LongRun Equity Fund

Investment Company with Variable Capital (SICAV)

Audited annual report as at 31/12/22

R.C.S. Luxembourg B 200398

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Organisation and administration

Registered office	5, Allée Scheffer L-2520 Luxembourg, Grand Duchy of Luxembourg
Management Company	Luxcellence Management Company S.A. (until November 30, 2022) 2, rue Jean L'Aveugle L-1148 Luxembourg, Grand Duchy of Luxembourg Rothschild & Co Investment Managers (since December 1, 2022) 33, rue Sainte Zithe L-2763 Luxembourg, Grand Duchy of Luxembourg
Investment Manager	Banque Pâris Bertrand S.A. (until March 31, 2022) 30, Rue du Rhône Case postale 2084 CH-1211 Genève 1, Switzerland Rothschild & Co Bank AG (since April 1, 2022) Zollikerstrasse 181, CH-8034 Zurich, Switzerland
Depositary and Administration Agent	CACEIS Bank, Luxembourg Branch 5, Allée Scheffer L-2520 Luxembourg, Grand Duchy of Luxembourg
Global Distributor	Acolin Europe AG Reichenaustraße, 11 a-c D-78467 Konstanz, Germany
Auditor	KPMG Audit S.à. r.l. 39, Avenue John F. Kennedy L-1855 Luxembourg, Grand Duchy of Luxembourg
Board of Directors of the SICAV	
Chairman	Pierre Pâris, Rothschild & Co Bank AG
Directors	Benoit Renson, Rothschild & Co Wealth Management (Europe) S.A. Christian Bertrand, Independent Director
Board of Directors of the Management Company	Until November 30, 2022 (Luxcellence Management Company S.A.) Guillaume Fromont Jean-Luc Jacquemin (until September 23, 2021) Gregory Cabanetos (since September 23, 2021) Aurélien Veil Lucien Euler Since December 1, 2022 (Rothschild & Co Investment Managers) Victor Decrion (until December 22, 2022) Jean de Courrèges d'Ustou Francis Carpenter Jörg Kopp Aldo di Rienzo John Malik Xavier Monnereau Christian Lowe

LongRun Equity Fund

Report of the Board of Directors

The global economy faced several challenging headwinds in 2022, with both stocks and bonds falling by double digit amounts – and the latter recording their worst calendar year return on record. Economic activity slowed – the US entered a brief technical recession in the first half of the year - against a backdrop of rising inflation and sharply rising interest rates. Russian's invasion of Ukraine, which upended commodity markets – notably energy – presented a new and unfamiliar risk to capital markets.

In stock markets, many of the post-pandemic winners' unwound their gains in 2022: the US and 'growth' stocks led the market lower – the latter group dominated by many of the popular technology-orientated stocks. Defensive stocks performed well, but some of 'cyclical' and 'value' stocks performed best of all. Notably, oil stocks extended their gains this year and the UK also performed strongly. Currencies were in focus, with the US dollar buoyed by fragile sentiment and widening interest rate differentials.

As noted, it was an historically painful year for bond investors, where yields repriced sharply in response to rising inflation and higher policy rates. Developed market government bonds reversed the last 12 years' worth of nominal gains. Corporate bonds fared little better, as higher running yields were offset by poor price performance.

Inflation dominated the investment narrative for much of the year. The combination of two big negative supply shocks – the earlier Covid-19 disruption and the energy squeeze that followed Russia's attack – pushed headline inflation rates to multi-decade highs in many developed countries. Belatedly, the major central banks responded with the sharpest pace of policy tightening since the early 1980s – nearly three and half percentage points across advanced economies over the course of 2022. The US Federal Reserve and the Bank of England also started the process of shrinking their expanded balance sheets ('Quantitative Tightening') – the European Central Bank seems poised to follow in early 2023. The grim attrition in Ukraine was not the only unsettling geopolitical development. An even larger threat to global safety surfaced as tension around China's claim on Taiwan intensified.

