

Ethna-DEFENSIV

R.C.S. Luxembourg K817

Annual report including audited financial statements
as at 31 December 2024

Investment Fund under Luxembourg Law

Investment fund pursuant to Part I of the Luxembourg Law of 17 December 2010
on Undertakings for Collective Investment, as amended, taking the legal form
of a Fonds Commun de Placement (FCP)

Luxembourg registered company B 155427



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Content

	Page
Fund Management Report	2
Geographical breakdown of Ethna-DEFENSIV	4
Composition of net fund assets of Ethna-DEFENSIV	8
Statement of operations of Ethna-DEFENSIV	11
Statement of net assets of Ethna-DEFENSIV as at 31 December 2024	15
Notes to the Annual Report as at 31 December 2024	21
Report of the Réviseur d'Entreprises agréé	27
ADDITIONAL NOTES (UNAUDITED)	30
Annex according to the Disclosure and Taxonomy Regulation (unaudited)	32
Administration, distribution and advisory	42

The Sales Prospectus with integrated Management Regulations, the Key Investor Information Document, the statement of the additions and disposals of each sub-fund during the reporting period and the fund's annual and semi-annual reports are available free of charge by post or e-mail from the registered office of the Management Company, the depositary and the institutions in accordance with the provisions of EU Directive 2019/1160 Article 92 in the respective countries of distribution. Additional information may be obtained from the management company at any time during regular business hours.

Unit subscriptions are valid only if they are made on the basis of the most recent version of the Sales Prospectus (including its annexes) in conjunction with the latest available annual report and any subsequent semi-annual report.

Unit classes (R-A) and (R-T) are intended exclusively for distribution in Italy, France and Spain.

The information and figures contained in this report relate to past performance only and give no indication of future performance.

Fund Management Report

The Fund Manager reports on behalf of the management company:

Looking back, 2024 will be remembered above all as the year when the interest rate cutting cycle began across nearly all developed economies. With the exception of Japan, all major central banks cut policy rates multiple times during the year. The Swiss National Bank was the first to act, followed by the Swedish Riksbank, then the Canadian and European central banks and finally the US Federal Reserve Bank. These moves were made possible largely thanks to a significant decline in global inflation. In the US, inflation (CPI) fell from a peak of 9.1% to 2.7%, and in Europe from a high of 10.6% to 2.2%, both by the end of 2024. At the same time, concerns about the economic strength of developed economies resurfaced over the course of the year. In the US, these concerns eased in early autumn, buoyed by a series of strong labour market reports. But in the euro area, the risk of recession remained a constant factor behind the ECB's rate cuts.

A second key feature of the year was how markets responded to those cuts. In Europe, government bond yields followed the textbook pattern, falling in line with policy rates. But the market reaction in the US was far from typical. Despite rate cuts of 100 basis points since September, the yield on 10-year US Treasuries rose by around 90 basis points. This is historically unusual, as the long end of the yield curve typically falls in step with policy rates. The explanation lies in the resilience of the US economy, which remained strong even without additional stimulus. On top of this, investors were unsettled by concerns that further support from the Federal Reserve might reignite inflation – concerns that were amplified by the at times erratic statements of newly re-elected President Trump, which many investors interpreted as signalling an inflationary bias. Throughout the year, demand for corporate bonds was very strong, and issuance volumes on the primary market also increased. The large, well-known companies in which we have focused our investments – those with solid business models and established market positions – continue to benefit from strong balance sheets and a fundamentally healthy financial position. As a result, credit spreads for corporate bonds narrowed significantly in both the US and Europe, in some cases reaching record lows.

Against this backdrop, Ethna-DEFENSIV delivered an excellent annual return of 5.25%. This performance was underpinned by the three main pillars of our portfolio management approach. First, thanks to our focus on increasing coupon certainty – a goal we set back in 2023 – we benefitted from a steady positive coupon contribution throughout the year. Second, we profited from the sharp tightening in spreads on corporate bonds within the portfolio. These contributed a total of 4.79% to annual performance. The third pillar in our portfolio management strategy is our tactical use of the duration overlay, which added a solid 1.8% over the course of the year.

Looking ahead to 2025, we expect a favourable environment for bond markets. We do not share the market consensus on inflation prospects and the expected number of US rate cuts. At present, we expect fewer than two rate cuts in the US by the end of 2025. However, there is broad consensus that the Fed will slow the pace of monetary easing due to the robust economy and the persistence, or resurgence, of inflation. Our base scenario remains a further slowdown in inflation in the US, which should push down yields on longer-dated government bonds. Combined with the sharp rise in market-implied inflation expectations, this creates a compelling contrarian case for long positions in US Treasuries.

Another key expectation for 2025 is the return of volatility. With Trump's re-election, uncertainty surrounding future US policy has only increased, which is likely to lead to greater nervousness among market participants. That said, we remain optimistic about the year ahead. Ethna-DEFENSIV has a long track record of flexible, active portfolio management. We intend to continue in that vein in 2025. Our high degree of flexibility should enable us to capture opportunities and respond effectively to unexpected developments in 2025.

Munsbach, January 2025

The Fund Management on behalf of the Board of Directors of the Management Company

The management company is entitled to create unit classes that confer different rights depending on the units. Currently the following unit classes exist with these structural features:

	Unit class (A)	Unit class (T)	Unit class (SIA-A)	Unit class (SIA-T)
Securities Identification Number:	A0LF5Y	A0LF5X	A1KANR	A1KANS
ISIN code:	LU0279509904	LU0279509144	LU0868353987	LU0868354365
Subscription fee:	up to 2.50%	up to 2.50%	up to 2.50%	up to 2.50%
Redemption fee:	none	none	none	none
Management fee:	up to 0.95% p.a.	up to 0.95% p.a.	up to 0.65% p.a.	up to 0.65% p.a.
Minimum subsequent investment:	none	none	none	none
Dividend policy:	distributed	reinvested	distributed	reinvested
Currency:	EUR	EUR	EUR	EUR

	Unit class (R-A) *	Unit class (R-T) *	Unit class (SIA CHF-T)
Securities Identification Number:	A12EH8	A12EH9	A12GN4
ISIN code:	LU1134012738	LU1134013462	LU1157022895
Subscription fee:	up to 1.00%	up to 1.00%	up to 2.50%
Redemption fee:	none	none	none
Management fee:	up to 1.25% p.a.	up to 1.25% p.a.	up to 0.65% p.a.
Minimum subsequent investment:	none	none	none
Dividend policy:	distributed	reinvested	reinvested
Currency:	EUR	EUR	CHF

* Unit classes (R-A) and (R-T) are intended exclusively for distribution in Italy, France and Spain.

Geographical breakdown of Ethna-DEFENSIV

Geographical breakdown by country ¹⁾	
Germany	19.40%
Netherlands	15.99%
France	9.44%
Spain	8.07%
United States of America	7.82%
Switzerland	5.95%
Sweden	5.82%
United Kingdom	3.89%
Ireland	2.91%
Supranational institutions	2.56%
Luxembourg	2.34%
Czech Republic	2.34%
Belgium	1.82%
Poland	1.15%
Finland	1.10%
Austria	0.75%
Denmark	0.73%
Italy	0.73%
Romania	0.07%
Securities holdings	92.88%
Futures contracts	-0.72%
Cash at banks ²⁾	6.64%
Other receivables and payables (net)	1.20%
	100.00%

¹⁾ Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

²⁾ See notes to the Report.

Breakdown by economic sector of Ethna-DEFENSIV

5

Breakdown by economic sector ¹⁾	
Banks	26.19%
Government bonds	13.58%
Utilities	8.49%
Food, beverages & tobacco	7.12%
Automobiles & components	6.02%
Raw materials & supplies	5.84%
Diversified financial services	5.15%
Insurance	2.89%
Capital goods	2.59%
Human health activities: Equipment & services	2.58%
Other information	2.56%
Energy	2.00%
Household goods & apparel	1.80%
Property management and development	1.76%
Media & Entertainment	1.36%
Software & services	1.14%
Transport	1.08%
Telecommunications services	0.73%
Securities holdings	92.88%
Futures contracts	-0.72%
Cash at banks ²⁾	6.64%
Other receivables and payables (net)	1.20%
	100.00%

¹⁾ Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

²⁾ See notes to the Report.

Change over the last 3 financial years

Unit class (A)

Date	Net fund assets in EUR millions	Outstanding units	Net inflows in EUR thousands	Unit value EUR
31/12/2022	115.75	894,054	-8,924.15	129.47
31/12/2023	101.81	770,206	-15,817.92	132.19
31/12/2024	96.61	710,530	-7,971.87	135.96

Unit class (T)

Date	Net fund assets in EUR millions	Outstanding units	Net inflows in EUR thousands	Unit value EUR
31/12/2022	158.29	947,247	-14,286.16	167.10
31/12/2023	137.67	794,779	-25,444.44	173.21
31/12/2024	144.80	794,032	42.01	182.36

6

Unit class (SIA-A)

Date	Net fund assets in EUR millions	Outstanding units	Net inflows in EUR thousands	Unit value EUR
31/12/2022	2.33	4,669	-2,833.50	498.09
31/12/2023	1.21	2,377	-1,133.02	510.11
31/12/2024	2.72	5,184	1,477.58	524.69

Unit class (SIA-T)

Date	Net fund assets in EUR millions	Outstanding units	Net inflows in EUR thousands	Unit value EUR
31/12/2022	6.55	11,896	-19,025.96	550.39
31/12/2023	33.24	58,083	25,468.86	572.23
31/12/2024	21.75	36,002	-12,926.68	604.27

Unit class (R-A) *

Date	Net fund assets in EUR millions	Outstanding units	Net inflows in EUR thousands	Unit value EUR
31/12/2022	1.81	21,322	60.62	85.00
31/12/2023	1.56	18,254	-253.11	85.65
31/12/2024	0.94	10,771	-639.10	87.68

Unit class (R-T) *

Date	Net fund assets in EUR millions	Outstanding units	Net inflows in EUR thousands	Unit value EUR
31/12/2022	2.99	29,556	178.93	101.16
31/12/2023	1.67	15,994	-1,366.18	104.55
31/12/2024	2.86	26,094	1,087.10	109.73

* Unit classes (R-A) and (R-T) are intended exclusively for distribution in Italy, France and Spain.

Unit class (SIA CHF-T)

Date	Net fund assets in EUR millions	Outstanding units	Net inflows in EUR thousands	Unit value EUR	Unit value CHF
31/12/2022	62.24	118,935	23,465.56	523.30	515.29 ¹⁾
31/12/2023	4.56	8,065	-57,185.05	566.00	525.47 ²⁾
31/12/2024	7.95	13,793	3,234.13	576.29	541.25 ³⁾

¹⁾ Converted at the foreign exchange rate into EUR as at 31 December 2022: EUR 1 = CHF 0.9847

²⁾ Converted at the foreign exchange rate into EUR as at 31 December 2023: EUR 1 = CHF 0.9284

³⁾ Converted at the foreign exchange rate into EUR as at 31 December 2024: EUR 1 = CHF 0.9392

Composition of net fund assets of Ethna-DEFENSIV

Composition of net fund assets

as at 31 December 2024

	EUR
Securities holdings	257,877,622.92
(Securities purchase costs: EUR 256,767,376.76)	
Cash at banks ¹⁾	18,443,981.81
Interest receivable	3,755,893.77
Receivables from unit sales	449,652.64
	280,527,151.14
Unit redemptions payable	-598,180.18
Unrealised losses on futures contracts	-1,987,992.99
Unrealised losses on forward foreign exchange contracts	-24,199.22
Other liabilities and equity ²⁾	-282,106.78
	-2,892,479.17
Net fund assets	277,634,671.97

¹⁾ See notes to the Report.

