated into an ESG assessment of a company, either through the MSCI ESG rating or through the internal methodology of the Investment Manager.

These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Investments are only considered sustainable investments if they are assessed internally as a sustainable investment due to its contribution to a sustainability objective as well as does not significant harm and with good governance. The latter two elements of the assessment incorporate the principles of the OECD guidelines and the UN Guiding Principles, with a required minimum ESG rating of BB on MSCI or 'fair' on the Quaero Capital internal methodology.

In addition a company evaluated as having a very severe controversy, using the input of third party assessment and internal assessments, will not be considered as a sustainable investment.

The Sub-Fund also excludes companies that are in severe and systemic breach of the UN Global Compact principles, which align tightly with the OECD guidelines and the UN Guiding Principles on human rights, labour, the environment, and economic and business issues.



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

The PAIs are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

The PAIs are also considered actively by the Sub-Fund at portfolio level, with monthly internal reporting highlighting every position in the Sub-Fund and the full list of principle adverse impacts.

The PAIs the Sub-Fund reports are:

PAIs	31.12.2023
Carbon footprint (the total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio.)	357.4
Exposure to companies active in the fossil fuel sector	11.4%
Share of non-renewable energy consumption and production	75.9%
Exposure to controversial weapons	0%
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) guidelines for multinational enterprises.	0%

The Sub-Fund identified no breach of UNGC principles during the year 2023.

Regarding the exposure to companies active in the fossil fuel sector the Sub-Fund has a strict exclusion to exclude companies with over 10% revenue from coal mining, coal thermal power generation.

The Sub-Fund does not have strict exclusion of oil and gas companies. However, the Sub-Fund makes sure it invests in companies that have plans to reduce their carbon emissions with for example emission reduction targets aligned with SBTi.



What were the top investments of this financial product?

This section will be completed by Deloitte Reporting using the information from the portfolio of the annual report.

The list includes the investments constituting **the greatest proportion** of investments of the financial product during the reference period which is the year ended 31.12.2023 (quarterly data).

Description	Economic sector	Country	% of Investments
FIRST SOLAR	Construction of machines and appliances	United States	6.25%
SCHNEIDER ELECTRIC S.A.	Electronics and electrical equipment	France	5.66%
LINDE	Chemicals	Ireland	5.19%
EDP RENOVAVEIS	Environmental services & recycling	Spain	4.93%
ENPHASE ENERGY	Public utilities	United States	4.65%
IBERDROLA	Public utilities	Spain	4.59%
SOLAREGE	Electronics and electrical equipment	United States	4.19%
TECHNOLOGIES	Public utilities	Belgium	3.66%
ELIA SYSTEM OPERATOR	Communications	Italy	3.57%
PRYSMIAN	Public utilities	Italy	3.33%
ENEL	Electronics and electrical equipment	Japan	3.21%
PANASONIC	Chemicals	Germany	3.20%
WACKER CHEMIE	Public utilities	Canada	3.17%
BORALEX A	Chemicals	United States	2.88%
ALBEMARLE	Electronics and electrical equipment	Netherlands	2.79%
ASML HOLDING			



What was the proportion of sustainability-related investments?

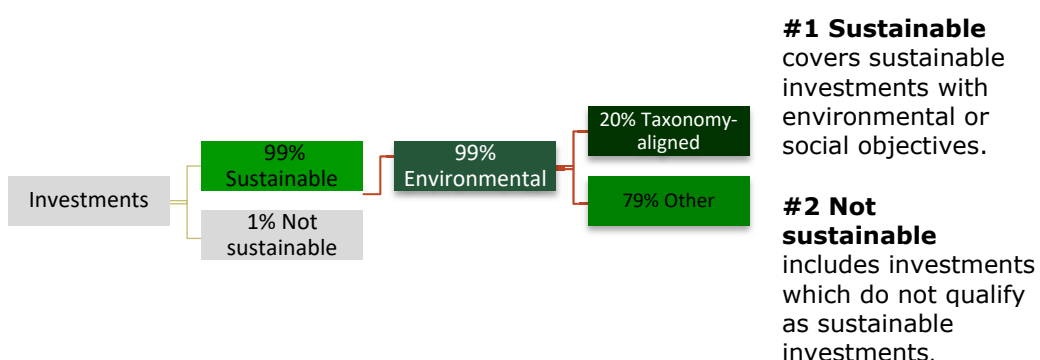
98.95% of net assets were sustainable investments.

Asset allocation

describes the share of investments in specific assets.

What was the asset allocation?

98.95% of the Sub-Fund's net assets were invested in sustainable investments as of December 31, 2023. The remaining 1.05% was holding of cash.



In which economic sectors were the investments made?

Sector	% of Investments
Automobiles	0.22%
Biotechnology	2.03%
Chemicals	12.80%
Communications	3.57%
Construction of machines and appliances	6.25%
Electronics and electrical equipment	24.92%
Energy equipment & services	1.08%
Environmental services & recycling	4.93%
Holding and finance companies	3.95%
Mining and steelworks	0.84%
Mortgage and funding institutions	1.95%
Oil *	1.91%
Precious metals and stones	0.32%
Public utilities *	33.82%
Stainless steel	0.79%
Utilities	0.17%

* Please note one or more ISINs from this sub sector is considered as involved in Fossil Fuel according to an external data provider. The level of involvement may vary.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Sub-Fund does not have an objective of sustainable investments to be aligned with the taxonomy, it has 20% revenue weighted aligned to the EU taxonomy, based on reported company data provided by MSCI.

2023 was the second year of implementation of the EU taxonomy and the first year involving non-financial companies. Because the quantity quality of the EU Taxonomy reporting data has improved, the Investment Manager has decided to declare the EU taxonomy revenue weighted alignment of the Sub-Fund's investments.

In order to have consistency between this information (appearing in this ESG periodic report) and the information mentioned in the prospectus, it is scheduled to amend the pre-contractual ESG disclosure information document of the Sub-Fund. This will be included in the next amendment of the prospectus.

Does the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

- ☐ Yes
- ☐ In fossil gas
- ☐ In nuclear energy
- ☒ No

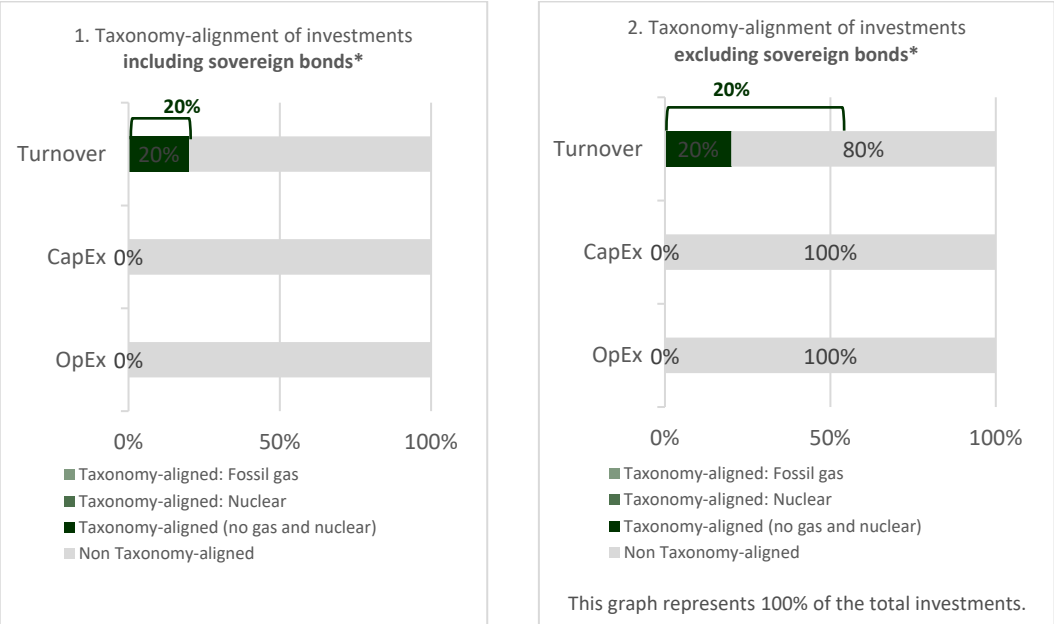
The Sub-Fund does have certain investments exposed to fossil gas and nuclear energy; however it does not have sufficient information from the companies or from the third party data providers to report the alignment of these activities with the EU Taxonomy.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The two graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

As of 31.12.2023, the Sub-Fund has investments with alignment to transitional and enabling activities, but due to the lack of exact disclosure from companies, it reports zero alignment.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Investment Manager can not compare the percentage to last year. Indeed, this year European companies started to report their alignment to the Taxonomy in their reports, thus only reported data from companies (provided by MSCI) in the Sub-Fund are considered in the Investment Manager's assessment.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

 What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

79% of the sustainable investments were not aligned with the EU Taxonomy.

The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy relates to companies outside of the European perimeter, thus not included in the EU Taxonomy classification, or European companies that have not yet reported their taxonomy alignment.

 What was the share of socially sustainable investments?