Looking ahead, the economic clouds appear to be parting - inflation has started to moderate, interest rates may be close to peaking and the global economy has been resilient. Meanwhile, stock valuations are close to neutral and even bond valuations appear less stretched than for many years. Best performing sectors for 2022:

- Consumer Discretionary was by far our best performing sector over the year. In a year whereby Central Banks were increasingly applying the brakes in order to slow demand, our allocation whereby we were selective in which names to own left us underweight worked for us. Our selection was also strong, with LVMH demonstrating the value of a strong franchise with pricing power in their consistently strong earnings reports.
- Industrials was the next best performing sector with a rather flat allocation but positive selection. Emerson, whilst reporting consistently better than expected earnings, CEO Lal Karsanbhai's progress in rationalising the business was well-received by the market.

Mixed performing sectors:

- In Healthcare, our overweight allocation (the result of finding many attractive businesses like the recently added Thermo Fisher Scientific) served us well in an overall weak market environment. Our selection was less successful with Sonova's cautious guidance and a disappointing development on the Alzheimer front for Roche resulting in pressure in these two positions.
- Similarly to the above, our overweight allocation in the defensive Consumer Staples area, which increased with the addition of Costco, attributed positively to performance. Selection was hampered by a L'Oreal performance, which resulted principally from multiple compression in the face of higher rates and investor concerns as the China zero-Covid policy dragged on.

Worst performing sectors:

- Our selection in the Financials space worked meaningfully against us. This is very much style driven as Banks don't make the cut on our minimum ROIC standards. Hence, we didn't own any in a rising rate environment where market participants were buying them in an effort to benefit from the said environment. Furthermore, our holding in T Rowe Price experienced price pressure due to its underlying exposure to financial markets and Moody's Corp also suffered from multiple compression.
- Our non-ownership of Energy was also a meaningful drag to performance as the war in Ukraine skyrocketed energy prices. Again due to the fact that they don't make the ROIC cut and also have an outsized external influence on their earnings, these companies don't feature in our investment style.

Top performing stocks (in EUR):

- UnitedHealth Group rose 14.0% over the course of the year on the back of strong and consistent earnings and cash flow generation. Optum was particularly strong, highlighting the future network effect benefits of this division to business as a whole.
- Emerson Electric rose 12.7% during the year as the portfolio transformation progressed quicker than initially expected with the divestment of the Climate Technologies business leaving the company with a $9 bn cash war chest and a leaner more focused company.
- ThermoFisher proved to be a fruitful acquisition as it rose 5.6% since it's purchase in 1Q22. Earnings were consistent over the whole year even as the tailwinds from Covid-19 waned, showing the resilience and breadth of the business.

Report of the Board of Directors

Worst performing stocks (in EUR):

- Walt Disney Co posted a negative performance of -40.3%, driven by a combination of uncertainties around subscriber growth for Disney+ but, overridingly concerns around Management's ability to grow the business amongst apparent in-fighting. Eventually, CEO Bob Chapek was replaced by former CEO Bob Iger to steady the ship.
- T Rowe Price came under significant pressure (-38.40%) principally due to the fact that it is an asset manager and financial markets as a whole were down heavily during the year.
- Adobe suffered the double effect of multiple compression in the face of rising interest rates and also the announcement of the take over of rival Figma, which the market perceived as expensive. The stock lost 36.7% over the year.

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

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the financial statements

Opinion

We have audited the financial statements of LongRun Equity Fund ("the Fund"), which comprise the statement of net assets and the securities portfolio as at 31 December 2022 and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of LongRun Equity Fund as at 31 December 2022, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

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

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the “réviseur d’entreprises agréé” thereon.

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

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

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

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

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

Responsibilities of the “réviseur d’entreprises agréé” for the audit of the financial statements

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

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

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

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

— Conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Luxembourg, 17 April 2023

KPMG Audit S.à r.l.
Cabinet de révision agréé

R. Beegun
Partner

LongRun Equity Fund

Statement of net assets as at 31/12/22

	Note	*Expressed in EUR*
Assets		**608,688,102.65**
Securities portfolio at market value	2.2	593,774,183.81
Cost price		*519,870,326.16*
Cash at banks and liquidities		11,535,217.66
Receivable for investments sold		2,728,223.76
Receivable on subscriptions		479,120.52
Dividends receivable, net		170,674.63
Interests receivable, net		682.27
Liabilities		**4,516,394.69**
Payable on investments purchased		1,479,163.89
Payable on redemptions		1,017,971.17
Accrued management fees	3	1,389,908.01
Other liabilities		629,351.62
Net asset value		**604,171,707.96**