²⁾ This item mainly comprises management fees and the taxe d'abonnement.

Allocation among unit classes

Unit class (A)	
Pro rata net fund assets	EUR 96,605,902.98
Outstanding units	710,529.543
Unit value	EUR 135.96

Unit class (T)	
Pro rata net fund assets	EUR 144,797,743.05
Outstanding units	794,032.471
Unit value	EUR 182.36

Unit class (SIA-A)	
Pro rata net fund assets	EUR 2,720,102.72
Outstanding units	5,184.207
Unit value	EUR 524.69

Unit class (SIA-T)	
Pro rata net fund assets	EUR 21,754,660.38
Outstanding units	36,001.751
Unit value	EUR 604.27

Unit class (R-A) *	
Pro rata net fund assets	EUR 944,370.87
Outstanding units	10,770.761
Unit value	EUR 87.68

Unit class (R-T) *	
Pro rata net fund assets	EUR 2,863,406.00
Outstanding units	26,094.259
Unit value	EUR 109.73

Unit class (SIA CHF-T)	
Pro rata net fund assets	EUR 7,948,485.97
Outstanding units	13,792.608
Unit value	EUR 576.29
Unit value	CHF 541.25 ¹⁾

¹⁾ Converted at the foreign exchange rate into EUR as at 31 December 2024: EUR 1 = CHF 0.9392

* Unit classes (R-A) and (R-T) are intended exclusively for distribution in Italy, France and Spain.

Change to net asset value

in the period under review from 1 January 2024 to 31 December 2024

	Total EUR	Unit class (A) EUR	Unit class (T) EUR	Unit class (SIA-A) EUR
Total net fund assets at the beginning of the period under review	281,729,181.44	101,812,312.61	137,667,641.27	1,212,403.45
Ordinary net income	8,034,168.14	2,779,910.08	4,137,999.15	86,100.35
Income and expense equalisation	147,969.04	101,268.02	-61,071.23	-37,695.76
Inflow of funds from sale of units	43,055,523.70	9,749,366.25	21,377,741.24	1,734,535.26
Outflow of funds from redemption of units	-58,752,355.49	-17,721,234.85	-21,335,731.82	-256,951.92
Realised gains	13,761,891.47	4,816,346.36	6,746,168.98	100,117.58
Realised losses	-8,738,293.42	-2,978,482.21	-4,090,178.37	-72,461.49
Net change in unrealised gains	-4,584,662.01	-1,621,101.67	-2,221,843.16	-24,900.01
Net change in unrealised losses	5,333,541.76	1,953,848.01	2,577,016.99	11,751.28
Distribution	-2,352,292.66	-2,286,329.62	0.00	-32,796.02
Total net fund assets at the end of the period under review	277,634,671.97	96,605,902.98	144,797,743.05	2,720,102.72

10

	Unit class (SIA-T) EUR	Unit class (R-A) * EUR	Unit class (R-T) * EUR	Unit class (SIA CHF-T) EUR
Total net fund assets at the beginning of the period under review	33,236,711.56	1,563,405.77	1,672,133.88	4,564,572.90
Ordinary net income	685,398.08	24,448.35	73,437.76	246,874.37
Income and expense equalisation	161,865.95	5,367.25	-13,011.55	-8,753.64
Inflow of funds from sale of units	3,156,592.53	90,879.01	2,468,606.78	4,477,802.63
Outflow of funds from redemption of units	-16,083,276.35	-729,981.68	-1,381,510.19	-1,243,668.68
Realised gains	1,398,644.41	59,709.82	106,396.18	534,508.14
Realised losses	-945,303.12	-42,544.56	-62,415.40	-546,908.27
Net change in unrealised gains	-485,263.37	-25,336.28	-25,281.76	-180,935.76
Net change in unrealised losses	629,290.69	31,590.21	25,050.30	104,994.28
Distribution	0.00	-33,167.02	0.00	0.00
Total net fund assets at the end of the period under review	21,754,660.38	944,370.87	2,863,406.00	7,948,485.97

* Unit classes (R-A) and (R-T) are intended exclusively for distribution in Italy, France and Spain.

Statement of operations of Ethna-DEFENSIV

11

Statement of operations

in the period under review from 1 January 2024 to 31 December 2024

	Total EUR	Unit class (A) EUR	Unit class (T) EUR	Unit class (SIA-A) EUR
Income				
Interest on bonds	10,823,898.07	3,853,949.59	5,457,440.62	59,057.18
Bank interest	475,423.84	169,437.62	239,278.43	2,581.18
Income equalisation	-189,114.58	-140,676.55	84,776.10	47,614.63
Total income	11,110,207.33	3,882,710.66	5,781,495.15	109,252.99
Expense				
Interest expense	-13,457.24	-4,742.13	-6,818.26	-87.47
Management fee	-2,545,938.76	-940,147.82	-1,332,379.38	-9,954.77
Taxe d'abonnement	-138,608.50	-49,117.54	-70,513.74	-886.22
Publication and audit expenses	-57,620.73	-20,560.87	-28,984.94	-301.42
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-9,807.69	-3,517.80	-4,922.53	-49.86
Registrar and transfer agent fee	-8,406.20	-3,017.27	-4,232.87	-38.49
Government fees	-12,430.27	-4,465.85	-6,187.18	-57.73
Other expenses ¹⁾	-330,915.34	-116,639.83	-165,752.23	-1,857.81
Expense equalisation	41,145.54	39,408.53	-23,704.87	-9,918.87
Total expense	-3,076,039.19	-1,102,800.58	-1,643,496.00	-23,152.64
Ordinary net income	8,034,168.14	2,779,910.08	4,137,999.15	86,100.35
Total transaction costs in the financial year ²⁾	75,853.51			
Total expense ratio in per cent ²⁾		1.16	1.16	0.87
Ongoing charges in percent ²⁾		1.17	1.17	0.89
Swiss total expense ratio in per cent before performance fee ²⁾ (for the period from 1 January 2024 to 31 December 2024)		1.16	1.16	0.87
Swiss total expense ratio in per cent including performance fee ²⁾ (for the period from 1 January 2024 to 31 December 2024)		1.16	1.16	0.87
Swiss performance fee in per cent ²⁾ (for the period from 1 January 2024 to 31 December 2024)		-	-	-

¹⁾ This item mainly comprises general management costs and custody fees.

²⁾ See notes to the Report.

Statement of operations

in the period under review from 1 January 2024 to 31 December 2024

	Unit class (SIA-T) EUR	Unit class (R-A)* EUR	Unit class (R-T)* EUR	Unit class (SIA CHF-T) EUR
Income				
Interest on bonds	1,025,443.58	44,265.23	90,641.85	293,100.02
Bank interest	45,824.24	1,987.72	3,910.48	12,404.17
Income equalisation	-203,980.99	-8,220.97	19,953.15	11,420.05
Total income	867,286.83	38,031.98	114,505.48	316,924.24
Expense				
Interest expense	-1,270.30	-54.47	-129.93	-354.68
Management fee	-171,084.72	-14,150.19	-29,272.60	-48,949.28
Taxe d'abonnement	-12,456.73	-531.50	-1,213.28	-3,889.49
Publication and audit expenses	-5,531.64	-237.36	-467.54	-1,536.96
Typesetting, printing and postage and packaging for the annual and semi-annual reports	-956.70	-40.68	-76.51	-243.61
Registrar and transfer agent fee	-817.41	-41.81	-86.56	-171.79
Government fees	-1,230.09	-56.61	-86.92	-345.89
Other expenses ¹⁾	-30,656.20	-1,324.73	-2,792.78	-11,891.76
Expense equalisation	42,115.04	2,853.72	-6,941.60	-2,666.41
Total expense	-181,888.75	-13,583.63	-41,067.72	-70,049.87
Ordinary net income	685,398.08	24,448.35	73,437.76	246,874.37
Total expense ratio in per cent ²⁾	0.85	1.45	1.46	0.89
Ongoing charges in percent ²⁾	0.87	1.47	1.48	0.91
Swiss total expense ratio in per cent before performance fee ²⁾ (for the period from 1 January 2024 to 31 December 2024)	0.85	1.45	1.46	0.89
Swiss total expense ratio in per cent including performance fee ²⁾ (for the period from 1 January 2024 to 31 December 2024)	0.85	1.45	1.46	0.89
Swiss performance fee in per cent ²⁾ (for the period from 1 January 2024 to 31 December 2024)	-	-	-	-

¹⁾ This item mainly comprises general management costs and custody fees.²⁾ See notes to the Report.

* Unit classes (R-A) and (R-T) are intended exclusively for distribution in Italy, France and Spain.

12

Performance in percent *

As of: 31 December 2024

Fund	ISIN WKN	Unit class currency	6 months	1 year	3 years	10 years
Ethna-DEFENSIV (A) since 02/04/2007	LU0279509904 A0LF5Y	EUR	2.79%	5.28%	5.65%	16.65%
Ethna-DEFENSIV (R-A) since 07/05/2015	LU1134012738 A12EH8	EUR	2.64%	4.96%	4.71%	---
Ethna-DEFENSIV (R-T) since 26/02/2015	LU1134013462 A12EH9	EUR	2.63%	4.96%	4.64%	---
Ethna-DEFENSIV (SIA-A) since 24/06/2013	LU0868353987 A1KANR	EUR	2.94%	5.59%	6.62%	20.36%
Ethna-DEFENSIV (SIA CHF-T) since 11/02/2015	LU1157022895 A12GN4	CHF	1.49%	3.00%	1.67%	---
Ethna-DEFENSIV (SIA-T) since 31/07/2014	LU0868354365 A1KANS	EUR	2.95%	5.60%	6.60%	19.92%
Ethna-DEFENSIV (T) since 02/04/2007	LU0279509144 A0LF5X	EUR	2.79%	5.28%	5.65%	16.67%

* On the basis of published unit values (BVI method and AMAS Guidelines on the Calculation and Publication of Performance of Collective Investment Schemes of 16 May 2008 (version of 5 August 2021)).

Past performance is no indicator of current or future performance. The performance data do not include commissions and charges incurred in the issue and redemption of units.

Change in number of units in circulation

	Unit class (A) Number	Unit class (T) Number	Unit class (SIA-A) Number	Unit class (SIA-T) Number
Units in circulation at start of period under review	770,206.290	794,779.378	2,376.753	58,082.866
Units issued	72,884.782	119,123.154	3,304.079	5,348.550
Units redeemed	-132,561.529	-119,870.061	-496.625	-27,429.665
Units in circulation at end of period under review	710,529.543	794,032.471	5,184.207	36,001.751

	Unit class (R-A) * Number	Unit class (R-T) * Number	Unit class (SIA CHF-T) Number
Units in circulation at start of period under review	18,253.601	15,993.668	8,064.595
Units issued	1,049.294	22,756.332	8,002.966
Units redeemed	-8,532.134	-12,655.741	-2,274.953
Units in circulation at end of period under review	10,770.761	26,094.259	13,792.608

* Unit classes (R-A) and (R-T) are intended exclusively for distribution in Italy, France and Spain.