N/A

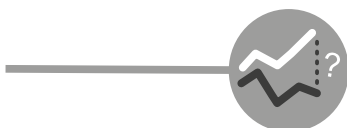
 What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

Investments included cash and deposits, and considering the type of investment there were no minimum environmental or social safeguards applied.



What actions have been taken to attain the sustainable investment objective during the reference period?

The Sub-Fund participated in the CDP non-disclosure campaign and asked four companies in the Sub-Fund to disclose to CDP on climate change, water and forests, taking the role of lead investor for one and cosignatory for three companies. The Sub-Fund sent 13 direct letters to companies asking them to set emission reduction targets aligned with 1.5 degree temperature scenario approved by the SBTi (Science-based Target initiative). These letters were followed by email exchanges and direct discussion with some of these companies.



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

N/A

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

 How does the reference benchmark differ from a broad market index?

N/A

 How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?

N/A

 How did this financial product perform compared with the reference benchmark?

N/A

 How did this financial product perform compared with the broad market index?

N/A

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: **Quaero Capital Funds (Lux) - CULLEN ESG US Value** (hereafter the “Sub-Fund”)

Legal entity identifier: 222100HP4PWKUORJOP25

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☐ It made **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ ☒ ☒ No

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 0% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

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



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

The Sub-Fund is focused on investing in companies that are best-in-class in their management of environmental, social and governance issues, and the Sub-Fund believes will outperform in the long term. The Sub-Fund's pursuit of high-quality companies is supported by its focus on those companies with strong governance structures, and high consideration of the long-term impacts of environmental and social issues the sustainable success of the company. The Sub-Fund invests only in companies that will attain financial success in a sustainable way. To ensure that investments are aligned with the E/S characteristics above described, certain exclusions are applied in order to not allocate capital to companies that severely and systematically cross ethical lines as well as companies that have a significantly negative impact on global warming.

Quaero Capital SA (the "Investment Manager") considers E/ S characteristics as being integrated in an ESG score and as of the December 31, 2023, the Sub-Fund was scored A on MSCI ESG score reflecting ESG commitment of companies in the portfolio. Moreover, the exclusions of the Sub-Fund were well respected, and no breach was noted in 2023.

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

How did the sustainability indicators perform?

Indicators	31.12.2023
Percent of investments scored BBB or above based on MSCI's proprietary ESG ranking system, or above 'Poor' based on the Investment Manager ESG team's proprietary methodology further described in the investment strategy section.	100%
Percentage of issuers the Investment Manager engaged with	81%
Percentage of investments in companies with over 20% revenue from coal mining and/or coal thermal power	0%
Percentage of investments in companies involved in the production of oil sands	0%
Percentage of investments in companies involved in the manufacture or selling of controversial weapons	0%
Percentage of investments in companies that have been involved in severe and systemic violations of the UN Global Compact principles	0%
Percentage of investments in companies that produce tobacco and tobacco products	0%
Percentage of investments in companies that are involved in the manufacture of gambling equipment, operating gambling establishments or supporting services supplied to gambling operations	0%
Percentage of investments involved in the production or development of firearms and munitions	0%

The sustainability indicators listed above demonstrate the ESG commitment in the portfolio. The Sub-Fund invested only in companies with strong ESG profiles, demonstrated with an MSCI rating of BBB or above or the equivalent using the Investment Manager proprietary methodology. In addition, the Sub-Fund did not breach an exclusion rule on tobacco, oil sand, coal, weapons and violation of UNGP.

The Sub-Fund engaged in 2023 with 30 companies on a range of topics, including emission reduction goals and achievability of those targets, labour management practices and talent retention initiatives, supply chain oversight and audit protocols, pay equity along gender and ethnic lines, combined chairman and CEO roles and incentive compensation alignment to ESG goals.

● ...and compared to previous periods?

In 2023, the Sub-Fund had more opportunities to engage with companies on ESG topics.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

N/A

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

N/A

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

N/A

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

N/A

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

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

The PAIs are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

The PAIs are also considered actively by the Sub-Fund at portfolio level, with monthly internal reporting highlighting every position in the Sub-Fund and the full list of principal adverse impacts. The PAI we decided to report are:

PAIs	31.12.2023
Carbon footprint (the total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio.)	366
Exposure to companies active in the fossil fuel sector	9.55%
Exposure to controversial weapons	0%
Exposure to companies that produce tobacco and tobacco products	0%
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) guidelines for multinational enterprises.	0%

The Sub-Fund identified no breach of UNGC principles during the year 2023.

Regarding the exposure to companies active in the fossil fuel sector we have a strict exclusion to coal where we exclude companies with over 10% revenue from coal mining, coal thermal power generation. The Sub-Fund does not have strict exclusion to oil and gas companies as we think the economy still need these companies. However, the Sub-Fund makes sure it invests in companies that have plans to reduce their carbon emissions with for example emission reduction targets aligned with SBTi.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion** of investments of the financial product during the reference period which is the year ended 31.12.2023 (quarterly data).

Description	Economic sector	Country	% of Investments
JP MORGAN CHASE & CO	Banks and credit institutions	United States	3.73%
CONOCOPHILLIPS	Oil and gas	United States	3.32%
JOHNSON CONTROLS INTERNATIONAL	Miscellaneous consumer goods	Ireland	3.23%
BORGWARNER	Automobiles	United States	3.19%
JM SMUCKER CO	Food and soft drinks	United States	3.13%
MORGAN STANLEY	Holding and finance companies	United States	3.11%
BRISTOL MYERS SQUIBB CO	Pharmaceuticals and cosmetics	United States	3.03%
JOHNSON & JOHNSON	Pharmaceuticals and cosmetics	United States	2.98%
CHUBB	Insurance	Switzerland	2.98%
AMERICAN EXPRESS	Banks and credit institutions	United States	2.92%
CONAGRA BRANDS	Miscellaneous consumer goods	United States	2.90%
MERCK & CO	Pharmaceuticals and cosmetics	United States	2.82%
AXALTA COATING SYSTEMS	Construction of machines and appliances	Bermuda	2.80%
MONDELEZ INTERNATIONAL 'A'	Food and soft drinks	United States	2.79%
SEMPRA ENERGY	Public utilities	United States	2.79%



What was the proportion of sustainability-related investments?

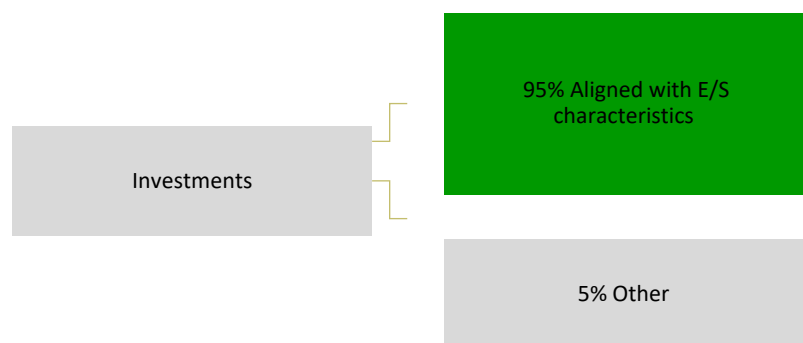
N/A

Asset allocation
describes the share of
investments in specific
assets.

● **What was the asset allocation?**

95.2% of the Sub-Fund's net assets were aligned with E&S characteristics as of December 31, 2023.

The remaining 4.8% was invested in cash as defined as "#2 Other"



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

● **In which economic sectors were the investments made?**

Sector	% of Investments
Automobiles	5.75%
Banks and credit institutions	6.65%
Chemicals	2.45%
Communications	6.21%
Computer and office equipment	5.18%
Construction of machines and appliances	5.39%
Electronics and electrical equipment	1.98%
Food and soft drinks	5.92%
Holding and finance companies	8.16%
Insurance	5.65%
Leisure	2.50%
Miscellaneous	2.78%
Miscellaneous consumer goods	6.13%
Oil and gas *	3.32%
Packaging	2.60%
Pharmaceuticals and cosmetics	12.25%
Public utilities *	3.40%
Real Estate Shares	3.24%
Retail and supermarkets	2.02%
Textiles and clothing	2.71%
Transport and freight *	2.52%
* Please note one or more ISINs from this sub sector is considered as involved in Fossil Fuel according to an external data provider. The level of involvement may vary.	