Statement of operations and changes in net assets from 01/01/22 to 31/12/22

	Note	*Expressed in EUR*
Income		**7,687,195.87**
Dividends on securities portfolio, net	2.2	7,606,969.81
Bank interests on cash accounts		78,278.79
Other income		1,947.27
Expenses		**7,940,647.58**
Investment Manager fees	3	6,211,277.54
Management Company fees	3	280,388.40
Depositary fees		117,389.28
Administration fees		153,054.14
Domiciliary fees		5,750.00
Distributor fees	5	612,012.51
Audit fees		17,789.29
Legal fees		43,332.85
Transaction fees		190,801.04
Subscription tax ("Taxe d'abonnement")	6	121,530.88
Bank account with negative credit interests		10,303.00
Other expenses		177,018.65
Net income / (loss) from investments		**-253,451.71**
Net realised profit / (loss) on:		
- sales of investment securities	2.2	63,170,506.49
- foreign exchange	2.3	13,541,672.74
Net realised profit / (loss)		**76,458,727.52**
Movement in net unrealised appreciation / (depreciation) on:		
- investments	2.2	-238,897,990.38
Net increase / (decrease) in net assets as a result of operations		**-162,439,262.86**
Dividends distributed	7	-142.80
Subscriptions of capitalisation shares		94,892,914.95
Subscriptions of distribution shares		1,434,259.24
Redemptions of capitalisation shares		-328,998,474.43
Redemptions of distribution shares		-2,946,150.23
Net increase / (decrease) in net assets		**-398,056,856.13**
Net assets at the beginning of the year		**1,002,228,564.09**
Net assets at the end of the year		**604,171,707.96**

LongRun Equity Fund

Statistics

		31/12/22	31/12/21	31/12/20
Total Net Assets	**EUR**	**604,171,707.96**	**1,002,228,564.09**	**1,082,565,867.13**
BP D - EUR - Distribution				
Number of shares		2,067.00	2,545.91	3,305.91
Net asset value per share	EUR	1,865.02	2,306.11	1,781.99
BP A - EUR - Capitalisation				
Number of shares		22,179.55	25,698.46	39,522.29
Net asset value per share	EUR	1,737.03	2,147.85	1,659.71
BP D - USD - Distribution				
Number of shares		1,037.18	1,299.18	610.18
Net asset value per share	USD	1,691.93	2,229.21	1,853.45
BP A - USD - Capitalisation				
Number of shares		40,188.11	42,700.18	36,448.74
Net asset value per share	USD	1,764.75	2,325.15	1,933.16
BP A - CHF - Capitalisation				
Number of shares		9,969.31	13,442.31	25,828.53
Net asset value per share	CHF	1,237.75	1,605.95	1,295.33
CP A - USD – Capitalisation (*)				
Number of shares		150.000	-	-
Net asset value per share	USD	950.93	-	-
CI D - EUR - Distribution				
Number of shares		10,158.10	10,290.70	11,792.70
Net asset value per share	EUR	1,937.61	2,383.04	1,831.54
Dividend per share		-	-	1.0988
CI A - EUR - Capitalisation				
Number of shares		50,253.31	69,539.57	89,924.23
Net asset value per share	EUR	1,824.64	2,244.08	1,724.74
CI A - USD - Capitalisation				
Number of shares		21,465.05	31,122.25	70,741.52
Net asset value per share	USD	1,767.09	2,315.75	1,914.95
CI A - CHF - Capitalisation				
Number of shares		7,752.68	13,044.43	16,301.43
Net asset value per share	CHF	1,542.67	1,990.87	1,597.17
FI A - EUR - Capitalisation				
Number of shares		5.00	5.00	-
Net asset value per share	EUR	874.97	1,076.66	-
SP D - EUR – Distribution (**)				
Number of shares		100.000	-	-
Net asset value per share	EUR	944.70	-	-
SI D - EUR - Distribution				
Number of shares		28.00	30.00	5,102.00
Net asset value per share	EUR	1,950.69	2,398.68	1,839.76
Dividend per share		5.1000	2.5094	4.9833
SI A - EUR - Capitalisation				
Number of shares		21,861.48	26,770.79	52,607.77
Net asset value per share	EUR	1,852.53	2,272.70	1,742.37
SI A - USD - Capitalisation				
Number of shares		154,735.11	229,524.42	302,207.64
Net asset value per share	USD	1,806.86	2,361.95	1,948.30
SI A - CHF - Capitalisation				
Number of shares		17,477.38	17,478.68	26,690.00
Net asset value per share	CHF	1,096.88	1,412.04	1,129.97

