

ANNUAL REPORT
31.12.23

TREETOP INSTITUTIONAL

SICAV

Institutional SICAV under Belgian law

Public limited liability company

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1 . GENERAL INFORMATION ON THE INVESTMENT COMPANY

1.1 . ORGANISATION OF THE INVESTMENT COMPANY

Registered office

Avenue du Port 86C b 320, 1000 Brussels

Date of incorporation

24 novembre 2021

Board of Directors of the SICAV

Julien Palissot, Chairman
Olivier de Vinck
Olivier Debroux

External investment manager of the SICAV

TreeTop Asset Management S.A.

Auditor of the SICAV

Deloitte Bedrijfsrevisoren / Réviseurs d'Entreprises srl Represented by Tom Renders Gateway building Luchthaven Nationaal 1J 1930 Zaventem

Depository

CACEIS Bank is a public limited liability company (société anonyme) incorporated under the laws of France with a share capital of 1 280 677 691,03 Euros, having its registered office located at 89-91, rue Gabriel Peri, 92120 Montrouge, France, identified under number 692 024 722 RCS Paris and is acting in Belgium through its Belgian branch, CACEIS BANK, Belgium Branch which is established Avenue du Port/Havenlaan 86C b315, 1000 Brussels, and which is registered with the register of legal entities of Brussels under number BE0539.791.736. CACEIS BANK, Belgium Branch has been appointed by the Fund as Depository through a depositary agreement dated as of 24th November 2021, as may be amended or restated from time to time (the "Depositary Agreement") and the relevant provisions of the AIFM Rules.

Delegation of the administration of the SICAV

CACEIS Bank, Belgium Branch Avenue du Port 86C b 320 1000 Brussels

List of sub-funds and share classes marketed by the SICAV

- TreeTop Institutional US Buyback Equity - Share classes P, I and IC.

1.2 . MANAGEMENT REPORT

1.2.1 . Information to shareholders

General information

TreeTop Institutional (the “Fund”) is a public limited liability company (société anonyme) incorporated under the laws of Belgium as an investment company with variable share capital (*société d’investissement à capital variable* (SICAV)).

The Fund was incorporated on 24 November 2021, for an unlimited period, with an initial capital of EUR 1,250,000. The Articles have been published in the *Moniteur* on 29 November 2021. The Fund is registered with the Register of Legal Entities of Brussels under number 0777.729.964.

The capital of the Fund is represented by Shares of no par value and shall at any time be equal to the total net assets of the Fund. The minimum capital of the Fund shall at any time be EUR 1,200,000.

The Fund is registered with the Belgian financial services authority (FSMA) as an institutional SICAV in financial instruments and liquid assets pursuant to the Belgian Law of 19 April 2014 on alternative investment funds and their managers (the “AIFM Law”), and to the Royal Decree of 7 December 2007 on institutional alternative investment funds with variable number of shares, whose exclusive purpose is the collective investment in the category of investments authorized in article 183, paragraph 1, 1°, of the law of 19 April 2014 (the “Royal Decree”), both as amended from time to time.

The Fund is an ‘Alternative Investment Fund’ within the meaning of AIFM Law and is externally managed by TreeTop Asset Management S.A.

The Fund is established as an umbrella fund and as such provides Investors with the choice of investment in a range of several separate Sub-Funds, each of which relates to a separate portfolio of assets permitted by law with specific investment objectives, as described in the relevant Appendix to the Offering Memorandum.

The Fund is one single legal entity. However, the rights of the Shareholders and creditors relating to a Sub-Fund or arising from the setting up, operation and liquidation of a Sub-Fund are limited to the assets of that Sub-Fund, and will not be commingled with the assets of any other Sub-Fund.

As of December 31, 2023 the Fund only had one sub-fund: TreeTop Institutional US Buyback Equity (the “Sub-fund”).