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A

☒ **Does the financial product invested in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

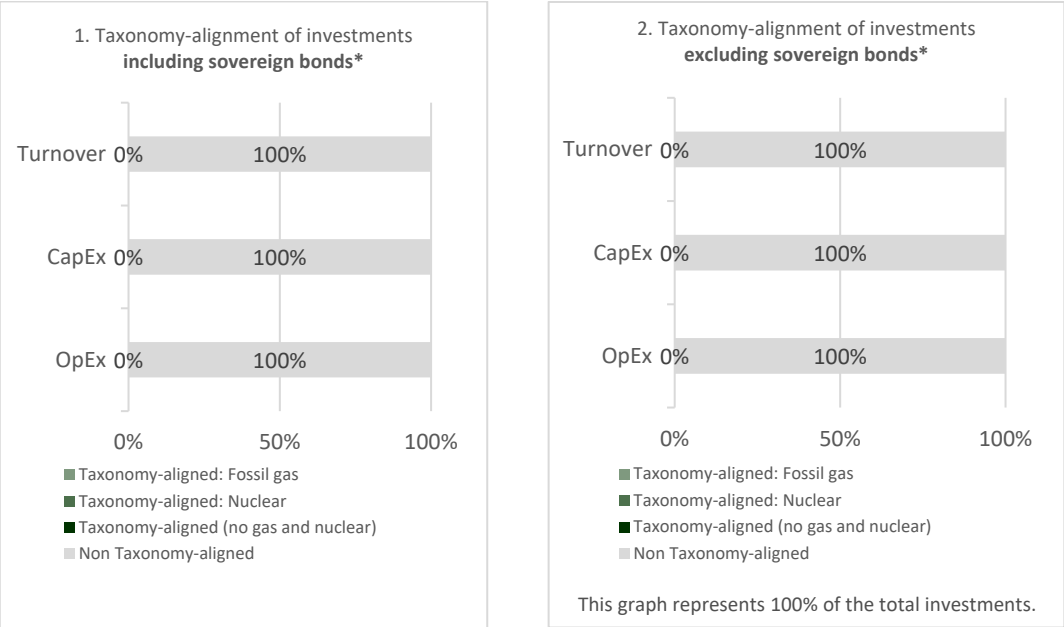
- ☐ Yes
- ☐ In fossil gas
- ☐ In nuclear energy
- ☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The two graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, “sovereign bonds” consist of all sovereign exposures.

● What was the share of investments made in transitional and enabling activities?

N/A

● How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Last year we reported some % of taxonomy alignment which were estimated. However, this year we rely only on reported taxonomy alignment by companies available on MSCI. As the Sub-Fund invests only in the US, no companies are aligned with the EU Taxonomy.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

 **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

N/A

 **What was the share of socially sustainable investments?**

N/A

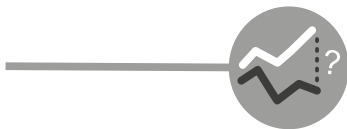
 **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The 4.8% was invested in cash as defined as “other”.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Sub-Fund engaged in 2023 with 30 companies on a range of topics, including emission reduction goals and achievability of those targets, labour management practices and talent retention initiatives, supply chain oversight and audit protocols, pay equity along gender and ethnic lines, combined chairman and CEO roles and incentive compensation alignment to ESG goals.



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

N/A

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

 **How does the reference benchmark differ from a broad market index?**

N/A

 **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

N/A

 **How did this financial product perform compared with the reference benchmark?**

N/A

 **How did this financial product perform compared with the broad market index?**

N/A

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: **Quaero Capital Funds (Lux) - Global Convertible Bonds** (hereafter the “Sub-Fund”)

Legal entity identifier: 2221004I42PZPPUNQ105

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☐ It made **sustainable investments with an environmental objective**: %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**: %

☒ ☒ ☒ No

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 8% of sustainable investments

☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

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



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

The Sub-Fund incorporates third-party company ESG ratings into the valuation of convertible bonds, directly and systematically affecting the Sub-Fund score, which dictates the weight of each bond in the portfolio. As a result, the portfolio is expected to tilt towards companies with stronger ESG profiles.

The Sub-Fund actively integrates ESG analysis from MSCI, or in the absence of an ESG rating from MSCI, the ESG team will rate the investment according to a proprietary methodology that rates companies on a scale of 5 ratings (from very poor to excellent).

The Sub-Fund aims to maintain at all times an overall ESG rating greater than the SPDR Refinitiv Global Convertible Bond UCTS ETF, using the MSCI ESG rating system.

The Sub-Fund considers E/ S characteristics as being integrated in an ESG score and as of the December 31, 2023, the Sub-Fund was scores A on MSCI ESG score reflecting ESG commitment of companies in the portfolio. Moreover, the exclusions of the Sub-Fund were well respected, and no breach was noted in 2023.

Sustainability indicators

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

● *How did the sustainability indicators perform?*

Indicators	31.12.2023
Portfolio ESG score according to MSCI relative to the universe the universe is comprised of companies included in the SPDR Refinitiv Global Convertible Bond ETF	The Sub-Fund is scored A (6.89 weighted Avg ESG score'e) vs the universe A (6.04)
Percentage of investments in companies with over 20% revenue from coal mining and/or coal thermal power	0%
Percentage of investments in companies involved in the manufacture or selling of controversial weapons	0%
Percentage of investments in companies that have been involved in severe and systemic violations of the UN Global Compact principles	0%

● *...and compared to previous periods?*

Thes MSCI ESG score of the Sub-Fund and universe decreased from AAA to A, this is mainly due to the fact that the scoring methodology at MSCI changed, removing the 'ESG adjustment' measure section and keeping only the 'weighted Avg ESG score'. As a result, this methodology change downgraded our fund and universe ESG scores.

● *What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?*

While the Sub-Fund does not have a sustainable investment objective and is not committed to a have a minimum of sustainable investments, it may have invested in sustainable investments (please see hereafter).

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

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The assessment of sustainable investments was done either using the reported Taxonomy metrics provided by MSCI (reported by companies themselves).

Or by the Investment Manager's internal methodology to evaluate sustainable investments, the company must meaningfully contribute to the environmental objectives of climate change mitigation, climate change adaptation and /or circular economy (assessed internal using either revenue alignment and/or a qualitative assessment). For the DNSH and good governance assessment:

- Companies with more than 10% revenue from coal except for those with transition commitments that reach 2 degrees by 2035 according to TPI (Transition Pathway Initiative), and in absence of TPI according to own analysis
- Companies in severe and systemic breach of UN Global Compact principles
- Companies with over 5% revenue from tobacco, either as a producer or distributor
- Companies involved in controversial weapons
- Companies with a high controversy level according to third party providers
- Companies with an MSCI ESG rating lower than BB, or when not available an internal ESG rating of 'very poor'

It is important to note that the assessment of sustainable investments linked to taxonomy has changed compared to last year. Last year, the Investment Manager relied on MSCI estimated data because companies had not started to report their alignment. The assessment of sustainable investments was performed using the Taxonomy metrics measured by MSCI that also assesses the DNSH (Do No Significant Harm) and good governance principles. Companies with more than 10% taxonomy revenue alignment were considered as taxonomy aligned, as long as the company met the DNSH and good governance assessments.

This year, as companies are disclosing their taxonomy alignment, the Investment Manager only uses companies reported data provided by MSCI and reports the taxonomy revenue weighted alignment of its investments.

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

The Principle Adverse Impacts (PAIs) are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Investments are only considered sustainable investments if they are assessed internally as a sustainable investment due to its contribution to a sustainability objective as well as does not significant harm and with good governance. The latter two elements of the assessment incorporate the principles of the OECD guidelines and the UN Guiding Principles, with a required minimum ESG rating of BB on MSCI or 'fair' on the Quaero Capital internal methodology. In addition, a company evaluated as having a very severe controversy, using the input of third party assessment and internal assessments, will not be considered as a sustainable investment.

The Sub-Fund also excludes companies that are in severe and systemic breach of the UN Global Compact principles, which align tightly with the OECD guidelines and the UN Guiding Principles on human rights, labour, the environment, and economic and business issues.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

The PAIs are incorporated into an ESG assessment of a company, either through the MSCI ESG rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

The PAIs are also considered actively by the Sub-Fund at portfolio level, with monthly internal reporting highlighting every position in the Sub-Fund and the full list of principle adverse impacts.

The PAI the Sub-Fund reports are:

PAIs	31.12.2023
Exposure to companies active in the fossil fuel sector.	9.17%
Exposure to controversial weapons	0%
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) guidelines for multinational enterprises.	0%

The Sub-Fund identified no breach of UNGC principles during the year 2023. Regarding the exposure to companies active in the fossil fuel sector the Sub-Fund has a strict exclusion to exclude companies with over 10% revenue from coal mining, coal thermal power generation. The Sub-Fund does not have strict exclusion of oil and gas companies. However, the Sub-Fund makes sure it invests in companies that have plans to reduce their carbon emissions with for example emission reduction targets aligned with SBTi.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion** of investments of the financial product during the reference period which is the year ended 31.12.2023 (quarterly data).

Description	Economic sector	Country	% of Investments
0.00% CV SGX TREASURY I 21/24 -SR-	Bonds issued by companies	Singapore	2.03%
BARC (MSFT) -ELN- 20/25	Structured products	United Kingdom	1.99%
0.00% CV SAFRAN 21/28 -SR-	Bonds issued by companies	France	1.95%
0.00% CV AMERICA MOVIL 21/24 -SR-S	Bonds issued by companies	Netherlands	1.85%
0.00% CV NICE 21/25 -SR-	Bonds issued by companies	Israel	1.84%
0.375% CV AKAMAI TECHNOLOGIES 19/27 -SR-	Bonds issued by companies	United States	1.82%
0.00% CV PIRELLI 20/25 -SR-	Bonds issued by companies	Italy	1.75%
0.00% CV FORD MOTOR 22/26 -SR-	Bonds issued by companies	United States	1.69%
0.375% CV HUBSPOT 20/25 -SR-	Bonds issued by companies	United States	1.67%
0.125% CV BENTLEY 21/26 -SR-	Bonds issued by companies	United States	1.63%
2.25% CV RHEINMETALL 23/30 -SR-	Bonds issued by companies	Germany	1.61%
0.125% CV DATADOG 20/25 -SR-	Bonds issued by companies	United States	1.60%
2.25% CV ELIS 22/29 -SR-	Bonds issued by companies	France	1.59%
0.375% CV PALO ALTO 20/25 -SR- 144A	Bonds issued by companies	United States	1.59%
1.50% CV AMADEUS IT GROUP 20/25 -SR-	Bonds issued by companies	Spain	1.59%



What was the proportion of sustainability-related investments?