(*) launched on 15 December 2022

(**) launched on 14 December 2022

Securities portfolio as at 31/12/22

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
Transferable securities admitted to an official stock exchange listing			**593,774,183.81**	**98.28**
Shares			**593,774,183.81**	**98.28**
China			**30,998,754.15**	**5.13**
ALIBABA GROUP HOLDING LTD	HKD	1,316,017	13,626,471.82	2.26
TENCENT HOLDINGS LTD	HKD	433,259	17,372,282.33	2.88
Finland			**19,835,409.30**	**3.28**
KONE OYJ -B-	EUR	410,671	19,835,409.30	3.28
France			**55,517,204.00**	**9.19**
L'OREAL SA	EUR	78,113	26,058,496.80	4.31
LVMH MOET HENNESSY LOUIS VUITTON SE	EUR	43,328	29,458,707.20	4.88
Ireland			**32,128,311.08**	**5.32**
ACCENTURE - SHS CLASS A	USD	128,500	32,128,311.08	5.32
Netherlands			**16,912,062.20**	**2.80**
ASML HOLDING NV	EUR	33,569	16,912,062.20	2.80
Switzerland			**53,704,337.31**	**8.89**
NESTLE SA REG SHS	CHF	175,497	19,041,722.19	3.15
ROCHE HOLDING LTD	CHF	66,836	19,662,623.93	3.25
SONOVA HOLDING NAM-AKT	CHF	67,541	14,999,991.19	2.48
United Kingdom			**25,407,076.34**	**4.21**
RELX PLC	GBP	985,246	25,407,076.34	4.21
United States of America			**359,271,029.43**	**59.47**
ADOBE INC	USD	69,058	21,775,674.62	3.60
ALPHABET INC -A-	USD	378,052	31,253,715.59	5.17
COSTCO WHOLESALE CORP	USD	38,331	16,395,503.87	2.71
DANAHER CORP	USD	120,757	30,031,691.67	4.97
EMERSON ELECTRIC CO	USD	277,877	25,010,882.75	4.14
INTUIT	USD	60,061	21,903,904.82	3.63
MASTERCARD INC -A-	USD	92,025	29,983,465.21	4.96
MICROSOFT CORP	USD	164,556	36,977,109.32	6.12
MOODY S CORP	USD	111,527	29,115,626.84	4.82
PROCTER & GAMBLE CO	USD	193,817	27,523,920.84	4.56
THERMO FISHER SCIENT SHS	USD	44,887	23,161,229.36	3.83
T ROWE PRICE GROUP INC	USD	180,882	18,483,945.58	3.06
UNITEDHEALTH GROUP INC	USD	64,818	32,199,772.54	5.33
WALT DISNEY CO	USD	189,847	15,454,586.42	2.56
Total securities portfolio			**593,774,183.81**	**98.28**

LongRun Equity Fund
Notes to the financial statements

Notes to the financial statements

1 - General information

GENERAL

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

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

The Company has appointed Luxcellence Management Company S.A. to serve as its designated Management Company in accordance with the Law pursuant to a management company agreement dated September 30, 2015 until November 30, 2022. Pursuant a new management company agreement dated December 1, 2022, the Company has appointed Rothschild & Co Investment Managers to serve as its designated Management Company in accordance with the Law.

The Fund has the sole compartment : LongRun Equity.

The first letter A, B, C, D, S and F in the name of each Class of Shares identifies both the applicable fees and the minimum holding amount which may be set forth as a criterion for Eligibility for each Class of Shares. Minimum holding amount and eligibility for Shares are detailed in the current Prospectus of the Company.

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

The second letter in the name of each Class of Shares identifies the type of investors, as detailed hereafter:

“P” stands for “Private”. “P” Classes of Shares are available to all types of investors, among others private investors.
“I” stands for Institutional Investors. “I” Classes of Shares are available to Institutional Investors.

The third letter in the name of each Class of Shares identifies the type of Distribution Policy, as detailed hereafter:

“D” stands for “Distributing”, i.e. refers to Classes of Shares giving rise to distribution of dividends pursuant to the rules of section Distribution Policy of the Prospectus.
“A” stands for “Accumulation” i.e. refers to Classes of Shares which accumulate profits.