Information required under Article 3:6 §1 of the Companies and Associations Code

Risk factors

Summary table of risks deemed relevant and significant, as assessed by the Sub-fund:

Type of risk	Definition of the risk	TreeTop Institutional US Buyback Equity
Market risk	Risk of the entire market falling or of an asset class that can affect the price and value of the asset held in the Sub-fund’s portfolio and lead to a decrease in NAV.	High
Credit risk	Risk of default of an issuer or a counterparty.	Low
Settlement risk	Risk that the outcome of a transaction in financial instruments fails or does not settle as expected between the parties to the transaction or with the clearing house.	Low
Liquidity risk	Risk that an asset held by the Sub-fund cannot be timely liquidated at a fair price.	Low
Exchange risk	Risk that the value NAV is affected by a change in exchange rates.	High
Custody risk	Risk of loss of assets held by the Fund’s custodian or its sub-custodians.	Low
Concentration risk	Risk that the value of the NAV of the Sub-fund is affected by a concentration of its portfolio in	High

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	few investments, a single asset class or on a single market.	
Performance risk	Risk on the performance of the Sub-fund significantly deviates from the performance of large market indices.	High
Capital risk	Risk of loss on the capital invested	High
Counterparty risk	Risk of default of a counterparty to a forward financial transaction.	Low
Inflation risk	Risk linked to inflation	Low
Risks linked to external factors	Uncertainty about the sustainability of certain elements of the environment, like the tax system.	Medium
Sustainability risk	Environmental, social or governance issues or events which could have a negative impact on the value of one or more assets held by the Fund if they occur.	Medium

Significant events occurring after the end of the financial year

Nothing to report.

Circumstances likely to significantly influence the development of the company

The Fund's development may significantly be affected by the performance of the US stock market, events limiting the access of the Fund to the US stock market or by a change in the Belgian tax treatment of investment in RDT-DBI Sicavs.

1.2.2 . Market overview

After a difficult 2022, which saw the S&P 500 index in USD fall by more than 19%, many observers expected the US economy to enter recession in 2023, due to the rise in interest rates, which increased sharply following the Fed's decisions to contain inflation.

The anticipated recession did not occur and the US economy was much more resilient than expected to the significant rise in interest rates. For 2023 overall, real gross domestic product (GDP) increased by 2.5% compared to the previous year (and +3.4% in the fourth quarter of 2023, according to the BEA's "third" estimate, the Statistical Office of the Commerce Department). In addition, the unemployment rate remained very low (3.7% in December). The abundant household savings accumulated during the COVID crisis, the financing and cash reserves of companies (which allowed them to suffer only gradually from the rise in interest rates) and fiscal measures favourable to investment explain these strong figures.

The solid performance of the US economy was reflected in the financial sphere and, despite the war in Ukraine and growing tensions in the Middle East, the S&P 500 in USD posted a 24.2% gain for the year (26.3% including dividends).

However, this fairly exceptional stock market performance in an environment of strong geopolitical tensions and global "re-polarisation" conceals a more contrasting reality. The group of stocks commonly known as "The Magnificent Seven," in reference to the American epic Western of 1960 directed by John Sturges, crushed the rest of the US stock market in 2023, gaining 105% on average! This group includes Apple, Microsoft, Alphabet, Amazon, Nvidia, Tesla and Meta Platforms.

In the first nine months of the year, these "7 wonders" generated about 75% of gains in the S&P 500 Index. These companies account for 26% of the market capitalisation of the S&P 500 Index, so their fluctuations have a major impact on the return of this large cap index. This high concentration in a few technology-related stocks has also resulted in a risk of higher volatility in market capitalisation-weighted indices.

The Dow Jones Industrial Average rose "only" 13% this year, while the Nasdaq rose 43%, helped by gains from big tech companies including Nvidia, Amazon and Microsoft. The good news is that the recovery that began in November has helped broaden the market's gains beyond large technology companies: the real estate, consumer discretionary, financials and industrials sectors outperformed the S&P 500 Index on a total return basis between the end of October and the end of the year.