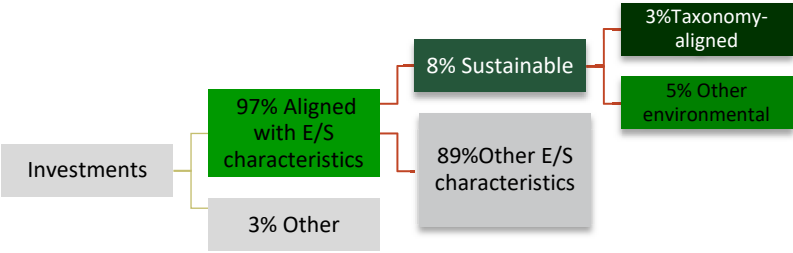
While the Sub-Fund does not have a sustainable investment objective, 7.8% of investments are sustainable and, 3% revenue weighed aligned to the EU taxonomy, based on reported company data provided by MSCI, thus considered as sustainable investments.

Asset allocation
describes the share of
investments in specific
assets.

● **What was the asset allocation?**

96.82% of the Sub-Fund's net assets were aligned with E&S characteristics as of December 31, 2023.

The remaining 3.18% was hold in cash as defined as "#2 Other".



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **In which economic sectors were the investments made?**

Sector	% of Investments
Bonds issued by companies *	96.25%
Bonds issued by countries or cities	1.35%
Units of investment funds	1.56%
* Please note one or more ISINs from this sub sector is considered as involved in Fossil Fuel according to an external data provider. The level of involvement may vary.	

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Sub-Fund does not have an objective of sustainable investments and to be aligned with the taxonomy, it has 3% revenue weighted aligned to the Taxonomy, based on reported company data provided by MSCI.

Does the financial product invested in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

☐

Yes

☐

In fossil gas

☐

In nuclear energy

☒

No

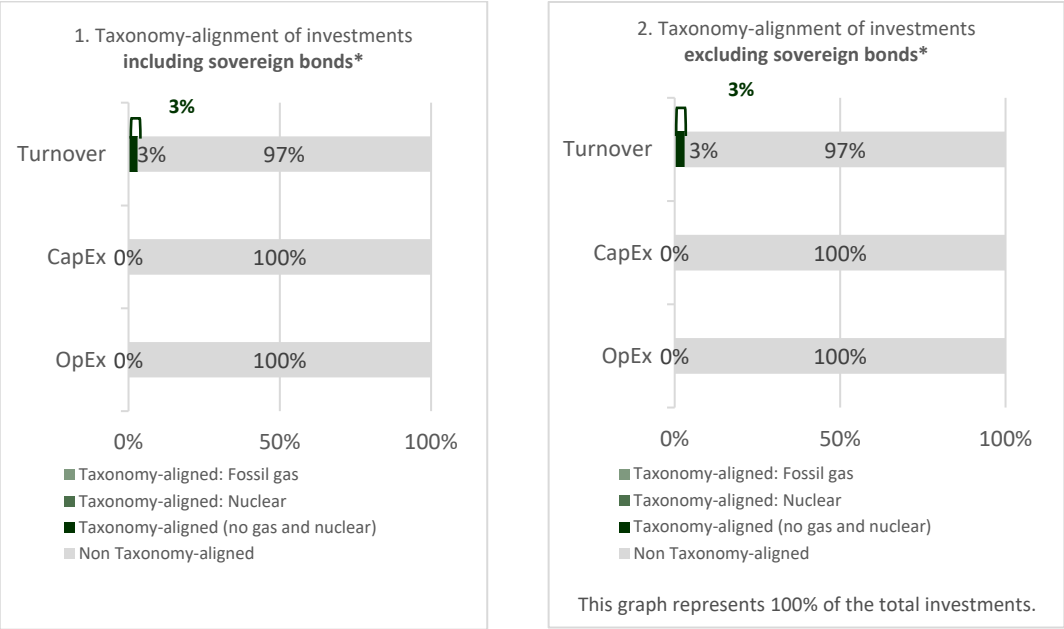
The Sub-Fund does have certain investments exposed to fossil gas and nuclear energy; however it does not have sufficient information from the companies or from the third party data providers to report the alignment of these activities with the EU Taxonomy.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The two graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

● What was the share of investments made in transitional and enabling activities?

As of 31.12.2023, the Sub-Fund has investments with alignment to transitional and enabling activities, but due to the lack of exact disclosure from companies, it reports zero alignment.

● How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

The Investment Manager can not compare the percentage to last year. Indeed, this year European companies started to report their alignment to the Taxonomy in their reports, thus only reported data from companies (provided by MSCI) in our Sub-Fund are considered in our assessment.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

 What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

5% of the sustainable investments were not aligned with the EU Taxonomy. The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy relates to companies outside of the European perimeter, thus not included in the EU Taxonomy classification, or European companies that have not yet reported their taxonomy alignment.

 What was the share of socially sustainable investments?

N/A

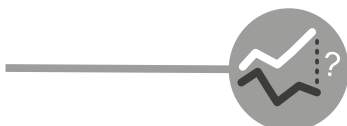
 What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The remaining 3.18% was invested in cash as defined as "#2 Other"



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Sub-Fund sent direct letters to four companies asking them to set emission reduction targets aligned with 1.5 degree temperature scenario approved by the SBTi (Science-based Target initiative). Moreover, the sub-fund engaged with three other companies on ESG topics.



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

N/A

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

 How does the reference benchmark differ from a broad market index?

N/A

 How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

N/A

 How did this financial product perform compared with the reference benchmark?

N/A

 How did this financial product perform compared with the broad market index?

N/A

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: **Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap** (hereafter the “Sub-Fund”)

Legal entity identifier: 21380069KPMKDDDO9V71

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☐ It made **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ ☒ ☒ No

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 7% of sustainable investments

☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

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



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

To ensure that investments are aligned with the E/S characteristics above described, certain exclusions are applied so as to not allocate capital to companies that are in systemic and severe breach of ethical lines as well as companies that have a significantly negative impact on global warming.

The Sub-Fund actively integrates ESG analysis from MSCI, or in the absence of an ESG rating from MSCI, the ESG team will rate the investment according to a proprietary methodology that rates companies on a scale of 5 ratings (from very poor to excellent). At least 80% of the investments shall have a rating equal or above BBB using MSCI ratings, or equal or above 'fair' according to the proprietary methodology. Companies with a CCC rating according to MSCI or a 'very poor' rating according to the proprietary methodology will be excluded.

The Sub-Fund systematically pursues ongoing and active dialogue with the management teams of holding companies in the portfolio in view of better integrating Sustainability Risks for these assets. The Sub-Fund will engage with every investment that has a below BBB (MSCI rating) or below 'fair' according to the proprietary methodology, in order to encourage an improvement in the management of sustainable challenges. The Sub-Fund will also identify, through its external and internal ESG analysis and based on investment priorities, areas of concern and engagement opportunities company by company and where possible will raise the topic with company management directly. One of the areas the Sub-Fund focuses on is encouraging greater transparency from the holding companies on their ESG strategies and KPIs reporting in order to facilitate the identification of facing such holding companies.

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

● *How did the sustainability indicators perform?*

Indicators	31.12.2023
Percentage of investments in companies with over 20% revenue from coal and/or mining and/or coal thermal power	0%
Percentage of investments in companies involved in the manufacture or selling of controversial weapons	0%
Percentage of investments in companies that have been involved in severe and systemic violations of the UN Global Compact principles	0%
Percentage of investments the Investment manager engaged with	25.4%
Percentage of investments with a rating equal or above BBB using MSCI ratings, or equal or above 'fair' according to the proprietary methodology.	84.7%
Percentage of companies with a CCC rating according to MSCI or a 'very poor' rating according to the proprietary methodology.	0%

● *...and compared to previous periods?*

The Sub-Fund was launched at the end of the year, and the Investment Manager managed to reach its objective to engage with all companies scored below BBB or Fair. The engagements were conducted to encourage greater transparency on their ESG strategies and KPIs reporting.

● *What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?*

While the Sub-Fund does not have a sustainable investment objective and is not committed to have a minimum of sustainable investments, it may have invested in sustainable investments (please see hereafter).

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

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The assessment of sustainable investments was done either using the reported Taxonomy metrics provided by MSCI (reported by companies themselves).