Hedged Classes of Shares are Classes of Shares with respect to which the Investment Manager will seek to hedge the exposure of the Company's portfolio to currencies other than the Class Currency of the relevant Class of Shares. For such Classes, the Company will hedge the currency exposure of portfolio securities denominated in a currency other than the Class Currency of the Class of Shares, in proportion to the amount of Shares in issue for the relevant Class of Shares. It should be noted that hedged Classes of Shares may not necessarily be 100% hedged at all times. The Investment Manager will take hedging positions from time to time in the best interest of investors and on a best effort basis. There is no active Currency Hedged Classes of Shares as at December 31, 2022.

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

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

2 - Principal accounting policies

2.1 - Determination of net asset value

The accounts of the Company are expressed in EUR. As the Company has only one active compartment as at December 31, 2022 and as the reference currency of the sole compartment is EUR, the consolidated accounts of the Company are the same as the accounts of the sole compartment.
Presentation of Financial Statements
The Financial Statements are prepared in accordance with Luxembourg regulations relating to Undertakings for Collective Investment. The Financial Statements are prepared on a going concern basis.
Determination of the Net Asset Value per share
The Net Asset Value of each Class of Shares is expressed in the Class Currency of each Class of Shares. The Net Asset Value is determined by the Administration Agent on each Valuation Day and on any such day that the Board may decide from time to time by dividing the net assets of the Company by the number of outstanding Shares. The Administration Agent calculates the Net Asset Value for each Class of Shares on the Valuation Day.

Notes to the financial statements

2 - Principal accounting policies

2.2 - Portfolio valuation

The value of assets is fixed as follows as at December 31, 2022:
• Investment funds are valued at their net asset value.
• Liquid assets are valued at their nominal value plus accrued interest;

• Fixed term deposits are valued at their nominal value plus accrued interest. Fixed term deposits with an original term of more than 30 calendar days can be valued at their yield adjusted price if an arrangement between the Company and the bank, with which the fixed term deposit is invested has been concluded including that the fixed term deposits are terminable at any time and the yield adjusted price corresponds to the realisation value;
• Commercial papers are valued at their nominal value plus accrued interest. Commercial papers with an original term of more than 90 calendar days can be valued at their yield adjusted price if an arrangement between the Company and the bank, with which the commercial paper is invested has been concluded including that the commercial papers are terminable at any time and the yield adjusted price corresponds to the realisation value;
• Securities or financial instruments admitted for official listing on a Regulated Market are valued on the basis of the last available price at the time when the valuation is carried out. If the same security is quoted on several Regulated Markets, the quotation on the principal market for this security will be used. If there is no relevant quotation or if the quotations are not representative of the fair value, the evaluation will be made in good faith by the Board of Directors or their delegate;
• Unlisted securities or financial instruments are valued on the basis of their probable value realisation as determined by the Board of Directors or their delegate using valuation principles which can be examined by the Auditor, in order to reach a proper and fair valuation of the total assets of the Company;
• Any other assets are valued on the basis of their probable value realisation as determined by the Board of Directors or their delegate using valuation principles which can be examined by the Auditor, in order to reach a proper and fair valuation of the total assets of the Company.

2.3 - Foreign currency translation

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

1 EUR	=	0.98745	CHF	1 EUR	=	0.88725	GBP	1 EUR	=	8.32985	HKD
1 EUR	=	1.06725	USD								

2.4 - Valuation of derivatives

• The valuation of derivatives traded over-the-counter (OTC), such as futures, forward or option contracts not traded on exchanges or on other recognised markets, will be based on their net liquidating value determined, pursuant to the policies established by the Board of Directors on the basis of recognised financial models in the market and in a consistent manner for each category of contracts. The net liquidating value of a derivative position is to be understood as being equal to the net unrealised profit/loss with respect to the relevant position;
• In the event that it is impossible or incorrect to carry out a valuation in accordance with the above rules owing to particular circumstances, the Board of Directors or their delegate shall be entitled to use other generally recognised valuation principles which can be examined by an auditor, in order to reach a proper valuation of the total assets of the Company.

2.5 - Formation expenses

Formation expenses have been fully amortized.