Performance of the main US indices and the MSCI All Country World in 2023:

	31/12/2022 – 31/08/2023 in EUR	01/09/2023 – 31/12/2023 in EUR
S&P 500	16.02%	2.95%
NASDAQ Composite	32.51%	4.27%
Russell 2000	6.59%	2.86%
Dow Jones Industrial	3.51%	5.45%
MSCI ACWI	12.00%	3.10%
Source: Bloomberg- Performance of indices taking into account dividend reinvestment		

Against this backdrop, the Fund, which until 31 August 2023 was focused on a selection of high-quality, high-dividend US large-cap stocks belonging to the Dow Jones Industrial, did not benefit from the valuation exposure of technology stocks and significantly underperformed the S&P 500. The I-EUR and P-EUR share classes fell by -9.20% and -9.07% respectively between 31 December 2022 and 31 August 2023.

The Fund changed its investment policy from 1 September 2023 to track the S&P 500 Buyback FCF Index. The S&P 500 Buyback FCF Index is an equity index composed of 30 stocks of large U.S. companies selected from among the stocks of the S&P 500 and characterised by: (i) a high treasury buyback ratio, (ii) high liquidity, and (iii) high free cash flow ratio.

After an in-depth analysis of various indexed and quantitative strategies, the one implemented in the S&P 500 Buyback FCF Index appeared to us to be particularly interesting in that it incorporates into its selection criteria a component that reflects the convictions of company management regarding the valuation of their shares: the purchase ratio of own shares. Our conviction is that companies that generate significant free cash flow are financially sound and that management's decision to engage in the buyback of their own shares demonstrates a willingness to maintain profitability and return capital effectively to shareholders. Without prejudice to future performance, the S&P 500 Buyback FCF Index outperformed the S&P 500 over the long term. In addition, in an environment where the valuation ratios of certain economic sectors and certain stocks have become historically high, the composition of the S&P 500 Buyback FCF index deviates from the "mainstream" indices and presents more reasonable valuation ratios:

	S&P 500 Index	S&P 500 FCF Index Buyback
P/E (Trailing)	24.79	12.43
P/E (Projected)	21.07	12.49
P/B	4.35	2.61
P/Sales	2.55	0.87
P/Cash flow	28.97	20.62
Source: S&P Dow Jones Indices as of March 31, 2024		

The performance of US stock markets in 2024 will mainly depend on whether the US economy succumbs to a severe slowdown or achieves the long-awaited soft landing. This latter scenario currently seems the most likely. However, it should be kept in mind that the current social, geopolitical and environmental environment leaves plenty of room for unforeseeable events affecting the stock markets.



TreeTop Institutional NV/SA

Statutory auditor's report to the shareholders' meeting for the year ended
31 December 2023 - Annual accounts

The original text of this report is in French

Statutory auditor’s report to the shareholders’ meeting of TreeTop Institutional NV/SA for the year ended 31 December 2023 - Annual accounts

In the context of the statutory audit of the annual accounts of TreeTop Institutional NV/SA (the “company”), we hereby submit our statutory audit report. This report includes our report on the annual accounts and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We were appointed in our capacity as statutory auditor by the shareholders’ meeting of 24 November 2021, in accordance with the proposal of the board of directors (“bestuursorgaan” / “organe d’administration”). Our mandate will expire on the date of the shareholders’ meeting deliberating on the annual accounts for the year ending 31 December 2024. We have performed the statutory audit of the annual accounts of TreeTop Institutional NV/SA for 2 consecutive periods.

Report on the annual accounts

Unqualified opinion

We have audited the annual accounts of the company, which comprises the balance sheet as at 31 December 2023 and the income statement for the period ended at that date, as well as the explanatory notes. The annual accounts show total assets of 24 032 (000) EUR and the income statement shows a profit for the year ended of 1 069 (000) EUR.