Or by the Investment Manager's internal methodology to evaluate sustainable investments, the company must meaningfully contribute to the environmental objectives of climate change mitigation, climate change adaptation and /or circular economy (assessed internal using either revenue alignment and/or a qualitative assessment). For the DNSH and good governance assessment:

- Companies with more than 10% revenue from coal except for those with transition commitments that reach 2 degrees by 2035 according to TPI (Transition Pathway Initiative), and in absence of TPI according to own analysis
- Companies in severe and systemic breach of UN Global Compact principles
- Companies with over 5% revenue from tobacco, either as a producer or distributor
- Companies involved in controversial weapons
- Companies with a high controversy level according to third party providers
- Companies with an MSCI ESG rating lower than BB, or when not available an internal ESG rating of 'very poor'

It is important to note that the assessment of sustainable investments linked to taxonomy has changed compared to last year. Last year, the Investment Manager relied on MSCI estimated data because companies had not started to report their alignment. The assessment of sustainable investments was performed using the Taxonomy metrics measured by MSCI that also assesses the DNSH (Do No Significant Harm) and good governance principles. Companies with more than 10% taxonomy revenue alignment were considered as taxonomy aligned, as long as the company met the DNSH and good governance assessments.

This year, as companies are disclosing their taxonomy alignment, the Investment Manager only uses companies reported data provided by MSCI and reports the taxonomy revenue weighted alignment of its investments.

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

The Principle Adverse Impacts (PAIs) are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Investments are only considered sustainable investments if they are assessed internally as a sustainable investment due to its contribution to a sustainability objective as well as does not significant harm and with good governance. The latter two elements of the assessment incorporate the principles of the OECD guidelines and the UN Guiding Principles, with a required minimum ESG rating of BB on MSCI or 'fair' on the Quaero Capital internal methodology. In addition, a company evaluated as having a very severe controversy, using the input of third-party assessment and internal assessments, will not be considered as a sustainable investment.

The Sub-Fund also excludes companies that are in severe and systemic breach of the UN Global Compact principles, which align tightly with the OECD guidelines and the UN Guiding Principles on human rights, labour, the environment, and economic and business issues.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

The PAIs are incorporated into an ESG assessment of a company, either through the MSCI ESG rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

The PAIs are also considered actively by the Sub-Fund at portfolio level, with monthly internal reporting highlighting every position in the Sub-Fund and the full list of principal adverse impacts.

The PAIs we decided to report are:

PAIs	31.12.2023
Carbon footprint (the total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio.)	779.4
Exposure to companies active in the fossil fuel sector.	20.88%
Exposure to controversial weapons	0%
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) guidelines for multinational enterprises.	0%

The Sub-Fund identified no breach of UNGC principles during the year 2023.

Regarding the exposure to companies active in the fossil fuel sector the Sub-Fund has a strict exclusion to exclude companies with over 10% revenue from coal mining, coal thermal power generation. The Sub-Fund does not have strict exclusion of oil and gas companies. However, the Sub-Fund makes sure it invests in companies that have plans to reduce their carbon emissions with for example emission reduction targets aligned with SBTi.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion** of investments of the financial product during the reference period which is the year ended 31.12.2023 (quarterly data).

Description	Economic sector	Country	% of Investments
SOPRA STERIA GROUP	Computer and office equipment	France	3.78%
ENERGEAN OIL & GAS	Oil	United Kingdom	3.59%
TETRAGON FINANCIAL GROUP	Holding and finance companies	Guernsey	3.24%
X - FAB SILICON FOUNDRIES	Electronics and electrical equipment	Belgium	3.06%
BIOARTIC 'B'	Pharmaceuticals and cosmetics	Sweden	2.91%
UBISOFT	Internet, software and IT services	France	2.76%
ENTERTAINMENT EUROAPI	Pharmaceuticals and cosmetics	France	2.72%
QINETIC GROUP	Miscellaneous	United Kingdom	2.69%
BORR DRILLING 'S'	Construction of machines and appliances	Bermuda	2.37%
ELIS	Utilities	France	2.36%
TECHNIP ENERGIES	Holding and finance companies	Netherlands	2.31%
SUBSEA 7	Oil	Luxembourg	2.29%
MAJOREL GRP LUX	Holding and finance companies	Luxembourg	2.25%
TGS ASA	Oil	Norway	2.20%
HOEGH AUTO	Automobiles	Norway	2.15%



What was the proportion of sustainability-related investments?

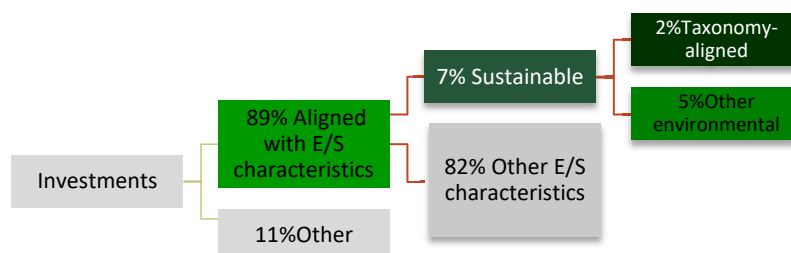
While the Sub-Fund does not have a sustainable investment objective, and is not committed to have a minimum of sustainable investments, 7% of investments are sustainable according to the Investment Manager methodology and has 2% revenue weighed aligned to the EU Taxonomy, based on reported company data provided by MSCI, thus considered as sustainable investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

88.78% of the Sub-Fund net assets were aligned with E&S characteristics as of December 31, 2023.

The remaining 7.5% was hold in money market fund and 3.7% in cash as defined as "#2 Other"



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● ***In which economic sectors were the investments made?***

Sector	% of Investments
Aeronautics and astronautics	1.41%
Agriculture and fisheries	1.22%
Automobiles	2.52%
Banks and credit institutions	0.40%
Chemicals	0.66%
Computer and office equipment	3.78%
Construction of machines and appliances	12.57%
Electronics and electrical equipment	6.25%
Energy equipment & services	1.95%
Environmental services & recycling	2.01%
Food and soft drinks	1.78%
Gastronomy	1.42%
Holding and finance companies	12.60%
Insurance	4.08%
Internet, software and IT services	5.19%
Miscellaneous	3.14%
Miscellaneous consumer goods	1.37%
Oil *	10.36%
Paper and forest products	0.79%
Pharmaceuticals and cosmetics	6.19%
Publishing and graphic arts	0.23%
Rights	0.02%
Stainless steel	4.30%
Transport and freight *	3.95%
Units of investment funds	1.87%
Utilities	2.36%

* Please note one or more ISINs from this sub sector is considered as involved in Fossil Fuel according to an external data provider. The level of involvement may vary.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Sub-Fund does not have an objective of sustainable investments to be aligned with the Taxonomy, it has 2% revenue weighted aligned to the EU Taxonomy based on reported company data provided by MSCI.

Does the financial product invested in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

☐ Yes

☐ In fossil gas

☐ In nuclear energy

☒ No

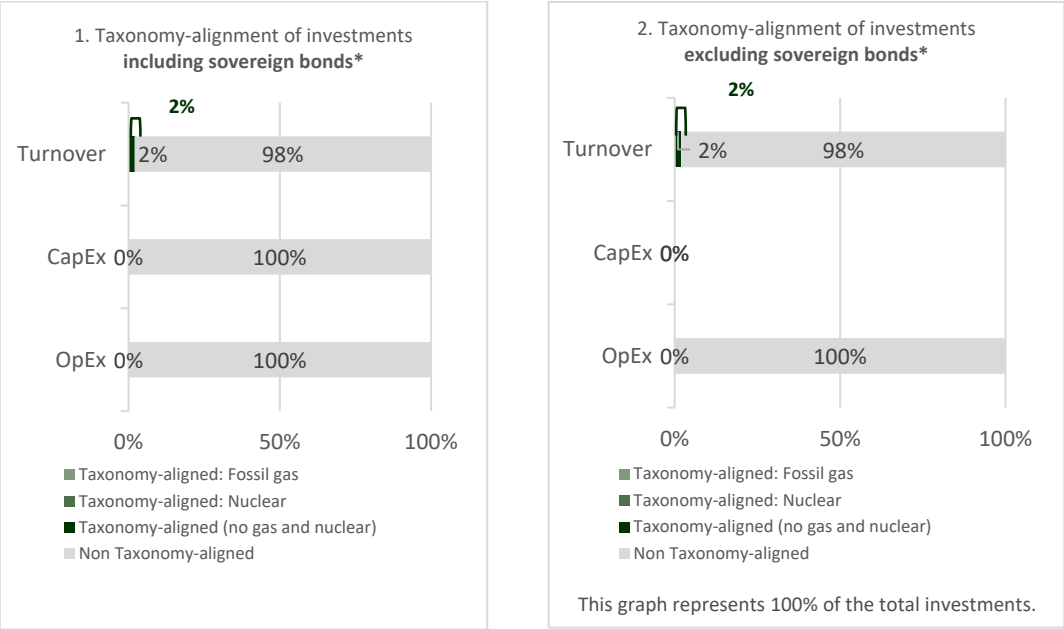
The Sub-Fund does have certain investments exposed to fossil gas and nuclear energy; however it does not have sufficient information from the companies or from the third party data providers to report the alignment of these activities with the EU Taxonomy.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The two graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

● **What was the share of investments made in transitional and enabling activities?**

As of 31.12.2023, the Sub-Fund has investments with alignment to transitional and enabling activities, but due to the lack of exact disclosure from companies, it reports zero alignment.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The Investment Manager can not compare the percentage to last year. Indeed, this year European companies started to report their alignment to the Taxonomy in their reports, thus only reported data from companies (provided by MSCI) in our Sub-Fund are considered in our assessment.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

 What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

3.7% of the sustainable investments were not aligned with the EU Taxonomy. The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy relates to companies outside of the European perimeter, thus not included in the EU Taxonomy classification, or European companies that have not yet reported their taxonomy alignment.