Statement of net assets of Ethna-DEFENSIV as at 31 December 2024

Statement of net assets as at 31 December 2024

ISIN	Securities	Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NAV ¹⁾
Bonds							
Listed securities							
EUR							
XS2540585564	4.125% AB Electrolux EMTN Reg.S. v.22(2026)	0	0	2,000,000	101.8570	2,037,140.00	0.73
FR001400RGV6	3.875% Ayvens S.A. Reg.S. v.24(2029)	3,000,000	0	3,000,000	102.3170	3,069,510.00	1.11
XS2902087423	3.875% Bank Gospodarstwa Krajowego EMTN Reg.S. v.24(2035)	3,200,000	0	3,200,000	99.8150	3,194,080.00	1.15
FR001400Q0T5	3.500% Banque Fédérative du Crédit Mutuel S.A. [BFCM] EMTN Reg.S. Green Bond v.24(2031)	1,000,000	0	1,000,000	101.1820	1,011,820.00	0.36
FR001400GGZ0	4.125% Banque Fédérative du Crédit Mutuel S.A. [BFCM] EMTN Reg.S. v.23(2029)	0	0	5,000,000	104.0310	5,201,550.00	1.87
XS2839004368	3.828% Becton, Dickinson & Co. v.24(2032)	2,000,000	0	2,000,000	102.5860	2,051,720.00	0.74
BE0390160266	3.290% bpost S.A. Reg.S. v.24(2029)	3,000,000	0	3,000,000	100.3630	3,010,890.00	1.08
DE000BU22023	3.100% Federal Republic of Germany Reg.S. v.23(2025)	1,000,000	5,000,000	10,000,000	100.5430	10,054,300.00	3.62
DE000BU22015	2.800% Federal Republic of Germany Reg.S. v.23(2025)	10,000,000	0	10,000,000	100.1320	10,013,200.00	3.61
XS2638560156	5.943% Česká Sporitelna AS EMTN Reg.S. Fix-to-Float v.23(2027)	0	0	3,000,000	104.2890	3,128,670.00	1.13
FR001400TL81	3.309% Crédit Mutuel Arkéa EMTN Reg.S. Green Bond v.24(2034)	2,000,000	0	2,000,000	98.7700	1,975,400.00	0.71
XS2626691906	4.625% De Volksbank NV EMTN Reg.S. Green Bond v.23(2027)	0	0	3,000,000	103.4670	3,104,010.00	1.12
XS2852993810	3.375% DekaBank Deutsche Girozentrale EMTN Reg.S. v.24(2027)	500,000	0	500,000	101.3810	506,905.00	0.18
XS2833391498	3.375% Diageo Finance Plc. EMTN Reg.S. v.24(2035)	2,500,000	0	2,500,000	100.2730	2,506,825.00	0.90
XS2844409271	3.152% Diageo Finance Plc. Reg.S. FRN v.24(2026)	3,000,000	0	3,000,000	100.1780	3,005,340.00	1.08
DE000DW6DA51	3.462% DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main EMTN Reg.S. FRN v.23(2025)	5,000,000	0	5,000,000	100.2240	5,011,200.00	1.80
FR001400QZ47	3.625% Edenred SE Reg.S. v.24(2032)	4,000,000	0	4,000,000	100.4370	4,017,480.00	1.45
XS2862984601	4.000% EnBW International Finance BV Reg.S. Green Bond v.24(2036)	3,500,000	0	3,500,000	102.0970	3,573,395.00	1.29
BE6338167909	3.625% Euroclear Bank S.A./NV EMTN Reg.S. v.22(2027)	0	0	1,000,000	102.2700	1,022,700.00	0.37
XS0427291751	4.500% European Investment Bank (EIB) v.09(2025)	0	0	7,000,000	101.6400	7,114,800.00	2.56

1) NAV = Net Asset Value Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

Statement of net assets as at 31 December 2024

ISIN	Securities	Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NAV ¹⁾
EUR (continued)							
XS2832873355	4.250% Fraport AG Frankfurt Airport Services Worldwide Reg.S. v.24(2032)	5,000,000	0	5,000,000	104.0320	5,201,600.00	1.87
XS2625985945	4.500% General Motors Financial Co. Inc. EMTN Reg.S. v.23(2027)	0	0	2,000,000	103.9280	2,078,560.00	0.75
XS2811096267	4.154% Glencore Capital Finance DAC EMTN Reg.S. v.24(2031)	3,000,000	0	3,000,000	103.4160	3,102,480.00	1.12
XS2905582479	5.125% Grenke Finance Plc. Social Bond v.24(2029)	3,000,000	1,000,000	2,000,000	101.2030	2,024,060.00	0.73
DE000A3515S3	4.375% Hamburger Sparkasse AG Reg.S. v.23(2029)	0	0	3,000,000	105.5780	3,167,340.00	1.14
XS2904554990	3.375% Heidelberg Materials AG EMTN Reg.S. Green Bond v.24(2031)	2,000,000	0	2,000,000	100.9570	2,019,140.00	0.73
XS2852894679	3.812% Heineken NV EMTN Reg.S. v.24(2036)	2,000,000	0	2,000,000	101.9120	2,038,240.00	0.73
XS2909822194	3.000% Iberdrola Finanzas S.A. EMTN Reg.S. v.24(2031)	3,000,000	0	3,000,000	99.2910	2,978,730.00	1.07
FR001400OM10	3.375% Kering S.A. EMTN Reg.S. v.24(2032)	3,000,000	0	3,000,000	99.2940	2,978,820.00	1.07
XS2826712551	3.750% Koninklijke Philips NV EMTN Reg.S. v.24(2032)	3,000,000	0	3,000,000	102.1330	3,063,990.00	1.10
XS2752465810	3.788% Landesbank Hessen-Thüringen Girozentrale EMTN Reg.S. FRN v.24(2026)	11,000,000	8,000,000	3,000,000	100.2170	3,006,510.00	1.08
BE6351290216	3.875% Lonza Finance International NV EMTN Reg.S. v.24(2036)	1,000,000	0	1,000,000	102.3500	1,023,500.00	0.37
XS2923451194	3.500% Louis Dreyfus Company Finance BV Reg.S. v.24(2031)	2,000,000	0	2,000,000	99.7840	1,995,680.00	0.72
XS2679904685	4.231% LSEG Netherlands BV EMTN Reg.S. v.23(2030)	0	0	3,000,000	105.9620	3,178,860.00	1.14
XS2607040958	4.250% National Gas Transmission Plc. EMTN Reg.S. v.23(2030)	0	0	1,000,000	103.8510	1,038,510.00	0.37
XS2894931588	4.061% National Grid North America Inc. EMTN Reg.S. Green Bond v.24(2036)	2,500,000	0	2,500,000	102.5830	2,564,575.00	0.92
XS2676816940	4.375% Nordea Bank Abp EMTN Reg.S. Fix-to-Float v.23(2026)	0	0	1,000,000	100.9850	1,009,850.00	0.36
XS2837788947	3.375% Nordea Bank Abp Reg.S. v.24(2029)	2,000,000	0	2,000,000	102.2720	2,045,440.00	0.74
CH1251998238	4.840% Raiffeisen Schweiz Genossenschaft EMTN v.23(2028)	0	3,000,000	2,000,000	106.0490	2,120,980.00	0.76
XS2901969902	3.375% Royal Schiphol Group NV EMTN Reg.S. v.24(2036)	2,000,000	0	2,000,000	99.3640	1,987,280.00	0.72
XS2829209720	5.250% Romania Reg.S. v.24(2032)	100,000	0	100,000	97.5200	97,520.00	0.04
XS2829810923	5.625% Romania Reg.S. v.24(2037)	100,000	0	100,000	95.5480	95,548.00	0.03
XS2616008541	3.750% Sika Capital BV Reg.S. v.23(2026)	0	0	3,000,000	101.6630	3,049,890.00	1.10
XS2813108870	3.442% Skandinaviska Enskilda Banken Reg.S. FRN v.24(2027)	6,000,000	0	6,000,000	100.2060	6,012,360.00	2.17
ES0000012M85	3.250% Spain Reg.S. v.24(2034)	7,500,000	0	7,500,000	101.7160	7,628,700.00	2.75
ES0000012N35	3.450% Spain Reg.S. v.24(2034)	7,500,000	0	7,500,000	103.1600	7,737,000.00	2.79
FR001400M2F4	5.250% Téléperformance SE EMTN Reg.S. v.23(2028)	0	0	3,000,000	105.4920	3,164,760.00	1.14
XS0545428285	3.875% Telia Company AB EMTN Reg.S. v.10(2025)	2,000,000	0	2,000,000	100.9600	2,019,200.00	0.73
DE000A3LC4C3	4.125% TRATON Finance Luxembourg S.A. EMTN Reg.S. v.23(2025)	0	0	3,000,000	100.0300	3,000,900.00	1.08
XS2545248242	3.750% Vattenfall AB EMTN Reg.S. v.22(2026)	0	0	3,000,000	101.8040	3,054,120.00	1.10
XS2597973812	4.125% Vestas Wind Systems A/S EMTN Reg.S. v.23(2026)	0	0	2,000,000	101.5740	2,031,480.00	0.73