In our opinion, the annual accounts give a true and fair view of the company’s net equity and financial position as of 31 December 2023 and of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Name of the sub-fund	Currency	Equity	Results
TreeTop Institutional US Buyback Equity	EUR	24 032 113,94	1 068 657,26

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the “Responsibilities of the statutory auditor for the audit of the annual accounts” section of our report. We have complied with all ethical requirements relevant to the statutory audit of the annual accounts in Belgium, including those regarding independence.

We have obtained from the board of directors and the company’s officials the explanations and information necessary for performing our audit.

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

Responsibilities of the board of directors for the preparation of the annual accounts

The board of directors is responsible for the preparation and fair presentation of the annual accounts in accordance with the financial reporting framework applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of the annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the statutory auditor for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of annual accounts in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the annual accounts, for maintaining the company's accounting records in compliance with the legal and regulatory requirements applicable in Belgium, as well as for the company's compliance with the Code of companies and associations and the company's articles of association.

Responsibilities of the statutory auditor

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the annual accounts, and compliance with certain obligations referred to in the Code of companies and associations and the articles of association, as well as to report on these matters.

Aspects regarding the directors' report

In our opinion, after performing the specific procedures on the directors' report on the annual accounts, the directors' report on the annual accounts is consistent with the annual accounts for that same year and has been established in accordance with the requirements of articles 3:5 and 3:6 of the Code of companies and associations.

In the context of our statutory audit of the annual accounts we are also responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the annual accounts is free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement.

Statements regarding independence

Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the company during the performance of our mandate.

Other statements

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting is in accordance with the relevant legal and regulatory requirements.
- We do not have to report any transactions undertaken or decisions taken which may be in violation of the company's articles of association or the Code of companies and associations, except for:
 - The appointment of Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL as statutory auditor which was not published as stipulated in article 2:14 of the Code of companies and associations.

Signed at Zaventem.

The statutory auditor



Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Tom Renders

Deloitte.

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
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Member of Deloitte Touche Tohmatsu Limited

1.4 . SUMMARY OF THE ACCOUNTING AND VALUATION RULES

1.4.1 . Summary of rules

The below valuation rules have been drawn up based on the Royal Decree of 10 November 2006 on the accounting, annual accounts and periodic reports of certain public undertakings for collective investment with a variable number of units. In particular, the provisions of Articles 7 to 19 apply.

Fees

In order to avoid significant changes in the net asset value at the time of payment, recurring charges are provided for on a prorata temporis basis. These are mainly recurring fees and commissions as mentioned in the prospectus (e.g. remuneration for management of the investment portfolio, administration, custodian, statutory auditor, etc.).

The start-up costs are amortised over one or more years up to a maximum of 5 years, using the straight-line method.

Accounting for purchases and sales

Transferable securities, money market instruments, units in collective investment undertakings and derivative financial instruments that are valued at their fair value are, at the time of their acquisition and disposal, recorded in the accounts at their purchase price and sale price respectively. Incidental costs, such as transaction and delivery costs, are immediately charged to the profit and loss account.

Receivables and payables

Short-term receivables and payables as well as term investments are recorded in the balance sheet at their par value.

Where the investment policy of the sub-fund is primarily focused on investing its assets in deposits, cash or money market instruments, investments are valued at their fair value.

Transferable securities, money market instruments and derivative financial instruments

Transferable securities, money market instruments and derivative financial instruments (option contracts, futures contracts and swap contracts) are valued at their fair value in accordance with the following hierarchy:

- If these are assets for which there is an active market operating via the involvement of third-party financial institutions, the current bid and offer prices set on this market are used. In exceptional cases, these prices may be unavailable for bonds and other debt securities; the average price will then be used and this procedure will be mentioned in the (semi-) annual report.
- If these are assets that are traded on an active market without the involvement of any third-party financial institutions, the closing price is used.
- Use of the price of the most recent transaction, provided that the economic circumstances have not fundamentally changed since this transaction.
- Use of other valuation techniques that must make maximum use of market data, comply with the economic methods usually used and be regularly calibrated and tested for validity.