 What was the share of socially sustainable investments?

N/A

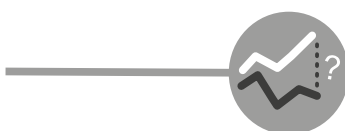
 What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

7.5% was invested in money market funds and 3.7% in cash as defined as "#2 Other"



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Sub-Fund participated in the CDP (Carbon Disclosure Project) non-disclosure campaign and asked three companies in the Sub-Fund's portfolio to disclose to CDP on climate change, water and forests, taking the role of cosignatory. The Sub-Fund also sent direct letters to five companies asking them to set emission reduction targets aligned with 1.5 degree temperature scenario approved by the SBTi (Science-based Target initiative). Moreover, the Sub-Fund engaged with seven other holding companies regarding their low ESG scores, encouraging greater transparency on their ESG strategies and KPIs reporting.



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

N/A

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

 How does the reference benchmark differ from a broad market index?

N/A

 How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

N/A

 How did this financial product perform compared with the reference benchmark?

N/A

 How did this financial product perform compared with the broad market index?

N/A

ANNEX V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: **Quaero Capital Funds (Lux) – Net Zero Emission** (hereafter the “Sub-Fund”)

Legal entity identifier: 2138003P68MA94JCV353

Sustainable Investment Objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☒ ☒ ☒ **Yes**

☒ It made **sustainable investments with an environmental objective**: 97.2%

☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**

☒ ☐ **No**

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

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



To what extent was the sustainable investment objective of this financial product met?

The investment objective of the Sub-Fund is to contribute to decarbonisation and to the reaching of net zero emissions by 2050, as required in order to meet the objective of the Paris Agreement of limiting global warming to well below 2 degrees.

The Sub-Fund intends to achieve this investment objective by investing and taking an active role in companies worldwide that contribute meaningfully to climate change mitigation, climate change adaptation or the circular economy.

The Sub-Fund invested in companies aligned with this objective, investing only in companies that have a significant impact on climate change mitigation, climate change adaptation, or the circular economy.

- 58% of net assets had more than 50% revenue from "eco-activities" which are aligned to the stated objectives
- 100% of investments had revenues from eco-activities
- Potential avoided emissions of the investments in the portfolio was 59m tonnes of Co2.

This final indicator is the most important for the Sub-Fund, as it demonstrates the impact that the companies in which the Sub-Fund invests has on reducing emissions through the products and services it sells to its clients. While the Sub-Fund considers the operational footprint of the investment, and intends to engage with the companies on actively reducing the operational footprint of the investment, it is the impact the company has on future emissions that is considered most important. Certain investments may not yet show significant potential avoided emissions, and this may be to do with their low-carbon technologies operating at small scale. The Sub-Fund is interested to invest in those companies that are developing the innovation that could materially decarbonise the broad range of sectors that are contributing to climate change.

How did the sustainability indicators perform?

Indicators	30.09.2023
The scope 1 and 2 carbon emission intensity (mt of CO2 per \$m)	129
The proportion of revenue from eco-activities	98%
Recycling rate (% of waste that is recycled; weighted average for those investments made for their contribution to the circular economy)	N/A ¹
Contribution of recycled material to raw material demand (% of raw material demand filled by recycled material; weighted average for those investments made for their contribution to the circular economy))	N/A ²
Portfolio ESG score according to MSCI relative to the universe	AA vs A
Potential avoided emissions (mt of CO2)	59
Percentage of investments in companies active in coal	0%
Percentage of investments in companies involved in the manufacture or selling of controversial weapons	0%
Percentage of investments in companies that have been involved in severe and systemic violations of the UN Global Compact principles	0%

Sustainability indicators

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

¹ The information is not available as the Sub-Fund closed end of 2023.

² The information is not available as the Sub-Fund closed end of 2023.

...and compared to previous periods?

The sustainability indicators demonstrate the impact the investments in the portfolio have on climate change mitigation, adaptation and circular economy, having 100% of its investments contributing to the eco-activities and allowing a reduction of 59 million of tCo2. Scope 1 and 2 emissions intensity decreased comparing to last year (9%).

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

How did the sustainable investments not cause significant harm to any sustainable investment objective?

The assessment of sustainable investments was done either using the reported Taxonomy metrics provided by MSCI (reported by companies themselves).

Or by the Investment Manager's internal methodology to evaluate sustainable investments, the company must meaningfully contribute to the environmental objectives of climate change mitigation, climate change adaptation and /or circular economy (assessed internal using either revenue alignment and/or a qualitative assessment). For the DNSH and good governance assessment:

- Companies with more than 10% revenue from coal except for those with transition commitments that reach 2 degrees by 2035 according to TPI (Transition Pathway Initiative), and in absence of TPI according to own analysis
- Companies in severe and systemic breach of UN Global Compact principles
- Companies with over 5% revenue from tobacco, either as a producer or distributor
- Companies involved in controversial weapons
- Companies with a high controversy level according to third party providers
- Companies with an MSCI ESG rating lower than BB, or when not available an internal ESG rating of 'very poor'

It is important to note that the assessment of sustainable investments linked to taxonomy has changed compared to last year. Last year, the Investment Manager relied on MSCI estimated data because companies had not started to report their alignment. The assessment of sustainable investments was performed using the Taxonomy metrics measured by MSCI that also assesses the DNSH (Do No Significant Harm) and good governance principles. Companies with more than 10% taxonomy revenue alignment were considered as taxonomy aligned, as long as the company met the DNSH and good governance assessments.

This year, as companies are disclosing their taxonomy alignment, the Investment Manager only uses companies reported data provided by MSCI and reports the taxonomy revenue weighted alignment of its investments.

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

The Principle Adverse Impacts (PAIs) are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology.

These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Investments are only considered sustainable investments if they are assessed internally as a sustainable investment due to its contribution to a sustainability objective as well as does not significant harm and with good governance. The latter two elements of the assessment incorporate the principles of the OECD guidelines and the UN Guiding Principles, with a required minimum ESG rating of BB on MSCI or 'fair' on the Quaero Capital internal methodology. In addition a

company evaluated as having a very severe controversy, using the input of third party assessment and internal assessments, will not be considered as a sustainable investment.

The Sub-Fund also excludes companies that are in severe and systemic breach of the UN Global Compact principles, which align tightly with the OECD guidelines and the UN Guiding Principles on human rights, labour, the environment, and economic and business issues.



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

The PAIs are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

The PAIs are also considered actively by the Sub-Fund at portfolio level, with monthly internal reporting highlighting every position in the Sub-Fund and the full list of principle adverse impacts.

The PAI the Sub-Fund reports are:

PAIs	30.09.2023
Carbon footprint (the total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio.)	280
Exposure to companies active in the fossil fuel sector	2.7%
Share of non-renewable energy consumption and production	65.6%
Exposure to controversial weapons	0%
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) guidelines for multinational enterprises.	0%

The Sub-Fund identified no breach of UNGC principles during the year 2023. Regarding the exposure to companies active in the fossil fuel sector the Sub-Fund has a strict exclusion to exclude companies with over 10% revenue from coal mining, coal thermal power generation. The Sub-Fund does not have strict exclusion of oil and gas companies. However, the Sub-Fund makes sure it invests in companies that have plans to reduce their carbon emissions with for example emission reduction targets aligned with SBTi.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion** of investments of the financial product during the reference period which is the period ended at the liquidation date (quarterly data).

Description	Economic sector	Country	% of Investments
ASML HOLDING	Electronics and electrical equipment	Netherlands	7.12%
ANSYS	Internet, software and IT services	United States	6.75%
EDP RENOVAVEIS	Environmental services & recycling	Spain	5.76%
DASSAULT SYSTEMES	Internet, software and IT services	France	5.54%
CNH INDUSTRIAL	Miscellaneous	Netherlands	5.17%
BUREAU VERITAS	Aeronautics and astronautics	France	4.17%
CORP.ACCIONA ENERGIAS RENOVABLES	Public utilities	Spain	4.16%
VAT GROUP	Holding and finance companies	Switzerland	3.76%
TESLA	Automobiles	United States	3.66%
SYMRISE	Chemicals	Germany	3.63%
GRAPHIC PACKAGING HOLDING	Holding and finance companies	United States	3.62%
ON SEMICONDUCTOR	Electronics and electrical equipment	United States	3.17%
REPUBLIC SERVICES	Environmental conservation and waste management	United States	3.07%
BRAMBLES	Utilities	Australia	3.06%
DEERE & CO	Construction of machines and appliances	United States	2.76%



What was the proportion of sustainability-related investments?