¹⁾ NAV = Net Asset Value. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

Statement of net assets as at 31 December 2024

ISIN	Securities	Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NAV ¹⁾
EUR (continued)							
AT000B122155	4.750% Volksbank Wien AG EMTN Reg.S. Green Bond v.23(2027)	0	0	2,000,000	103.7480	2,074,960.00	0.75
XS2604697891	3.875% Volkswagen International Finance NV-EMTN Reg.S. Green Bond v.23(2026)	0	0	2,000,000	100.9560	2,019,120.00	0.73
XS2583352443	3.500% Volvo Treasury AB EMTN Reg.S. v.23(2025)	0	0	3,000,000	100.5970	3,017,910.00	1.09
CH1290222392	4.467% Zürcher Kantonalbank Reg.S. Fix-to-Float v.23(2027)	0	0	4,000,000	102.6260	4,105,040.00	1.48
CH1266847149	4.156% Zürcher Kantonalbank Reg.S. Fix-to-Float v.23(2029)	0	0	5,000,000	103.9770	5,198,850.00	1.87
XS2626289222	4.875% 3i Group Plc. Reg.S. v.23(2029)	0	0	4,000,000	107.0890	4,283,560.00	1.54
						181,825,998.00	65.47
Listed securities						181,825,998.00	65.47
New issues intended for admission to stock exchange trading							
EUR							
XS2894908768	4.125% CEZ AS Sustainability Linked Bond v.24(2031)	3,300,000	0	3,300,000	101.7910	3,359,103.00	1.21
XS2957380228	3.125% Johnson Controls International Plc. v.24(2033)	3,000,000	0	3,000,000	97.7600	2,932,800.00	1.06
XS2908177145	3.250% Naturgy Finance Iberia S.A. EMTN Reg.S. v.24(2030)	2,000,000	0	2,000,000	100.0470	2,000,940.00	0.72
CH1353015048	3.852% Raiffeisen Schweiz Genossenschaft Reg.S. Fix-to-Float v.24(2032)	5,000,000	0	5,000,000	101.9560	5,097,800.00	1.84
ES0000012N43	3.100% Spain v.24(2031)	2,000,000	0	2,000,000	102.0440	2,040,880.00	0.74
						15,431,523.00	5.57
New issues intended for admission to stock exchange trading						15,431,523.00	5.57
Securities admitted to or included on organised markets							
EUR							
XS2757986224	4.005% Athene Global Funding EMTN Reg.S. FRN v.24(2027)	5,000,000	0	5,000,000	100.2990	5,014,950.00	1.81
FR001400HAC0	3.625% BPCE S.A. EMTN Reg.S. v.23(2026)	0	0	3,000,000	100.9490	3,028,470.00	1.09
XS2802928775	3.750% Brenntag Finance BV EMTN Reg.S. v.24(2028)	3,000,000	0	3,000,000	102.0970	3,062,910.00	1.10
XS2802928692	3.875% Brenntag Finance BV EMTN Reg.S. v.24(2032)	2,000,000	0	2,000,000	101.8120	2,036,240.00	0.73
XS2909746310	3.250% Comcast Corporation v.24(2032)	2,000,000	0	2,000,000	100.3140	2,006,280.00	0.72
XS2860946867	3.775% Coöperatieve Rabobank U.A. Reg.S. FRN Green Bond v.24(2028)	3,500,000	0	3,500,000	99.9970	3,499,895.00	1.26
XS2900380812	3.375% Daimler Truck International Finance BV EMTN Reg.S. v.24(2030)	2,000,000	0	2,000,000	100.5050	2,010,100.00	0.72
XS2660380622	4.125% DekaBank Deutsche Girozentrale EMTN Reg.S. v.23(2028)	0	0	3,000,000	104.1170	3,123,510.00	1.13
DE000A383BH3	10.000% Groß & Partner Grundstücksentwicklungsgesellschaft mbH v.24(2028)	3,000,000	0	3,000,000	96.0000	2,880,000.00	1.04
XS2622214745	3.532% Kraft Heinz Foods Co. FRN v.23(2025)	0	0	5,000,000	100.1400	5,007,000.00	1.80
DE000A255D05	0.000% KSLK Trust GmbH v.19(2025)	5,000	205,000	2,800,000	5.1000	142,800.00	0.05
DE000A4AHM72	15.000% KSLK Trust GmbH v.24(2029)	700,000	0	700,000	93.5000	654,500.00	0.24
DE000LB39BG3	3.732% Landesbank Baden-Württemberg EMTN FRN Green Bond v.24(2026)	5,000,000	2,000,000	3,000,000	100.4220	3,012,660.00	1.09
XS2856691469	3.718% New York Life Global Funding EMTN Reg.S. FRN v.24(2027)	3,000,000	0	3,000,000	100.1590	3,004,770.00	1.08

¹⁾ NAV = Net Asset Value. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

Statement of net assets as at 31 December 2024

ISIN	Securities	Acquisitions in the period under review	Disposals in the period under review	Holdings	Price	Price EUR	% share of NAV ¹⁾
EUR (continued)							
XS2901491261	4.000% P3 Group S.a.r.l. EMTN Reg.S. Green Bond v.24(2032)	2,000,000	0	2,000,000	100.4290	2,008,580.00	0.72
XS2679898184	4.875% REWE International Finance B.V. Sustainability Linked Bond v.23(2030)	0	0	3,000,000	107.3480	3,220,440.00	1.16
XS2644417227	4.500% Santander Consumer Bank AG EMTN Reg.S. v.23(2026)	0	0	2,000,000	102.5110	2,050,220.00	0.74
XS2678111050	4.250% Sartorius Finance B.V. Reg.S. v.23(2026)	0	0	1,000,000	102.2380	1,022,380.00	0.37
DE000A3LHK72	4.000% TRATON Finance Luxembourg S.A. EMTN Reg.S. v.23(2025)	0	0	1,500,000	100.5660	1,508,490.00	0.54
XS2626022573	4.125% WPP Finance S.A. EMTN Reg.S. v.23(2028)	0	3,292,000	1,708,000	104.0490	1,777,156.92	0.64
						50,071,351.92	18.03
Securities admitted to or included on organised markets						50,071,351.92	18.03
New issues intended for trading on an organised market							
EUR							
XS2902582357	6.929% Sammontana Italia S.p.A. Reg.S. FRN v.24(2031).	2,000,000	0	2,000,000	100.8280	2,016,560.00	0.73
XS2929985385	3.375% Vier Gas Transport GmbH EMTN Reg.S. v.24(2031)	3,000,000	0	3,000,000	99.6540	2,989,620.00	1.08
XS2908095172	4.357% Wintershall Dea Finance BV Reg.S. v.24(2032)	5,500,000	0	5,500,000	100.7740	5,542,570.00	2.00
						10,548,750.00	3.81
New issues intended for trading on an organised market						10,548,750.00	3.81
Bonds						257,877,622.92	92.88
Securities holdings						257,877,622.92	92.88
Futures contracts							
Long positions							
USD							
CBT 20YR US Long Bond Future March 2025		375	0	375		-1,987,992.99	-0.72
						-1,987,992.99	-0.72
Long positions						-1,987,992.99	-0.72
Futures contracts						-1,987,992.99	-0.72
Cash at banks - Current account ²⁾						18,443,981.81	6.64
Other receivables and payables (net)						3,301,060.23	1.20
Net fund assets in EUR						277,634,671.97	100.00

¹⁾ NAV = Net Asset Value. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

²⁾ See notes to the Report.

Currency forwards

The following forward foreign exchange contracts were open as at 31 December 2024:

Currency	Counterparty		Currency amount	Price EUR	% share of NAV ¹⁾
CHF/EUR	DZ PRIVATBANK S.A.	Currency purchases	7,545,000.00	8,075,097.88	2.91
EUR/CHF	DZ PRIVATBANK S.A.	Currency sales	53,000.00	56,723.69	0.02

Futures contracts

	Holdings	Commitments EUR	% share of NAV ¹⁾
Long positions			
USD			
CBT 20YR US Long Bond Future March 2025	375	40,764,292.05	14.68
		40,764,292.05	14.68
Long positions		40,764,292.05	14.68
Futures contracts		40,764,292.05	14.68

¹⁾ NAV = Net Asset Value. Due to rounding differences in the individual items, the total amounts may deviate from the actual value.

Exchange rates

For the valuation of assets in a foreign currency, the following exchange rate for 31 December 2024* was used for conversion into euro.

Norwegian Krone	NOK	1	11.8425
Swiss Franc	CHF	1	0.9392
US Dollar	USD	1	1.0421

* The last valuation day in the 2024 financial year was 30 December 2024. As a result, the foreign exchange rates as at 30 December 2024 were used for the translation of the assets into foreign currency.



Notes to the Annual Report as at 31 December 2024

1.) General

The Ethna-DEFENSIV investment fund is managed by ETHENEA Independent Investors S.A. pursuant to the fund's management regulations. The Management Regulations first came into force on 2 January 2007.

They were filed with the Luxembourg Trade and Companies Register with a reference to this filing published in the *Mémorial, Recueil des Sociétés et Associations*, Official Gazette of the Grand Duchy of Luxembourg ("Mémorial"), on 31 January 2007. The Mémorial was replaced by the new information platform *Recueil électronique des sociétés et associations* ("RESA") of the Trade and Companies Register in Luxembourg as at 1 June 2016. The Management Regulations were last amended on 1 January 2020 and published in the *Recueil électronique des sociétés et associations* ("RESA").

Ethna-DEFENSIV is a Luxembourg investment fund (Fonds Commun de Placement) set up in the form of a mono fund for an indefinite period in accordance with Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended (the "Law of 17 December 2010").

The management company of the fund is ETHENEA Independent Investors S.A. ("management company"), a public limited company incorporated under the laws of the Grand Duchy of Luxembourg with its registered office at 16, rue Gabriel Lippmann, L-5365 Munsbach. It was established on 10 September 2010 for an indefinite period. Its Articles of Association were published on 15 September 2010 in the Mémorial.

The most recent amendment to the Management Company's Articles of Association entered into force on 22 December 2023 and was published in the Mémorial on 22 January 2024. The management company is registered with the Luxembourg Trade and Companies Register under the registration number R.C.S. Luxembourg B-155427

Unit classes (R-A) and (R-T) are intended exclusively for distribution in Italy, France and Spain.

2.) Main accounting and valuation principles; unit value calculation

Responsibility for preparing this annual report in accordance with the applicable Luxembourg statutory provisions and regulations relating to the preparation and presentation of annual reports lies with the Board of Directors of the management company.

1. The fund's net assets are stated in euros (EUR) ("reference currency").
2. The value of a fund unit ("unit value") is stated in the currency ("fund currency") as specified in the annex to the Sales Prospectus, unless a currency other than the fund currency is specified for any other unit classes in the annex to the Sales Prospectus ("unit class currency").
3. The unit value is calculated by the management company or its delegate under the supervision of the depositary on each day that is a bank working day in Luxembourg, with the exception of 24 and 31 December of each year ("valuation day"), and rounded to two decimal places. The management company may stipulate a different arrangement for the fund, taking into account that the unit value must be calculated at least twice a month.

However, the management company may decide to determine the unit value on 24 and 31 December of any given year, without this constituting a calculation of the unit value on a valuation day as specified in sentence 1 above of this point 3. Consequently, investors may not request the issue, redemption and/or conversion of units on the basis of a unit value determined on 24 December and/or 31 December of any year.

4. To calculate the unit value, the value of the assets in the fund less any fund liabilities (“net fund assets”) is calculated on each valuation day, divided by the number of fund units in circulation on the valuation day.
5. To the extent that information regarding the position of the fund assets as a whole needs to be provided in annual reports, semi-annual reports or other financial statistics in accordance with legal requirements or the rules in the fund management regulations, the fund assets are translated into the reference currency. The net fund assets are calculated on the basis of the following principles:

- a) Securities, money market instruments, derivative financial instruments (derivatives) and other assets which are officially listed on a stock exchange are valued at the last available price of the trading day preceding the valuation day which ensures a reliable valuation.

The management company may determine for the fund that securities, money market instruments, derivative financial instruments (derivatives) and other assets which are officially listed on a stock exchange are valued at the last available closing price of the trading day which ensures a reliable valuation. This is mentioned in the annex to the fund’s Sales Prospectus.

Where securities, money market instruments, derivatives and other assets are officially listed on several stock exchanges, the exchange with the highest liquidity is used.

- b) Securities, money market instruments, derivatives and other assets not officially listed on a stock exchange (or whose exchange prices are not considered representative because of a lack of liquidity, for example) but which are traded on a regulated market are valued at a price that may be no lower than the bid price and no higher than the offer price of the trading day preceding the valuation day and that the management company considers in good faith to be the best possible price at which the securities, money market instruments, derivatives and other assets may be sold.

The management company can determine for the fund that securities, money market instruments, derivatives and other assets not officially listed on a stock exchange (or whose exchange prices are not considered representative because of a lack of liquidity, for example) but which are traded on a regulated market are valued at a price that may be no lower than the bid price and no higher than the offer price of the trading day preceding the valuation day and that the management company considers in good faith to be the best possible price at which the securities, money market instruments, derivatives and other assets may be sold. This is mentioned in the annex to the fund’s Sales Prospectus.