Notes to the financial statements

3 - Investment Manager fees and Management Company fees

Investment Manager fees

The Investment Manager is entitled to receive an Investment Management fee that is calculated as a percentage of the net asset value of each Class of Shares prior to accrual of Performance Fees (other than realised Performance Fees due to redemption). The effective rates of Investment Management fees per Class are as follows:
• Class A Shares: up to 1.70% p.a.
• Class B Shares: up to 1.50% p.a.
• Class C Shares: up to 1.00% p.a.
• Class D Shares: up to 0.80% p.a.
• Class S Shares: up to 0.75% p.a.
• Class F Shares: up to 1.00% p.a.

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

Management Company fees

In consideration of its services, the Management Company is entitled to receive the following fees and payments of the following expenses, out of the assets of the Company: The following annual variable fee was applied on the average net assets of the Company, payable monthly in arrears (applicable per brackets): Up to EUR 600 mio: 0.04% From EUR 600 mio to EUR 1,000 mio: 0.035% From EUR 1,000 mio to EUR 1,000 billion: 0.03% with an annual minimum fixed fee of EUR 40,000 at the Company's level.

4 - Performance fees

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

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

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

Performance Fees per Class are as follows:
• Class A Shares: 10%
• Class B Shares: 10%
• Class C Shares: 10%
• Class D Shares: 10%.
• Class S Shares: 10%.
• Class F Shares: 10%

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

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

For the year ended December 31, 2022, the performance fee amount is nil.

5 - Distributor fees

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

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

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

Notes to the financial statements

6 - Subscription tax *("Taxe d'abonnement")*

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

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

Any Class reserved to institutional investors is liable in Luxembourg to a "taxe d’abonnement" of 0.01% per annum of their net assets. Such tax being payable quarterly and calculated on the total Net Asset Value of each Class at the end of the relevant quarter.

7 - Dividends distributed

The Fund distributed the following dividends during the year ended December 31, 2022:

Sub-funds	Share class	ISIN	Ccy	Dividend	Ex-date	Payment date
LongRun Equity Fund	SI D - EUR - Distribution	LU1302866584	EUR	5.1000	21/04/22	25/04/22

Following the Annual General Meeting of Shareholders dated April 19, 2022, it has been decided to pay dividends with an ex-dividend date on April 21, 2022 and a payment date on April 25, 2022.

8 - Changes in the composition of securities portfolio

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

9 - Switches in subscription and redemption

The amounts reported in the captions “Subscription capitalisation shares” and “Redemption capitalisation shares” of the statement of operations and changes in net assets include switches of shares for EUR 7,307,169.59.

10 - Significant events during the year

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

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

Since December 1, 2022, Rothschild & Co Investment Managers has been appointed to serve as Management Company.

During late February 2022, the eastern part of Europe has entered into a phase of instability following the military action taken by Russia against Ukraine (the “Situation”). As a result, a list of global leading countries, not limited to Canada, the European Union, Japan, New Zealand, Taiwan, the United Kingdom, and the United States unveiled a series of sanctions against Russia to cripple the economy targeting banks, oil refineries, and military exports etc. On the other aspect and amid the worsening situations in Ukraine due to the prevalent military situation, the economy deterioration and volatility in Ukraine seems imperative. In addition to the direct impact on the concerned economies and parties, Ukraine and Russia, the impact on other economies is inevitable. More specifically, the link between the economies of Europe and Russia is considerable enough for its effects to end hitting the western economy even harder, also with effects on the US economy.

The Board of Directors has analysed the effects of the situation on the Fund and has concluded that the situation does not have an impact on the financial statements as at December 31, 2022 and on the Fund's ability to continue its activities.

11 - Subsequent events

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

LongRun Equity Fund
Additional unaudited information

Additional unaudited information

Other information

SFTR (Securities Financing Transactions and Reuse Regulation)

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

Risk Management

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

Information concerning the remuneration policy:

The remuneration policy has been designed with the objective of maximizing staff retention and enabling proper and efficient risk management.

Staff are paid via a combination of fixed salary and a bonus. The bonus is based on the qualitative and quantitative criteria of their annual employee performance appraisal.

These criteria are set based on group compliance policies and the job type.

Remuneration Amounts :

The fixed remuneration, variable remuneration, total remuneration and total headcount of Rothschild & Co Investment Managers as of December 31, 2022 is as follows:

	2022 Fixed Remuneration	2022 Variable Remuneration	Total Remuneration	Headcount
Entire population	2,062	459	2,521	26
Of which Senior Management and staff having a material impact on the risk profile				2

Considering that senior management and staff having a material impact on the Management Company's risk profile are low in number as at December 31, 2022, the Management Company considered this would give confidential information on those staff's remuneration and only disclosed overall remuneration amounts.