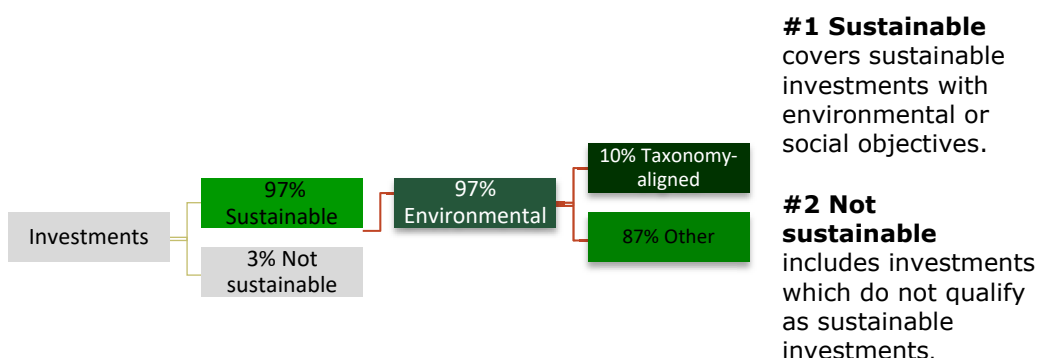
97.2% of net assets were sustainable investments.

Asset allocation

describes the share of investments in specific assets.

What was the asset allocation?

97.2% of the Sub-Fund's net assets were invested in sustainable investments as of September 31, 2023. The remaining 2.8% was invested in cash.



In which economic sectors were the investments made?

Sector	% of Investments
Aeronautics and astronautics	4.17%
Automobiles	3.66%
Biotechnology	0.52%
Chemicals	4.85%
Construction of machines and appliances	2.90%
Electronics and electrical equipment	24.11%
Environmental conservation and waste management	3.07%
Environmental services & recycling	7.46%
Food and soft drinks	0.38%
Holding and finance companies	12.44%
Internet, software and IT services *	12.30%
Miscellaneous	5.17%
Pharmaceuticals and cosmetics *	4.38%
Public utilities	7.83%
Stainless steel	1.62%
Utilities	3.68%

* Please note one or more ISINs from this sub sector is considered as involved in Fossil Fuel according to an external data provider. The level of involvement may vary.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.

- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.

- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Sub-Fund does not have an objective of sustainable investments to be aligned with the taxonomy, it has 10% revenue weighted aligned to the EU Taxonomy, based on reported company data provided by MSCI.

Does the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy³?

☐ Yes

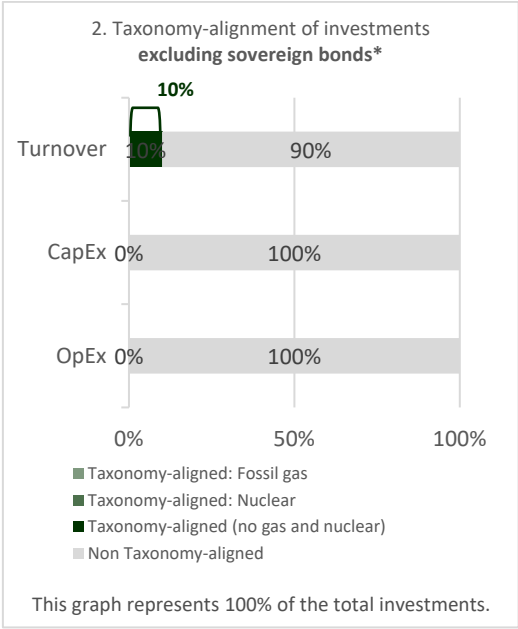
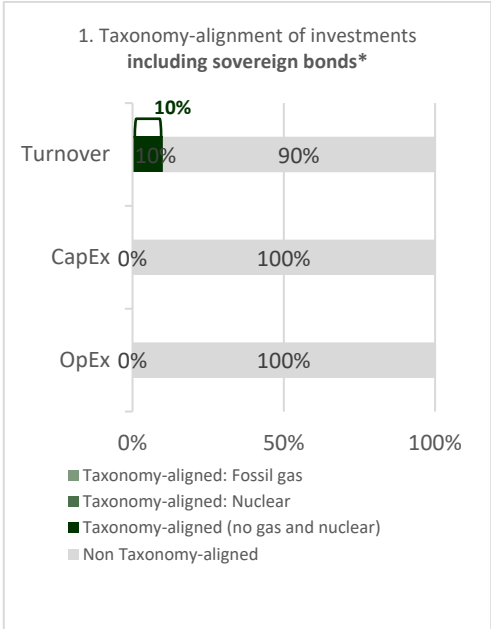
☐ In fossil gas

☐ In nuclear energy

☒ No

The Sub-Fund does have certain investments exposed to fossil gas and nuclear energy; however it does not have sufficient information from the companies or from the third party data providers to report the alignment of these activities with the EU Taxonomy.

The two graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



*For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

³ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **What was the share of investments made in transitional and enabling activities?**

As of 30.09.2023, the Sub-Fund has investments with alignment to transitional and enabling activities, but due to the lack of exact disclosure from companies, it reports zero alignment.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

We The Investment Manager can not compare the percentage to last year. Indeed, this year European companies started to report their alignment to the Taxonomy in their reports, thus only reported data from companies (provided by MSCI) in our Sub-Fund were considered in our assessment.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

87% of the sustainable investments were not aligned with the EU Taxonomy.

The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy relates to companies outside of the European perimeter, thus not included in the EU Taxonomy classification, or European companies that have not yet reported their taxonomy alignment.



What was the share of socially sustainable investments?

N/A



What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

Investments included cash and deposits, and considering the type of investment there were no minimum environmental or social safeguards applied.



What actions have been taken to attain the sustainable investment objective during the reference period?

The Sub-Fund participated in the CDP non-disclosure campaign and asked two companies in the Sub-Fund to disclose to CDP on climate change, water and forests, taking the role of lead investor for two and cosignatory for three. The Sub-Fund sent 12 direct letters to companies asking them to set emission reduction targets aligned with 1.5 degree temperature scenario approved by the SBTi (Science-based Target initiative). These letters were followed by email exchanges and direct discussion with some of these companies.



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

N/A

Reference benchmarks

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

● *How does the reference benchmark differ from a broad market index?*

N/A

● *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?*

N/A

● *How did this financial product perform compared with the reference benchmark?*

N/A

● *How did this financial product perform compared with the broad market index?*

N/A

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: **Quaero Capital Funds (Lux) – Bond Investment Opportunities** (hereafter the “Sub-Fund”)

Legal entity identifier: 391200PDHQKTWR71T741

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☐ It made **sustainable investments with an environmental objective**:

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective**:

☒ ☒ ☒ No

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 6% of sustainable investments

☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

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



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

To ensure that investments are aligned with the E/S characteristics above described, certain exclusions are applied so as to not allocate capital to companies that are in systemic and severe breach of ethical lines as well as companies that have a significantly negative impact on global warming.

The Sub-Fund actively integrates ESG analysis from MSCI, or in the absence of an ESG rating from MSCI, the ESG team will rate the investment according to a proprietary methodology that rates companies on a scale of 5 ratings (from very poor to excellent). At least 80% of the investments shall have a rating equal or above BBB using MSCI ratings, or equal or above 'fair' according to the proprietary methodology. Companies with a CCC rating according to MSCI or a 'very poor' rating according to the proprietary methodology will be excluded.

As of 31.12.2023, the Sub-Fund had 47% of its assets in 'Green Bonds, social, sustainable or sustainability linked bonds.

Sustainability indicators

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

● *How did the sustainability indicators perform?*

Indicators	31.12.2023
Percentage of investments with a rating equal to or above BBB using MSCI ratings, or equal or above 'fair' according to the proprietary methodology	96%
Carbon intensity (tCO2e/USDm) sales	118
Female director percentage	41%
CEO/ Employee pay ratio	103
Percentage of investments in companies that have been involved in severe and systemic violations of the UN Global Compact principles	75%
Percentage of green bonds	32%
Percentage of social bonds	15%
Percentage of sustainable bonds	1.9%

● *...and compared to previous periods?*

The Sub-Fund was launched in November 2023 thus the Investment Manager can not compare to the previous period.

● *What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?*

While the Sub-Fund does not have a sustainable investment objective and is not committed to a have a minimum of sustainable investments, it may have invested in sustainable investments (please see hereafter).

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

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The assessment of sustainable investments was done either using the reported Taxonomy metrics provided by MSCI (reported by companies themselves).

Or by the Investment Manager's internal methodology to evaluate sustainable investments, the company must meaningfully contribute to the environmental objectives of climate change mitigation, climate change adaptation and /or circular economy (assessed internal using either revenue alignment and/or a qualitative assessment). For the DNSH and good governance assessment:

- Companies with more than 10% revenue from coal except for those with transition commitments that reach 2 degrees by 2035 according to TPI (Transition Pathway Initiative), and in absence of TPI according to own analysis
- Companies in severe and systemic breach of UN Global Compact principles
- Companies with over 5% revenue from tobacco, either as a producer or distributor
- Companies involved in controversial weapons
- Companies with a high controversy level according to third party providers
- Companies with an MSCI ESG rating lower than BB, or when not available an internal ESG rating of 'very poor'

It is important to note that the assessment of sustainable investments linked to taxonomy has changed compared to last year. Last year, the Investment Manager relied on MSCI estimated data because companies had not started to report their alignment. The assessment of sustainable investments was performed using the Taxonomy metrics measured by MSCI that also assesses the DNSH (Do No Significant Harm) and good governance principles. Companies with more than 10% taxonomy revenue alignment were considered as taxonomy aligned, as long as the company met the DNSH and good governance assessments.