- c) OTC derivatives are valued on a daily basis using a verifiable method to be specified by the management company.
- d) Units of UCITS or UCIs shall be valued at the last redemption price determined before the valuation day, or at the last available price which ensures a reliable valuation. If redemption is suspended or no redemption prices are established for certain investment units, these units and all other assets will be valued at their market value, as determined in good faith by the Management Company in line with generally accepted and verifiable valuation rules.
- e) If the applicable prices are not in line with the market, if the financial instruments referred to in b) are not traded on a regulated market and if no prices have been determined for financial instruments other than those referred to in letters a) to d), these financial instruments shall be valued in the same way as the other legally permissible assets at the applicable market value as determined by the management company in good faith and in accordance with generally recognised and verifiable valuation rules (e.g. suitable valuation models taking into account current market conditions).
- f) Cash and cash equivalents are valued at their nominal value plus interest.
- g) Receivables, such as deferred interest and liabilities, are generally valued at their nominal value.
- h) The market value of securities, money market instruments, derivative financial instruments (derivatives) and other assets that are denominated in a currency other than the fund currency is converted into the relevant fund currency on the basis of the exchange rate determined at the WM/Reuters fixing at 5:00 p.m. (4:00 p.m. London time) on the trading day preceding the valuation day. Gains and losses on foreign exchange transactions are shown net.

The management company can determine for the fund that securities, money market instruments, derivatives and other assets denominated in a currency other than the fund currency are converted into the relevant fund currency on the basis of the exchange rate determined on the valuation day. Gains and losses on foreign exchange transactions are shown net. This is mentioned in the annex to the fund’s Sales Prospectus.

Net fund assets are reduced by any distributions paid to investors in the fund.

6. The unit value is calculated in accordance with the aforementioned criteria. However, if unit classes have been created within the fund, the unit value is calculated in accordance with the aforementioned criteria separately for each unit class.
7. In connection with listed derivatives, the fund is required to cover risks by providing or receiving collateral in the form of cash at banks or securities. The collateral provided/received in the form of cash at banks amounts to:

ESMA - Initial Margin/Variation Margin for the financial year ending 31 December 2024:

Fund name	Counterparty	Initial margin	Variation margin
Ethna-DEFENSIV	DZ PRIVATBANK S.A.	USD 1,387,500.00	USD 1,966,218.75

For accounting reasons, the tables published in this report may contain rounding discrepancies of +/- one unit (currency, per cent, etc.).

3.) Taxation

Taxation of the fund

23

From a Luxembourg tax perspective, as an investment fund the fund does not have any legal personality and is tax transparent.

The fund is not liable to tax on its income or profits in the Grand Duchy of Luxembourg. The fund assets are only subject to the *taxe d'abonnement* in the Grand Duchy of Luxembourg at the current rate of 0.05% p.a. A reduced *taxe d'abonnement* at the rate of 0.01% p.a. is applicable to (i) unit classes, the units of which are issued exclusively to institutional investors pursuant to Article 174 of the Law of 17 December 2010, (ii) funds, the exclusive purpose of which is to invest in money market instruments, term deposits at credit institutions, or both. The *taxe d'abonnement* is payable quarterly on the net fund assets as reported at the end of each quarter. The rate of the *taxe d'abonnement* for the fund or unit classes is mentioned in the annex to the Sales Prospectus. An exemption from the *taxe d'abonnement* is applicable, inter alia, if the fund assets are invested in other Luxembourg investment funds that are already subject to the *taxe d'abonnement*.

Income earned by the fund (in particular interest and dividends) may be subject to withholding tax or other taxes in the countries in which the fund assets are invested. The fund may also be liable to tax on realised or unrealised capital gains on its investments in the source country.

Distributions by the fund and profits from liquidations or disposals are not subject to withholding tax in the Grand Duchy of Luxembourg. Neither the depositary nor the management company is required to collect tax certificates.

Taxation on income from investment fund units for the investor

Investors that are or were not tax resident in the Grand Duchy of Luxembourg, and do not have a permanent establishment or permanent representative there, are not subject to any Luxembourg income tax in relation to their income from or gains from disposals of their fund units.

Natural persons who are tax residents in the Grand Duchy of Luxembourg are subject to Luxembourg's progressive income tax.

Companies that are tax resident in the Grand Duchy of Luxembourg are liable to pay corporation tax on income from fund units.

It is recommended that investors and prospective investors ensure they are informed about laws and regulations applicable to the taxation of fund assets and to the subscription, purchase, ownership, redemption or transfer of units and obtain advice from an independent third party, in particular from a tax advisor.

4.) Appropriation of income

The income of unit classes (A), (SIA-A) and (R-A) is distributed. The income of unit classes (T), (SIA-T), (R-T) and (SIA CHF-T) is reinvested. Distribution takes place at the intervals determined from time to time by the management company. Further details on the appropriation of income are provided in the Sales Prospectus.

Unit class (A)

Regardless of income and performance, a fixed amount of 1.5% of the net asset value of unit class (A) at the end of the financial year is distributed, provided that the total net fund assets do not fall below the minimum threshold of EUR 1,250,000.00.

Unit class (R-A)

Regardless of income and performance, a fixed amount of 2.5% of the net asset value of unit class (R-A) at the end of the financial year is distributed, provided that the total net fund assets do not fall below the minimum threshold of EUR 1,250,000.00.

5.) Information relating to charges and expenditure

Information on management and depositary fees and charges may be found in the current Sales Prospectus.

6.) Transaction costs

Transaction costs include all costs which were accounted for and/or settled separately on account of the fund in the financial year and are directly connected with a purchase or sale of securities, money market instruments, derivatives or other assets. These costs essentially include commissions, settlement fees and taxes.

7.) Total Expense Ratio (TER)

In calculating the total expense ratio (TER), the following BVI calculation method was applied:

$$\text{TER} = \frac{\text{Total cost in fund currency}}{\text{Average fund volume (basis: NAV calculated daily *)}} \times 100$$

* NAV = Net Asset Value

The TER indicates the level of expenses charged to the fund assets. In addition to management and depositary fees and the tax d'abonnement, all other costs are included, with the exception of transaction costs incurred by the fund. It shows the total amount of these costs as a percentage of the average fund volume in a financial year. (Any performance fees are shown separately in direct relation to the TER.)

8.) Ongoing charges

Ongoing charges is a figure calculated pursuant to Article 10(2)(b) of Commission Regulation (EU) No 583/2010 of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament.

The ongoing charges indicate the level of expenses charged to the fund assets in the past financial year. In addition to management and depositary fees and the tax d'abonnement, all other costs are included, with the exception of applicable performance fees. The figure shows the total amount of these charges as a percentage of the average fund volume in the financial year. In the case of investment funds which invest more than 20% of their assets in other fund products / target funds, the charges for the target funds are also included – any retrocession receipts (trailer fees) for these products are offset against the charges.

9.) Income and expense equalisation

An income equalisation amount and expense equalisation amount are set against ordinary income and expense. This covers net income arising during the period under review which the purchaser of units pays for as part of the issue price and the seller of units receives as part of the redemption price.

10.) Fund current accounts (cash at banks and/or liabilities to banks)

All of the fund's current accounts (including those in different currencies) that actually and legally form only part of a single current account are designated as a single current account in connection with net fund assets. Current accounts in foreign currencies, if applicable, are converted into the currency of the fund.

Interest is calculated on the basis of the terms of the relevant individual account.

11.) Statement of changes in the securities portfolio and in the derivatives

A statement detailing all purchases and sales of securities, promissory note loans and derivatives executed during the period under review, including changes excluding capital movements to the extent not reported in the statement of net assets, is available free of charge on request at the registered office of the management company.

12.) Risk management (unaudited)

The management company applies a risk management procedure which enables it to monitor and measure at all times the risk contained in the investment positions and their contribution to the overall risk profile of the investment portfolio of the funds managed by the management company. In accordance with the Law of 17 December 2010 and the applicable regulatory requirements of the Commission de Surveillance du Secteur Financier (CSSF), the management company reports regularly to the CSSF on the risk management process adopted. The management company shall ensure, as part of the risk management process, using appropriate and reasonable methods, that the total risk associated with derivatives of the funds under management does not exceed the total net value of their portfolios. The management company uses the following methods for this purpose:

Commitment approach:

Under the Commitment Approach, positions in derivative financial instruments are converted into their underlying equivalent (delta-weighted, if applicable) or nominal values. This takes account of netting and hedging effects between derivative financial instruments and their underlyings. Equivalent to underlyings, their total value must not exceed the total net value of the fund portfolio.

VaR approach:

The Value-at-Risk (VaR) figure is a statistical concept and is used as a standard measure of risk in the financial sector. The VaR indicates the potential loss on a portfolio during a given period (the holding period) which has a given probability (the confidence level) of not being exceeded.

Relative VaR approach:

In the relative VaR approach, the VaR for the fund must not exceed the VaR for a reference portfolio by a factor contingent on the level of the fund's risk profile. The maximum factor permitted by the supervisory authorities is 200%. The benchmark portfolio provides a correct representation of the fund's investment policy.

Absolute VaR approach:

In the absolute VaR approach, the VaR for the fund (99% confidence level, 20-day holding period) must not exceed a portion of the fund's assets contingent on the level of the fund's risk profile. The maximum limited permitted by the supervisory authorities is 20% of the fund's assets.

For funds which use the VaR approaches to ascertain the total risk, the Management Company estimates the expected degree of leverage effect. The extent of this leverage effect may deviate from the actual value depending on prevailing market conditions, falling below or exceeding it. Investor attention is drawn to the fact that no conclusions can be drawn from this information with respect to the risk entailed in the Fund. It is also made explicit that the published expected degree of leverage is not to be understood as an investment limit. The method used to determine the overall risk and, if applicable the publication of the reference portfolio and the expected degree of leverage, as well as the calculation method, are stated in the fund-specific appendix.

In accordance with the Prospectus valid at the end of the financial year, Ethna-DEFENSIV is subject to the following risk management procedure:

UCITS

Ethna-DEFENSIV

Risk management procedure applied

absolute VaR

Absolute VaR approach for Ethna-DEFENSIV

In the period from 1 January 2024 to 31 December 2024, the absolute VaR approach was used to monitor and measure the total risk associated with derivatives. An absolute value of 10% was used for the internal limit. The utilization of the internal upper limit (VaR limit) ranged between 5.95% (minimum) and 31.39% (maximum) during the corresponding period, with an average of 15.62%. The VaR was calculated using a (parametric) variance-covariance approach, applying the calculation standard of a one-sided confidence interval of 99%, a holding period of 20 days and a (historical) observation period of 252 trading days.

The leverage had the following values in the period from 1 January 2024 to 31 December 2024:

Lowest leverage:	0.00%
Maximum leverage:	39.47%
Median leverage:	17.17% (15.19%)
Calculation method:	Nominal value method (total of nominal values of all derivatives)

It should be noted that the leverage does not take into account hedging or netting of opposing positions. Derivatives, which were used to hedge asset positions and thus served to reduce risk at overall fund level, also led to an increase in leverage. In addition, during the past financial year, the fund increasingly made use of interest rate futures, whose volatility is relatively low compared to other asset classes, and which therefore required the use of correspondingly high contract numbers to achieve a significant effect at the fund level. The leverage determined on this basis is therefore mainly an indicator of the use of derivatives, but not necessarily of the risk resulting from derivatives.

13.) Portfolio turnover rate (TOR)

Asset managers are required to disclose certain information on the basis of Shareholder Rights Directive II (SRD II). This document contains the portfolio turnover ratios (TORs) for the same period as the annual reports of the listed funds as part of specific fund disclosures.