More details about this and remuneration policy, which describes, but is not limited to, how remuneration and benefits are determined, may be obtained upon request to the Management Company. There has not been any material change to the Remuneration Policy in 2022.

In k€ without social charges
Headcount as at 31/12/2022
Remuneration data include employees that left during the course of 2022

Information concerning the remuneration of the delegated Investment Manager

During 2022, Rothschild & Co Bank AG acting as delegated Investment Manager of LongRun Equity Fund has received a total of EUR 163,507 EUR split into fixed (EUR 113,995) and variable (EUR 49,512) remuneration.

Additional unaudited information

Sustainable Finance Disclosure Regulation ("SFDR" Regulation EU 2019/2088)

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

Did this financial product have a sustainable investment objective?

Yes ☐	No ☒
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 74.02% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ 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	☒ 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** ☐
☐ It made **sustainable investments with a social objective:** _%	☐

The product promoted firstly climate mitigation by considering companies that plan to reduce their direct and indirect greenhouse gas emissions in line with a global warming of below 2°C. Secondly the product promoted broad social and environmental characteristics by considering companies with a significant revenue share of products and services in the area of alternative energy, energy efficiency, green building, sustainable water, pollution prevention, sustainable agriculture, nutrition, major disease treatment, sanitation, affordable real estate, small and medium-sized enterprise finance, education and connectivity. A sustainable investment/company fulfills one of both of the criteria above. Lastly the product focused on investments issued by investee companies with an ESG rating of AA or higher, thus promoting superior ESG standards in the industry. Those investments were deemed to have E/S characteristics. Binding elements by the product and the share of minimum sustainable investments and investments with environmental and social characteristics have been met and/or exceeded.

The share of investments aligned with environmental/social characteristics was at 81.42%, while the share of sustainable investments was at 74.02%. The share of investments with other environmental characteristics was at 74.02%.

Since 2022 is the first reporting period, a comparison to previous periods is not possible. Furthermore, the lack of reported data does not allow for such a comparison.

A sustainable investment, as defined by the SFDR Article 2(17) should consider the three following building blocks:
• positive contribution to an environmental or social objective;
• do no significant harm;
• good governance practices.

Additional unaudited information

Sustainable Finance Disclosure Regulation ("SFDR" Regulation EU 2019/2088)

Based on Rothschild & Co Bank AG's interpretation of these building blocks and mainly using data provided by MSCI ESG Research LLC, companies selected in the financial product had a positive contribution to an environmental or social objective if:
• companies had carbon emissions reduction targets aligned with a global warming of 2°C or less;
• or had a strategic business focus on products with a direct social or environmental impact as shown by a share of revenues from those products of at least 20%.
If the investee company met one of these criteria, the investment is considered to be 100% sustainable.

In-line with the exclusion policy of R&Co Bank AG, PAI 10 (no breach of OECD and UNGC principles) and PAI 14 (exposure to controversial weapons) were considered for all direct investments in private companies.
Furthermore, private companies were considered complying with the ""do no significant harm"" criteria, if they did report on additional PAIs 1 (greenhouse gas emissions), PAI 2 (carbon footprint), PAI 4 (exposure to companies active in the fossil fuel sector), PAI 5 (share of non-renewable energy consumption and production, PAI 6 (energy consumption intensity per high impact climate sector) and PAI 13 (board gender diversity).
Investments in sovereigns were considered of DNSH, if they did not breach international sanctions, demonstrated good performances regarding corruption and international standards and did comply with a minimum ESG rating.
For third party funds we paid attention to its definition of sustainable investments, but could not fully assure that it was fully aligned with the banks interpretation of the SFDR requirements and objectives.

In general, PAIs have been used for the definition of sustainable investments and all of the mandatory PAIs (1-14, 15, 16) were measured.
R&Co Bank AG took into consideration the principal adverse impact indicators (PAIs) in its definition of sustainable investments and considered specifically PAIs 1, 2, 4, 5, 6, 10, 13, 14 and their evolution/trend. Furthermore, PAI 10 (breaches of OECD and UNGC principles) and PAI 14 (exposure to controversial weapons) were used for an exclusionary screening.