The units in unlisted undertakings for collective investment with a variable number of units are valued based on the net asset value of these units.

Impairments, capital losses and capital gains resulting from the above rules are charged to the profit and loss account in the relevant sub-item under "I. Impairments, capital losses and capital gains".

Changes in value relating to bonds and other debt securities resulting from the pro rata temporis accounting of accrued interest are charged to the profit and loss account as a component of item "II. Investment income and expenses - B. Interest".

The fair value of derivative financial instruments (option contracts, futures contracts and swap contracts) is recognised in the various balance sheet and off-balance-sheet items depending on the underlying instrument.

Underlying securities (options and warrants) and notional amounts (futures and swaps) are recognised in off-balance sheet items under the relevant headings.

If option contracts and warrants are exercised, the premiums are added to or deducted from the purchase or sale price of the underlying assets. Intermediary payments and income from swap contracts are recognised in the profit and loss account in sub-item "II. Investment income and expenses - D. Swap contracts".

Foreign currency transactions

Assets denominated in foreign currencies are converted into the currency of the sub-fund at the average market rate and the balance of any positive and negative differences resulting from the conversion is charged to the profit and loss account under "I.H. Foreign exchange positions and transactions".

1.4.2 . Exchange rates

	31.12.23		31.12.22	
1 EUR	1.1047	USD	1.0673	USD

2 . INFORMATIONS SUR LE COMPARTIMENT TREETOP INSTITUTIONAL US BUYBACK EQUITY

2.1 . MANAGEMENT REPORT

2.1.1 . *Subfund launch date and subscription price of shares*

The Initial Offering Period was from 16 December 2021 to 16 December 2021. The Initial Offering Price was 1,000 EUR per Class P Share and 1,000 EUR per Class I Share. The Initial Offering Period for the Class IC Shares is 14 December 2023. The initial Offering Price for the Class IC Shares is 1,000 EUR per Share.

2.1.2 . *Objective and main aspects of the investment policy*

Investment objective

The primary objective of the Sub-Fund is to generate a long-term capital gain on the capital invested.

As the Sub-Fund does not seek to make sustainable investments within the meaning of SFDR, its investments do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund will at all times provide exposure to the stock market in order to maximise the RDT-DBI tax exemption for investors subject to Belgian corporate income tax holding distribution share classes. Investors' attention is however drawn to the fact that the Sub-Fund's portfolio may not be 100% composed of shares qualifying for the RDT-DBI regime and that income and capital gains linked to the Sub-Fund's shares may therefore not be 100% deductible for investors incorporated as companies subject to Belgian corporate income tax. In normal market circumstances, the Management Company will ensure that the Fund's portfolio is composed of at least 75% of shares eligible for the RDT-DBI regime.

Investment policy

The Sub-Fund's investment strategy to achieve its objective is based on the Manager's assumption that companies that generate a lot of free cash flow are financially healthy, and that the decision of their management to engage in buying back their own shares demonstrates a willingness to maintain their profitability and to efficiently return capital to shareholders. Accordingly, the Sub-Fund will seek to achieve its objective by investing in a selection of stocks of large US companies generating strong free cash flow and which have bought back their shares.

The Manager decided to implement the Sub-Fund's investment strategy through a passive portfolio management approach: the portfolio of the Sub-Fund will be invested in stocks that are included in the S&P 500 Buyback FCF Index (the "Index") with the aim to closely replicate the composition of the Index.

The S&P 500 Buyback FCF Index is an equity index composed of 30 stocks of large US companies which are characterized by: (i) a high buyback ratio, (ii) high liquidity and (iii) a high free cash flow yield.