This year, as companies are disclosing their taxonomy alignment, the Investment Manager only uses companies reported data provided by MSCI and reports the taxonomy revenue weighted alignment of its investments.

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

The Principle Adverse Impacts (PAIs) are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Investments are only considered sustainable investments if they are assessed internally as a sustainable investment due to its contribution to a sustainability objective as well as does not significant harm and with good governance. The latter two elements of the assessment incorporate the principles of the OECD guidelines and the UN Guiding Principles, with a required minimum ESG rating of BB on MSCI or 'fair' on the Quaero Capital internal methodology. In addition, a company evaluated as having a very severe controversy, using the input of third-party assessment and internal assessments, will not be considered as a sustainable investment.

The Sub-Fund also excludes companies that are in severe and systemic breach of the UN Global Compact principles, which align tightly with the OECD guidelines and the UN Guiding Principles on human rights, labour, the environment, and economic and business issues.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

The PAIs are incorporated into an ESG assessment of a company, either through the MSCI ESG rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

The PAIs are also considered actively by the Sub-Fund at portfolio level, with monthly internal reporting highlighting every position in the Sub-Fund and the full list of principal adverse impacts.

The PAI we decided to report are:

PAIs	31.12.2023
Carbon footprint (the total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio.)	368
Exposure to companies active in the fossil fuel sector.	7.4%
Share of non-renewable energy consumption and production	68%
Exposure to controversial weapons	0%
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) guidelines for multinational enterprises.	0%

The Sub-Fund identified no breach of UNGC principles during the year 2023.

Regarding the exposure to companies active in the fossil fuel sector the Sub-Fund has a strict exclusion to exclude companies with over 10% revenue from coal mining, coal thermal power generation. The Sub-Fund does not have strict exclusion of oil and gas companies. However, the Sub-Fund favours companies that have plans to reduce their carbon emissions with for example emission reduction targets aligned with SBTi.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion** of investments of the financial product during the reference period which is the year ended 31.12.2023 (quarterly data).

Description	Economic sector	Country	% of Investments
5.75% SUB. BPCE 23/33 -JR-	Bonds issued by companies	France	5.81%
2.75% European Union 22/33 -SR-	Bonds issued by supranational institutions	Supranational	5.22%
3.625% SAS NERVAL 22/28 -SR-	Bonds issued by companies	France	5.12%
5.25% SUB. SOCIETE GENERALE 22/32	Bonds issued by companies	France	3.57%
3.75% STENA INTERNATIONAL 20/25 -SR-S	Bonds issued by companies	Luxembourg	3.42%
4.875% SUB. IBERDROLA 23/PERP -JR-	Bonds issued by companies	Spain	3.12%
1.625% P3 GROUP 22/29 -SR-	Bonds issued by companies	Luxembourg	3.03%
0.125% SBAB BANK 21/26 -SR-	Bonds issued by companies	Sweden	2.86%
0.25% FNAC DARTY 21/27 -SR-	Bonds issued by companies	France	2.86%
2.00% SUB. CREDIT AGRICOLE 20/30 -S-	Bonds issued by companies	France	2.68%
2.375% SUB. TERNA RETE 22/PERP -JR-	Bonds issued by companies	Italy	2.47%
1.375% SUB. EVONIK INDUSTRIES 21/81 -JR-	Bonds issued by companies	Germany	2.44%
6.375% SUB. GROUPAMA 14/PERP	Bonds issued by companies	France	2.41%
FRN KAPLA HOLDING 19/26 -SR-S	Bonds issued by companies	France	2.41%
1.875% ZURICH FINANCE IRELAND 20/50	Bonds issued by companies	reland	2.40%



What was the proportion of sustainability-related investments?

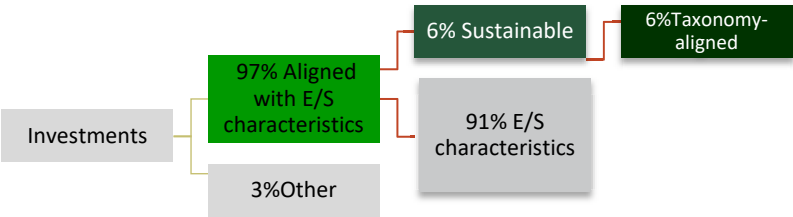
While the Sub-Fund does not have a sustainable investment objective, and is not committed to have a minimum of sustainable investments, 3% of investments are sustainable according to the Investment Manager methodology and the Sub-Fund has 6% revenue weighted aligned to the EU taxonomy, based on reported company data provided by MSCI, thus considered as sustainable investments.

Asset allocation
describes the share of
investments in specific
assets.

● **What was the asset allocation?**

97% of the Sub-Fund net assets were aligned with E&S characteristics as of December 31, 2023.

The remaining 3% was hold in cash as defined as "#2 Other"



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● **In which economic sectors were the investments made?**

Sector	% of Investments
Bonds issued by companies *	89.81%
Bonds issued by supranational institutions	5.22%
* Please note one or more ISINs from this sub sector is considered as involved in Fossil Fuel according to an external data provider. The level of involvement may vary.	

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Sub-Fund does not have an objective of sustainable investments and to be aligned with the taxonomy, 6% of its investments were aligned to the Taxonomy, based on reported company data provided by MSCI.

Does the financial product invested in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

☐ Yes

☐ In fossil gas

☐ In nuclear energy

☒ No

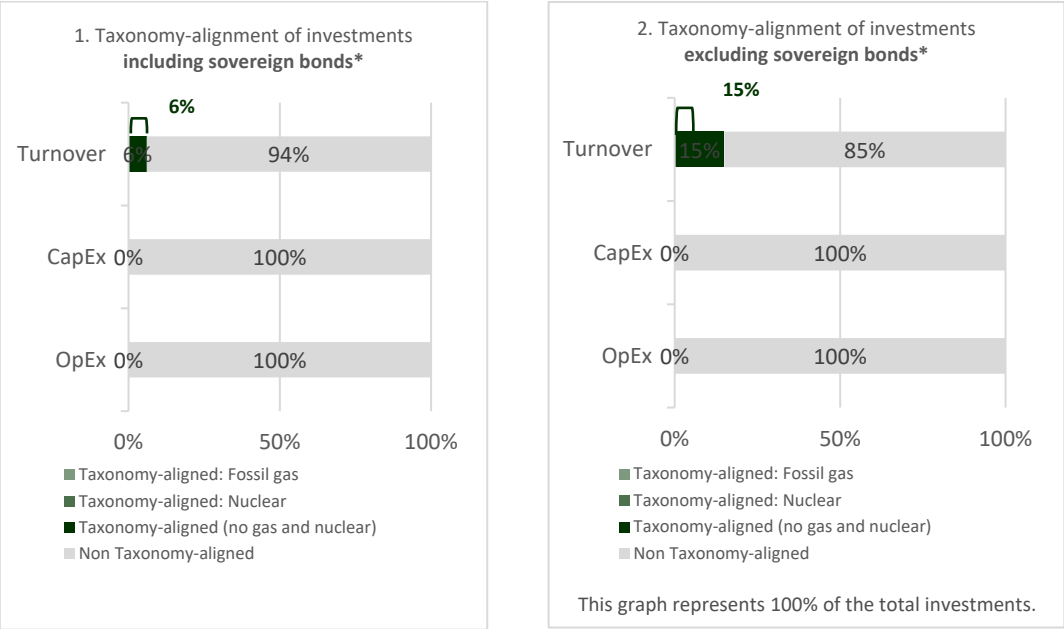
The Sub-Fund does have certain investments exposed to fossil gas and nuclear energy; however it does not have sufficient information from the companies or from the third party data providers to report the alignment of these activities with the EU Taxonomy.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The two graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

● What was the share of investments made in transitional and enabling activities?

As of 31.12.2023, the sub-fund has investments with alignment to transitional and enabling activities, but due to the lack of exact disclosure from companies, it reports zero alignment.

● How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Investment Manager can not compare the percentage to last year. Indeed, this year European companies started to report their alignment to the Taxonomy in their reports, thus only reported data from companies (provided by MSCI) in our Sub-Fund are considered in our assessment.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

 **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

All sustainable investments were aligned with the EU Taxonomy.

 **What was the share of socially sustainable investments?**

N/A

 **What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

The 3% was invested in cash as defined as "#2 Other"



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Sub-Fund sent direct letters to three companies asking them to set emission reduction targets aligned with 1.5 degree temperature scenario approved by the SBTi (Science-based Target initiative).



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

N/A

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

 **How does the reference benchmark differ from a broad market index?**

N/A

 **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

N/A

 **How did this financial product perform compared with the reference benchmark?**

N/A

 **How did this financial product perform compared with the broad market index?**

N/A