The turnover figures are calculated using the following method adopted by the CSSF:

Turnover = $((\text{Total 1} - \text{Total 2}) / \text{M}) * 100$ Where: Total 1 = Total of all securities transactions (purchases and sales) made during the period; Total 2 = Total of all new investments and redemptions made during the period; M = Average net assets of the fund.

The TOR for the Ethna-DEFENSIV fund for the period 1 January 2024 to 31 December 2024 is 136.62%.

14.) Significant events during the period under review

The Sales Prospectus was updated with effect from 1 January 2024. The following amendments entered into force:

The following amendments were made:

- Deletion of ETHENEA Independent Investors (Schweiz) AG for possible fund management support services
- Editorial changes

Russia/Ukraine conflict

European exchanges in particular recorded significant price losses as a result of the measures adopted worldwide in response to the invasion of Ukraine by Russian troops at the end of February 2022. The financial markets and the global economy are facing a medium-term future that will be primarily defined by uncertainty.

It is impossible to anticipate the impact on the Fund's assets resulting from the ongoing conflict in Ukraine.

At the time this report was drawn up, the management company was of the opinion that there were no indications that would suggest that the Fund could not continue as a going concern, nor were there any valuation or liquidity problems for the Fund.

There were no other noteworthy changes or significant events in the period under review.

15.) Significant events after the period under review

There were no noteworthy changes or significant events after the period under review.



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Establishment authorisations:
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Report of the Réviseur d'Entreprises agréé

To the unitholders of
Ethna-DEFENSIV
16, rue Gabriel Lippmann
L-5365 Munsbach

Audit opinion

We have audited the annual financial statements of Ethna-DEFENSIV ("the Fund"), consisting of the composition of net fund assets and the statement of net assets as at 31 December 2024, as well as the statement of operations and the changes in net fund assets for the financial year ending on that date; and notes, along with a summary of key accounting methods.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2024, and of its financial performance and its changes in net assets for the year ended on that date in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for the audit opinion

We have carried out our audit in accordance with the Law concerning the audit profession ("Law of 23 July 2016") and international standards on auditing ("ISAs") accepted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibility under the Law of 23 July 2016 and the ISA Standards as they have been adopted in Luxembourg by the CSSF is further described in the section "Responsibility of the Réviseur d'entreprises agréé for the audit of the financial statements". We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code") accepted for Luxembourg by the CSSF, together with professional conduct requirements to be upheld within the framework of the audit of the annual financial statements and have fulfilled all other professional obligations in accordance with these conduct requirements. We are of the opinion that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinion.

Additional information

The Management Company's Board of Directors is responsible for the additional information. The additional information includes the information contained in the Annual Report, but not the financial statements or our report as Réviseur d'entreprises agréé on these financial statements.

Our audit results for the financial statements do not cover the additional information, and we make no guarantee whatsoever regarding this information.



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In auditing the financial statements, our responsibility is to read the additional information and to assess whether there is a significant discrepancy between it and the financial statements or the findings obtained from the audit, or whether the additional information appears otherwise misrepresented. If, based on the work we have performed, we conclude that any other information contains a material misstatement, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Board of Directors for the annual financial statements

The Board of Directors of the Management Company is responsible for the preparation and fair presentation of the annual financial statements in accordance with the legal provisions and regulations applying in Luxembourg to the preparation and presentation of annual financial statements, and for the internal controls which the Board of Directors of the Management Company deems necessary in order to ensure that annual financial statements are prepared which are free of material misstatement – whether due to error or fraud.

In preparing the financial statements, the Board of Directors of the management company is responsible for assessing the ability of the Fund to continue as a going concern and, as applicable, to disclose matters related to the going concern assumption as a matter of accounting policy unless the Board of Directors of the management company intends to liquidate the Fund, to cease operations, or has no realistic alternative but to do so.

Responsibility of the Réviseur d'entreprises agréé for the audit of the annual financial statements

The aim of our audit is to obtain reasonable assurance that the annual financial statements as a whole are free of material misstatement – whether due to error or fraud – and prepare a Report of the Réviseur d'entreprises agréé containing our audit opinion. Reasonable assurance corresponds to 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 the ISAs adopted for Luxembourg by the CSSF will always identify a material misstatement, if any. Misstatements can arise from error or fraud 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.



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In accordance with the Law of 23 July 2016 and the ISAs as adopted for Luxembourg by the CSSF, we have carried out our audit in accordance with our professional judgement and have maintained a critical perspective. Furthermore:

- We identify and assess the risk of material misstatements in the annual financial statements due to fraud or error, plan and carry out audit procedures in response to these risks and obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion. The risk that material misstatements will not be identified is higher for fraud than for errors, as fraud may involve collusion, forgery, intentional omissions, misleading statements or the override of internal controls.
- We 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the management company.
- We reach a conclusion on the appropriateness of the application of the going concern accounting principle by the Board of Directors of the management company, as well as on the basis of the audit evidence obtained as to whether a material uncertainty exists in connection with events or circumstances that could create serious doubt about the Fund's ability to continue with its activities. If we conclude that there is material uncertainty, we are required to draw attention in the report of the Réviseur d'entreprises agréé to the related notes to the financial statements or, if the disclosures are inadequate, to modify our opinion. These conclusions are based on the audit evidence obtained up to the date of the report of the Réviseur d'entreprises agréé. Future or events or circumstances may result in the Fund no longer being able to continue with its business activities.
- We assess the overall presentation, structure and contents of the annual financial statements, including the notes, and assess whether this gives a reasonable presentation of underlying transactions and events.

Among other things, we communicate with the persons responsible for monitoring the planned audit scope and period as well as key audit findings, including material weaknesses in the internal control system, which we identify during the audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Jesus Orozco

Luxembourg, 17 March 2025

ADDITIONAL NOTES (UNAUDITED)

1.) SFDR Regulation (EU 2019/2088) Classification

Article 8 of Regulation (EU) 2019/2088 and Article 6 of Regulation (EU) 2020/852 (EU Taxonomy) apply to this Fund.

For more information in relation to the promotion of environmental and/or social characteristics and, where applicable, the sustainable investment objectives of the Fund Manager in accordance with Article 8 of Regulation (EU) 2019/2088 and Article 6 of Regulation (EU) 2020/852 (EU Taxonomy) for these sub-funds, please refer to the respective Annex below (Annex in accordance with Disclosure and Taxonomy Regulation).

30

2.) Remuneration policy

The Management Company of ETHENEA Independent Investors S.A. applies a remuneration policy that complies with the legal requirements. The remuneration system is designed to be compatible with sound and effective risk management, neither encouraging the assumption of risks that are inconsistent with the risk profiles, management regulations or articles of association of the undertakings for collective investment in transferable securities (hereinafter “UCITS”) under management, nor preventing ETHENEA Independent Investors S.A. from duly acting in the best interests of the UCITS.

Employee remuneration consists of an appropriate fixed annual salary and variable performance and results-based remuneration.

As of 31 December 2023, the total remuneration of the 19.10 employees of ETHENEA Independent Investors S.A. for the year was EUR 3,691,000.00. The aforementioned remuneration pertains to all of the UCITS managed by ETHENEA Independent Investors S.A. All employees are involved in total management activities for all funds; therefore, distribution based on fund is not possible.

The total remuneration is broken down into:

Total amount of employee remuneration paid in the past financial year as at 31 December 2023:	EUR 3,691,000.00
Of which fixed remuneration:	EUR 3,226,000.00
Of which variable remuneration:	EUR 465,000.00
Remuneration paid directly from the Fund:	EUR 0.00
Headcount of the outsourcing company:	19.10

More detailed information on the current remuneration policy can be obtained free of charge on the website of the Management Company, www.ethenea.com, in the legal notices section. A hard-copy version will be provided to investors free of charge upon request.

3.) Transparency of securities financing transactions and their reuse

By definition, ETHENEA Independent Investors S.A., as a management company of undertakings for collective investment in transferable securities (UCITS), comes within the scope of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (“SFTR”).

No securities financing transactions or total return swaps within the meaning of this Regulation were used in the financial year of the investment fund. Thus, no disclosures pursuant to Article 13 of this Regulation are to be made to investors in the Annual Report.

More detailed information on the fund’s investment strategy and the financial instruments it uses can be found in the current prospectus, and can be obtained free of charge from the website of the management company at www.ethenea.com.

4.) Information for Swiss investors

a) General

The Sales Prospectus, including the Key Information Document and the annual and semi-annual reports, as well as the statement of the fund's additions and disposals during the reporting period, are available free of charge by post or e-mail from the representative in Switzerland.

b.) Securities numbers:

Ethna-DEFENSIV unit class (A) Securities no. 3058302

Ethna-DEFENSIV unit class (T): Securities no. 3087284

Ethna-DEFENSIV unit class (SIA-A): Securities no. 2036414

Ethna-DEFENSIV unit class (SIA-T): Securities no. 20364332

Ethna-DEFENSIV unit class (SIA CHF-T): Securities no. 26480260

c.) Total Expense Ratio (TER) in accordance with the guidelines of the Asset Management Association dated 16 May 2008 (version dated 5 August 2021):

Commissions and costs incurred in the management of the collective investment scheme must be disclosed using the internationally recognised measure known as the "Total Expense Ratio (TER)". This figure expresses the total of those commissions and costs which are incurred by the assets of the collective investment scheme on an ongoing basis (operating expense) retrospectively as a percentage of net assets and is to be calculated using the following formula:

$$\text{TER \%} = \frac{\text{Total operating expense in UA}^*}{\text{Average net assets in UA}^*} \times 100$$

*UA = Units in the currency of account of the collective investment scheme

For newly established funds, the TER is to be calculated for the first time using the statement of operations published in the first annual or semi-annual report. Operating expense may be converted to a 12-month period. The median of month-end values over the period under review is used to calculate the average value for fund assets.

$$\text{Annualised operating expense in UA}^* = \frac{\text{Operating expense in n months}}{N} \times 12$$

*UA = Units in the currency of account of the collective investment scheme

In accordance with the guidelines of the Asset Management Association dated 16 May 2008 (version dated 5 August 2021), the following TER was calculated as a percentage for the period from 1 January 2024 to 31 December 2024:

Ethna-DEFENSIV	Swiss TER in %	Swiss performance fee in %
Unit class A	1.16	0.00
Unit class T	1.16	0.00
Unit class SIA-A	0.87	0.00
Unit class SIA-T	0.85	0.00
Unit class SIA CHF-T	0.89	0.00

d.) Information for investors

Payments may be made from the fund management fee to distributors and asset managers in return for distribution of the investment fund (trailer fees). Reimbursements may be granted from the management fee to institutional investors which hold the fund units for third-party beneficial owners.

e.) Amendments to the Prospectus in the financial year

Published amendments to the Prospectus in the financial year are made available for download at www.swissfunddata.ch.

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.

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: **Ethna-DEFENSIV**

Legal entity identifier: **529900U8G97ZTLVL3W28**

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☒ ☐ ☐ **Yes**

☐ **Sustainable investments with an environmental objective** were made: %

- ☐ 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

☐ **Sustainable investments with a social objective** were made: %

☒ ☐ ☒ **No**

☐ It promoted **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it had 0.00% 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**

32



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

In its bond and equity investments, the Fund favours companies that already have low exposure to material ESG risks or that actively manage and so reduce the ESG risks inevitably associated with their business activities.