The Index is built from the components of the S&P 500 Index in 3 steps. The S&P 500 Index is an index composed of the stocks of 500 US large capitalization companies listed on US stock exchanges. First, among the 500 stocks that make up the S&P 500 Index, the 100 stocks with the highest buyback ratio over 12 months are selected. Then, out of these 100 stocks, the 50 most liquid stocks are retained. Finally, of these 50 stocks, the 30 stocks with the highest cash flow yield enter the S&P 500 Buyback FCF Index. The constituents of the Index are then weighted by free cash flow yield. The composition of the Index is reviewed on a quarterly basis.

The exposure to the Index will be achieved primarily through a physical replication by investing directly in the securities comprising the Index in a proportion that is close to their proportion in the Index. However in order to construct the Sub-Fund's portfolio, the Manager may remove, at its discretion, certain constituents from the Index, notably : (i) the shares of companies that, according to the sources available to the Manager, are involved in the manufacture and marketing of anti-personnel landmines and cluster bombs, (ii) the shares of companies included on national or supranational exclusion lists in relation to the fight against money laundering and the financing of terrorism, (iii) shares the weight of which would be too low and/or the investment cost of which would be too high, and/or (iv) shares which, if included in the portfolio, would jeopardize the objective of having at least 75% of the portfolio invested in securities eligible for the RDT-DBI regime. The Manager also reserves the possibility to replicate the exposure to one or more constituents of the Index through a synthetic replication through derivative instruments and/or other UCI, including Exchange Traded Funds.

Borrowing restrictions

The Sub-Fund will not make use of leverage, except if and to the extent expressly disclosed within the relevant Appendix of the Offering Memorandum, but not further or otherwise. Leverage will be consistent with limits and conditions that are applicable by operation of law.

Target investors

The Sub-Fund is directed at, and may only be subscribed by, Eligible Investors, as defined in the Offering Memorandum.

The investment in the Sub-Fund should be viewed as long term and may not be appropriate for all Eligible Investors.

The Sub-Fund is intended for Eligible Investors with a good understanding of the risks associated with investing in equity stocks and who wish to be invested in a concentrated portfolio of large US companies.

Investors must be ready to accept losses due to fluctuations in stock market prices.

Given the risks inherent in the Fund's investment policy, the recommended period is not less than 6 years.

2.1.3 . Policy followed during the year

From 1st January to 31st August 2023, the transactions initiated, and the assets held during that period enabled the achievement of the twofold management objective of the Sub-Fund : (i) to provide its shareholders with exposure to shares of leading companies listed on US stock exchanges and (ii) to allow its shareholders subject to corporate income tax in Belgium to benefit from the regime of definitively taxed income (RDT), without however limiting the management company's ability to invest in authorised assets which do not give right to the tax advantage established by this RDT regime.

Since 1st September 2023, the Fund's investment policy has been changed to make it an index fund that closely replicates the composition of the S&P 500 Buyback FCF index (the "Index"). The transactions initiated from this date onwards, and the assets held during that period enable the achievement of the twofold management objective of the Fund : (i) to replicate the Index in order to provide its shareholders with exposure to shares of large US companies which are characterized by a high buyback ratio, high liquidity and a high free cash flow yield and (ii) to allow its shareholders subject to corporate income tax in Belgium to benefit from the regime of definitively taxed income (RDT), without however limiting the management company's ability to invest in authorised assets which do not give right to the tax advantage established by this RDT regime.

2.1.4 . Allocation of result

The Board of Directors will propose to the General Meeting of Shareholders to not distribute dividends.