Since PAI 10 was an exclusionary criterion. Therefore, all direct investments in private companies were aligned with OECD Guidelines and UN Guiding Principles.

In general, principal adverse impact indicators (PAIs) have been used for the definition of sustainable investments and all the mandatory PAIs (1-14, 15, 16) were measured. In addition, our definition of sustainable investments indirectly took into consideration the optional
PAI relating to investments in companies without carbon emissions reduction initiatives.
R&Co Bank AG paid specific attention to PAIs 4 (exposure to fossil fuel sector), 10 (violations of UN Global Compact principles and OECD guidelines) and 14 (exposure to controversial weapons).

Largest investments	*Sector*	*% Assets*	*Country*
Microsoft Inc	**Information Technology**	**6.12%**	**North America**
UnitedHealth Group Inc	**Health Care**	**5.34%**	**North America**
Accenture PLC	**Information Technology**	**5.32%**	**North America**
Alphabet Inc -A-	**Communication Services**	**5.17%**	**North America**
LVMH	**Consumer Discretionary**	**4.88%**	**France**
Mastercard Inc	**Information Technology**	**4.96%**	**North America**
Danaher	**Health Care**	**4.97%**	**North America**
Moody's	**Financials**	**4.82%**	**North America**
Procter & Gamble	**Consumer Staples**	**4.56%**	**North America**
L'Oréal	**Consumer Staples**	**4.31%**	**France**

Investments with environmental and/or social characteristics were at 81.42% of the assets. Share of sustainable investments was at 74.02%. Share of investments with other environmental characteristics was at 74.02%.
Investments with social characteristics and/or taxonomy-alignment can vary, since no specific thresholds have been set. Derivatives were not used to attain the E/S characteristics promoted by the product.

- Taxonomy-aligned: 0%
- Other environmental: 74.02%
- Social: 0%
- #1A Sustainable: 74.02%
- #1B Other E/S characteristics: 7.39%
- #1 Aligned with E/S characteristics: 81.42%
- #2 Other: 18.58%

The product invested in all sectors and industries, however the sectors with a high greenhouse gas intensity were under-represented.

Additional unaudited information

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

The product did not apply a minimum threshold for sustainable investments with an environmental objective aligned with the EU Taxonomy. The EU Taxonomy alignment was also not a specific target within the product's strategy. However, it was and is no intention of the product to target direct investments in private companies that align with the EU Taxonomy. Data was provided by the data provider MSCI ESG Research LLC and can either be estimated or directly reported by private companies. For investments in third-party funds this product relied on disclosures from product manufacturers. Same holds true for investments in government securities since no EU Taxonomy data was available for such entities and therefore could not be considered.
Considering the above limitations, the share of taxonomy-aligned investments (share of revenue, excluding sovereigns) was at 0%.

There is no investments in in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy.
The product did not explicitly apply investments in transitional and enabling activities.

Since 2022 is the first reporting period, a comparison to previous periods is not possible. Furthermore, the lack of reported data does not allow for such a comparison.

The share of investments with an environmental objective not aligned with the EU Taxonomy was at 74.02%.

The share of socially sustainable investments was at 0%.

The "#2 Other" category includes firstly investments that might have not been analyzed from an ESG perspective due to the lack of methodologies, data availability or the nature of the underlying asset (cash). Secondly it includes those securities whose investee companies do not fulfill our criteria for sustainability and "other E/S characteristics". Nevertheless, these securities must meet the exclusion criteria described in the section "Binding elements".

Application of R&Co Bank AG's ESG approach across several divisions such as portfolio management, equity research and investment control to meet exclusionary criteria and environmental and/or social characteristics promoted by the product. The oversight was with the ESG & Portfolio analytics team. Proxy Voting activities took place, but no dedicated engagement on environmental and/or social characteristics conducted.

The fund does not have a benchmark in place.

Limitations to ESG data and methodologies

While the data is provided in good faith and to the best of the Portfolio Manager's knowledge and belief, R&Co IM notes the limitations of the methodologies and data referred to in the SFDR Periodic Disclosure (Annex IV) attached to this document (i.e. limited ability to measure or report on portfolio companies and securities, comparison with different reporting periods....). R&Co IM expects to improve data quality, methodology and reduce the limitations explained in the forthcoming financial statements.