The analyses of the external rating agency Sustainalytics are used to assess the ESG risks that are relevant for the individual companies and to evaluate the active management of ESG risks within the companies. The ESG Risk Score calculated by Sustainalytics assesses three factors that are crucial for a risk assessment:

- Governance
- Material ESG risks at sector level and the individual measures taken by the company to counter them
- Idiosyncratic risks (controversies that companies are involved in)

The corporate governance assessment is an important feature for assessing the financial and ESG risks associated with an investment. The analysis of the environmental and social characteristics focuses on material risks for the sector. Besides social factors, resource consumption is always a risk factor in the manufacturing sector. Consequently, the analysis incorporates ecological features, for example:

- Greenhouse gas emissions and greenhouse gas intensity,
- Protection of natural resources, especially water,
- Limiting of soil sealing,
- Protection of biodiversity.

Service companies have a much lower environmental impact due to their activities, and so they focus on social characteristics, which include, for example:

- Fair working conditions and adequate pay,
- Health and safety at work,
- Prevention of corruption,
- Prevention of fraud,
- Control of product quality.

As such, the Fund focuses on taking into account relevant environmental and social risks, which may vary from company to company. The Fund seeks not only to avoid environmental risks by investing in companies whose environmental risks are already low based on the company's activities, but also to consider companies that use appropriate management policies to limit and reduce the environmental risks associated with their business model.

There are also comprehensive exclusions that prohibit the Fund from making a large number of investments that are generally regarded as critical. Specifically, investments in companies with a core activity in the areas of armaments, tobacco, pornography, staple food speculation and/or the production/distribution of coal are prohibited. Additionally, investments in companies are prohibited when serious violations of the principles of the UN Global Compact have been identified and there is no compelling prospect that the violations will be remedied. For sovereign issuers, investments in bonds of countries declared "unfree" in the annual analysis by Freedom House (www.freedomhouse.org) are prohibited.

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

● **How did the sustainability indicators perform?**

The analyses of the external rating agency Sustainalytics are used to assess the ESG risks that are relevant for the individual companies and to evaluate the active management of ESG risks within the companies.

Sustainalytics summarises the results of its analyses in an ESG risk score ranging from 0 to 100, where the risk assumptions are assessed as follows:

less than 10: minor risks

from 10 to 19.99: low risks

from 20 to 29.99: medium risks

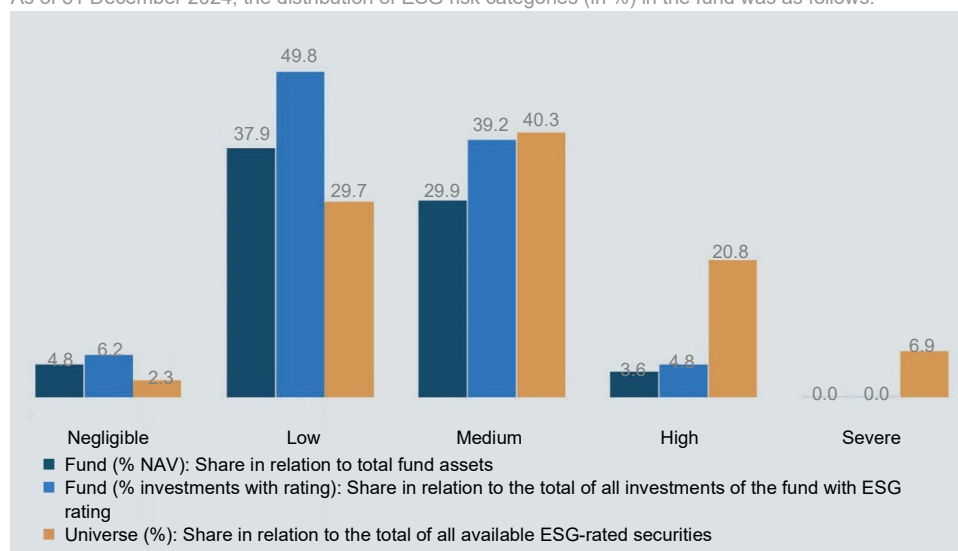
from 30 to 39.99: high risks

greater than 40: serious risks.

Measured against this ESG risk score, the Fund is expected to achieve on average at least a medium ESG risk profile (ESG risk score less than 30). This objective was achieved. During the reporting period, the fund's ESG risk score was consistently below 30. The average ESG risk score for the reporting period was 19.1. As of 31 December 2024, the ESG risk score was also 19.1.

Individual securities with serious risks (ESG risk score greater than 40) will only be considered for inclusion as an investment in the Fund in justified exceptional cases and should be accompanied by an active engagement process to improve the ESG risk profile of the investment. During the reporting period, one investment from the commodities sector was above the threshold of 40, which was already exceeded in 2023 due to a downgrade by Sustainalytics. As the company was also facing financial difficulties, we initially supported the restructuring process and ultimately sold the investment in 2024.

As of 31 December 2024, the distribution of ESG risk categories (in %) in the fund was as follows:



34

The fund excludes investments in companies or products issued by companies that violate the UN conventions on cluster munitions, chemical weapons and other outlawed weapons of mass destruction or that finance such companies/products. Additional product-related exclusions apply if the turnover of a company from the production and/or distribution of certain goods exceeds the revenue volumes listed below: coal (25%), armaments (10%), small arms (10%), adult entertainment (10%), tobacco (5%).

Additionally, investments in companies are prohibited when serious violations of the principles of the UN Global Compact have been identified and there is no compelling prospect that the violations will be remedied.

For sovereign issuers, investments in bonds of countries declared "unfree" in the annual analysis by Freedom House (www.freedomhouse.org) are prohibited.

All listed exclusion criteria were met during the reporting period.

The development of the sustainability indicators was calculated and made available by the outsourced fund management or by the investment advisor used.

● ... and in comparison with previous periods?

The average ESG risk score for 2023 was 19.4. This was lower than the average for the current reporting period (19.1). In both years, however, the averages were well below the target of 30.

As of 31 December 2023, the ESG risk score was 18.2. This was therefore higher than the figure at the end of the current reporting period (19.1). In both years, however, the figures were well below the target of 30.

All listed exclusion criteria were also met during the previous year (2023).

All of the exclusion criteria were also met in 2022; the ESG risk score was 20.3 on average for the year and 20.7 at the end of the year.

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

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, anticorruption and antibribery matters. 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, anticorruption and antibribery matters. E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

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, anticorruption and antibribery matters.

- **How have the sustainable investments, which were in part made with the financial product, not caused significant harm to any environmental or social sustainable investment objective?**

E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

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

E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

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

E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

The EU Taxonomy sets out a “do no 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 EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU 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?

Within the Fund, the principal adverse impacts of investment decisions on sustainability factors from the following groups of issues from Annex 1 of Table I of Regulation (EU) 2022/1288 of the European Parliament and of the Council of 6 April 2022 are taken into consideration: greenhouse gas emissions, biodiversity, water, waste, and social and employment issues.

The portfolio managers draw on the external analyses of ESG agencies, public documents of the companies and notes from direct dialogues with company leaders to identify, measure and assess adverse sustainability impacts. The adverse sustainability impacts can then be subjected to comprehensive analysis and taken into account in investment decisions.

Different sustainability aspects are weighted in the sustainability assessment of investments depending on their relevance for the respective business model. For example, greenhouse gas emissions are significantly more relevant in particularly CO₂-intensive sectors than in less CO₂-intensive sectors. Regular reporting of the sustainability factors is based on the raw data provided by the Sustainalytics rating agency.

Exclusion criteria rather than PAIs have been defined for this Fund. Consequently, no information on PAIs can be provided.



What are the main investments of this financial product?

Average of four reporting dates (31/03/2024; 30/06/2024; 30/09/2024 and 31/12/2024):

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is:
01/01/2024 - 31/12/2024

Largest investments	Sector	% assets	Country
Federal Republic of Germany Reg.S. v.23(2025)	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	7.15	Germany
Spain Reg.S. v.24(2034)	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	2.77	Spain
European Investment Bank (EIB) v.09(2025)	FINANCIAL AND INSURANCE ACTIVITIES	2.58	Supranational institutions
Federal Republic of Germany Reg.S. v.22(2024)	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	2.09	Germany
Banque Fédérative du Crédit Mutuel S.A. [BFCM] EMTN Reg.S. v.23(2029)	FINANCIAL AND INSURANCE ACTIVITIES	1.87	France
Zürcher Kantonalbank Reg.S. Fix-to-Float v.23(2029)	FINANCIAL AND INSURANCE ACTIVITIES	1.87	Switzerland
Spain 144A Reg.S. v.14(2024)	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	1.84	Spain
DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main EMTN Reg.S. FRN v.23(2025)	FINANCIAL AND INSURANCE ACTIVITIES	1.82	Germany
Athene Global Funding EMTN Reg.S. FRN v.24(2027)	FINANCIAL AND INSURANCE ACTIVITIES	1.82	United States of America
Kraft Heinz Foods Co. FRN v.23(2025)	MANUFACTURING/PRODUCTION OF GOODS	1.81	United States of America
TRATON Finance Luxembourg S.A. EMTN Reg.S. v.23(2025)	FINANCIAL AND INSURANCE ACTIVITIES	1.63	Luxembourg
Landesbank Baden-Württemberg EMTN FRN Green Bond v.24(2026)	FINANCIAL AND INSURANCE ACTIVITIES	1.63	Germany
Landesbank Hessen-Thüringen Girozentrale EMTN Reg.S. FRN v.24(2026)	FINANCIAL AND INSURANCE ACTIVITIES	1.63	Germany
Skandinaviska Enskilda Banken Reg.S. FRN v.24(2027)	FINANCIAL AND INSURANCE ACTIVITIES	1.62	Sweden
3i Group Plc. Reg.S. v.23(2029)	FINANCIAL AND INSURANCE ACTIVITIES	1.53	UK



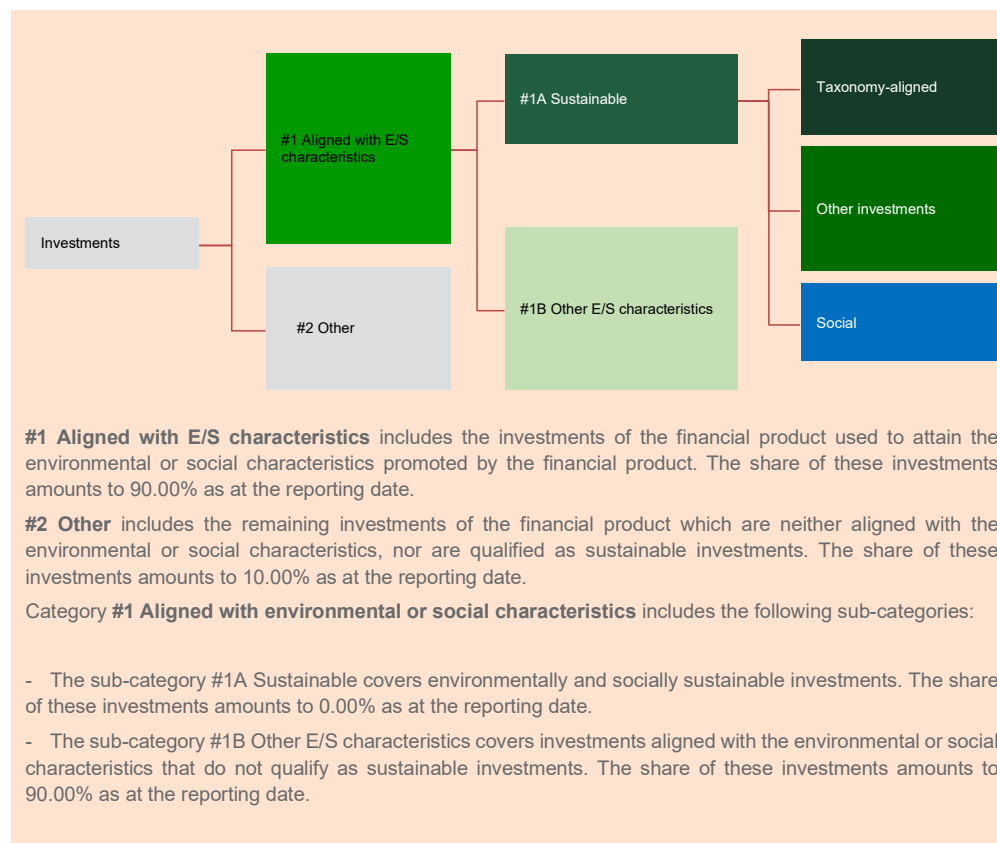
What was the share of sustainability-related investments?

Sustainability-related investments refers to all investments that contribute to achieving the environmental and/or social characteristics of the investment strategy.

The share of sustainability-related investments is shown in the following graphic.

Asset allocation describes the share of investments in specific assets.

What were the asset allocations?



In which economic sectors were the investments made?

In addition, in the period under review, 0.0% of investments were made in the fossil fuel sector. The proportion includes companies that generate revenue in the fossil fuel sector, including the extraction, processing, storage and transport of petroleum products, natural gas and thermal and metallurgical coal.

Average of four reporting dates (31/03/2024; 30/06/2024; 30/09/2024 and 31/12/2024):

Sector	Sub-sector	% assets
***** not defined *****	***** not defined *****	-0.15
BUILDING TRADE/CONSTRUCTION	Development of building projects	1.00
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	Production of electricity	0.69
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	Electricity distribution	1.10
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	Electricity, gas, steam and air conditioning supply	0.46
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	Gas supply	0.37
FINANCIAL AND INSURANCE ACTIVITIES	Equity investments	9.83
FINANCIAL AND INSURANCE ACTIVITIES	Credit institutions (excluding special credit institutions)	34.02
FINANCIAL AND INSURANCE ACTIVITIES	Other financial service activities n.e.c.	10.92
INSURANCE ACTIVITIES		

FINANCIAL AND INSURANCE ACTIVITIES	Other activities auxiliary to financial services, except insurance and pension funding	0.09
FINANCIAL AND INSURANCE ACTIVITIES	Activities of trust, estate and agency accounts	4.84
PROVISION OF PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES	Business and other management consultancy activities	5.74
PROVISION OF PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES	Advertising agencies	1.13
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	Other business support service activities n.e.c.	1.38
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	Vehicle renting	1.37
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	Rental of motor vehicles with a total weight of 3.5 tonnes or less	0.09
REAL ESTATE ACTIVITIES	Real estate activities with own property and development of building projects	0.02
INFORMATION AND COMMUNICATION	Computing infrastructure, data processing, hosting and other information service activities	0.65
INFORMATION AND COMMUNICATION	Wired telecommunication activities	0.90
MANUFACTURING	Production of ice cream	0.18
MANUFACTURING	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	0.73
MANUFACTURING	Manufacture of cement	0.52
MANUFACTURING	Manufacture of medical and dental instruments and supplies	0.55
MANUFACTURING	Manufacture of other food products n.e.c.	1.81
MANUFACTURING	Manufacture of other outerwear	0.09
MANUFACTURING	Leather processing (excluding manufacture of leather garments)	0.57
TRANSPORTATION AND STORAGE	Provision of other services to the aviation industry	1.38
TRANSPORTATION AND STORAGE	Provision of other services to the shipping industry	0.04
TRANSPORTATION AND STORAGE	Postal activities from universal service providers	0.27
PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	General public administration	0.06
PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	Public administration	14.03

With respect to EU Taxonomy compliance, the criteria for **fossil gas** include limiting emissions and switching to renewable energy 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 sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable.

- **Did the financial product invest in EU Taxonomy-aligned fossil gas and/or nuclear energy activities¹?**

☐

Yes:

☐

in fossil gas

☐

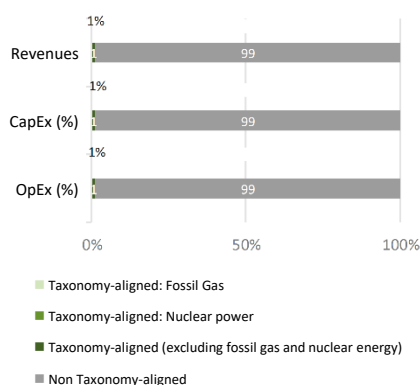
in nuclear energy

☒

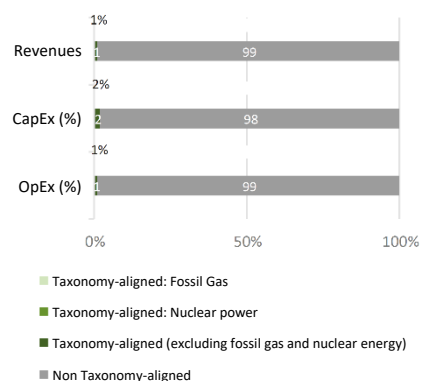
No

The following charts present the minimum percentage of EU Taxonomy-aligned investments in green. 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.

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This chart reflects 86.43% of the total investment.

* For the purpose of these graphs, 'sovereign bonds' excludes sovereign exposures.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the current "environmental friendliness" of investee companies
- **capital expenditure** (CapEx) showing the relevant green investments made by investee companies for a transition to a green economy
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies

- **What is the share of investments made in transitional and enabling activities?**

Enabling activities: 0%

Transitional activities: 0%

¹ Fossil gas and/or nuclear energy activities are only EU Taxonomy-aligned if they contribute to climate change mitigation and do not significantly affect any EU Taxonomy objective - see explanation in the left margin. The detailed criteria for EU Taxonomy-aligned economic activities in the sector of fossil gas and nuclear energy are set out in Commission Delegated Regulation (EU) 2022/1214.

● **How has the share of investments brought into line with the EU Taxonomy evolved compared to previous reference periods?**

The average ESG risk score for 2023 was 19.4. This was therefore lower than average of the current reporting period (19.1). In both years, however, the averages were well below the target of 30.

As of 31 December 2023, the ESG risk score was 18.2. This was therefore higher than the figure at the end of the current reporting period (19.1). In both years, however, the figures were well below the target of 30.

All listed exclusion criteria were also met during the previous year (2023).

All of the exclusion criteria were also met in 2022; the ESG risk score was 20.3 on average for the year and 20.7 at the end of the year.

Reporting period	2024	2023
Taxonomy-aligned	2.78%	0.00%



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 non-EU- Taxonomy-compliant sustainable investments with an environmental objective?

E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

As of the reporting date, the percentage share was as follows: 0%.



What was the share of socially sustainable investments?

E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

As of the reporting date, the percentage share was as follows: 0%.



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

This includes hedging instruments, investments used for diversification purposes (for example commodities and other investment funds), investments for which no data is available, and cash.

“#2 Other investments” in particular is used for diversification of the Fund and for liquidity management in order to achieve the investment objectives described in the investment policy.

The sustainability indicators used to measure the achievement of the individual environmental or social characteristics in “#1 Investments focused on environmental or social characteristics” do not apply systematically in “#2 Other investments”. There is no minimum protection for “#2 Other investments”.



What measures were taken during the reference period to fulfil the environmental and/or social characteristics?

A key measure was the consideration of the comprehensive exclusions that permanently prohibit the fund from making a large number of investments that are generally regarded as critical. Specifically, investments in companies or products issued by companies that violate the UN conventions on cluster munitions, chemical weapons and other outlawed weapons of mass destruction or that finance such companies/products were excluded during the reporting period. Additional product-related exclusions apply if the turnover of a company from the production and/or distribution of certain goods exceeded the revenue volumes listed below: Coal (25%), armaments (10%), small arms (10%), adult entertainment (10%), tobacco (5%). Additionally, investments in companies were prohibited when serious violations of the principles of the UN Global Compact have been identified and there was no compelling prospect that the violations will be remedied. For sovereign issuers, investments in bonds of countries declared “unfree” in the annual analysis by Freedom House (www.freedomhouse.org) were prohibited.

Another significant measure was the fundamental approach in the selection of bond investments for the Fund. Here, the focus continued to be on companies that already had low exposure to material ESG risks or that actively managed and consequently reduced the ESG risks inevitably associated with their business activities.

The analyses of the external rating agency Sustainalytics were used to assess the ESG risks that are relevant for the individual companies and to evaluate the active management of ESG risks within the companies.

The ESG Risk Score calculated by Sustainalytics assesses three factors that are crucial for a risk assessment: corporate governance, sector-level material ESG risks, as well as individual company countermeasures and idiosyncratic risks (controversies involving companies). The corporate governance assessment is an important feature for assessing the financial and ESG risks associated with an investment.

The analysis of the environmental and social characteristics focuses on material risks for the sector. Besides social factors, resource consumption is always a risk factor in the manufacturing sector.

Consequently, the analysis incorporates environmental characteristics, such as greenhouse gas emissions and intensity, the protection of natural resources, especially water, the limiting of soil sealing and the protection of species diversity (biodiversity). Service companies have a much lower environmental impact due to their activities, and so they focus on social characteristics, which include, for example: fair working conditions and adequate remuneration, health and safety at work, prevention of corruption, prevention of fraud and control of product quality.

As such, the fund focused on taking into account relevant environmental and social risks, which may vary from company to company. The Fund was seeking not only to avoid environmental risks by investing in companies whose environmental risks are already low based on the company's activities, but also to consider companies that use appropriate management policies to limited and reduced the environmental risks associated with their business model.

Another measure was engagement with the fund's investee companies. Companies in the real estate sector faced an extremely difficult economic environment in 2023 and 2024, which in one case led to a company's inability to meet interest and principal repayments. In 2023, we actively participated in the restructuring process here in order to ensure the continued existence of the company and the highest possible return for investors. The restructuring process was successfully completed in 2024. We also entered into negotiations with another company in the real estate sector regarding the extension of a bond maturity. This was necessary because a significant inflow of funds was not expected until shortly after the original bond's maturity date. Ultimately, the company offered a bond exchange to all bondholders, which met with strong approval and helped secure the company's continued existence.



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

No benchmark was defined within the framework of the sustainability strategy.

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?**

No index is designated as a reference benchmark to determine whether this Fund is aligned with the environmental and/or social characteristics that it promotes.

- **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?**

No benchmark was defined within the framework of the sustainability strategy.

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

No benchmark was defined within the framework of the sustainability strategy.

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

No benchmark was defined within the framework of the sustainability strategy.

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Directors:	Frank Hauprich MainFirst (Luxembourg) S.à r.l. Nikolaus Rummler IPConcept (Luxembourg) S.A.
Board of Directors of the Management Company (managing body) from 1 July 2024:	
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Vice-Chairman of the Board of Directors:	Thomas Bernard ETHENEA Independent Investors S.A.
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44

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