2.2 . BALANCE SHEET

	As at 31.12.23 (in EUR)	As at 31.12.22 (in EUR)
SECTION 1: SCHEMA BALANCE SHEET		
TOTAL NET ASSETS	24,032,113.94	17,820,738.31
I. Fixed assets	6,423.56	
A. Start-up and organisational expenses	6,423.56	
II. Securities, money market instruments, UCI and financial derivation instruments	23,533,390.53	17,086,178.34
C. Shares and other share equivalents		
a. Shares	23,533,390.53	17,086,178.34
IV. Receivables and debt due within one year	185,929.07	119,113.57
A. Accounts receivable		
a. Amounts receivable	8,104,875.40	6,480,171.57
b. Tax credits	67,064.63	51,438.38
B. Debts		
a. Amounts payable (-)	-7,934,357.96	-6,412,496.38
c. Loans (-)	-51,653.00	
V. Deposits and cash	351,056.51	643,751.66
A. Sight bank deposits	351,056.51	643,751.66
VI. Adjustment accounts	-44,685.73	-28,305.26
C. Expenses to be deducted (-)	-44,685.73	-28,305.26
TOTAL SHAREHOLDER'S EQUITY	24,032,113.94	17,820,738.31
A. Capital	22,921,668.21	16,510,639.17
B. Profit-sharing/dividends	390,836.45	673,826.09
C. Retained earnings	-349,047.98	
D. Result for the period (of the semester)	1,068,657.26	636,273.05

2.3 . PROFIT AND LOSS ACCOUNT

	As at 31.12.23 (in EUR)	As at 31.12.22 (in EUR)
SECTION 3: SCHEMA PROFIT AND LOSS ACCOUNT		
I. Reductions in value, capital gains and capital losses	825,748.99	393,280.53
C. Shares and other share equivalents		
a. Shares	1,313,161.50	-137,474.21
H. Foreign exchange positions and transactions		
b. Other foreign exchange positions and transactions	-487,412.51	530,754.74
II. Investment income and expenses	490,466.20	353,507.09
A. Dividends	644,805.12	422,554.57
B. Interest		
b. Deposits and cash	21,900.76	3,267.15
C. Loan interest (-)	-763.92	-647.28
E. Withholding tax (-)		
b. Other investment income	-175,475.76	-71,667.35
IV. Operating costs	-247,557.93	-110,514.57
A. Transaction and delivery costs inherent to investments (-)	-30,625.71	-13,308.01
C. Remuneration due to the custodian (-)	-3,162.81	-2,091.00
D. Remuneration due to the manager (-)		
a. financial management	-137,303.16	-80,659.05
b. Administration and accounting	-10,865.23	-9,750.00
F. Start-up and organisational expenses (-)	-6,821.61	-4,065.25
H. Misc. goods and services (-)	-27,970.91	-641.26
K. Other expenses (-)	-30,808.50	
Income and expenses for the financial year (of the semester)	242,908.27	242,992.52
Sub-total II + III + IV		
V. Current profit (loss) before tax	1,068,657.26	636,273.05
VII. Result for the period (of the semester)	1,068,657.26	636,273.05
SECTION 4: ALLOCATIONS AND WITHDRAWALS		
I. Profit (Loss) for allocation	1,110,445.73	1,310,099.14
a. Profits (loss) carried forward from the previous year	-349,047.98	
b. Profit (loss) for the year for allocation	1,068,657.26	636,273.05
c. Share of profit received (paid out)	390,836.45	673,826.09
III. (Profit to be carried forward) Loss to be carried forward	-1,110,445.73	349,047.98
IV. (Distribution of dividends)		-1,659,147.12

2.4 . COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 . Composition of the assets as at 31.12.23

Name	Quantity as at 31.12.23	Currency	Price in currency	Valuation (in EUR)	% Portfolio	% Net assets
<u>SECURITIES AND MONEY MARKET INSTRUMENTS</u>						
<u>ADMITTED TO TRADING ON A REGULATED MARKET OR ON A SIMILAR MARKET</u>						
AIRBNB INC	2,711	USD	136.14	334,110.84	1.42%	1.39%
ALPHABET INC -C-	3,211	USD	140.93	409,655.76	1.74%	1.70%
AUTOZONE INC	208	USD	2,585.61	486,857.27	2.07%	2.03%
BOOKING HOLDINGS INC	168	USD	3,547.22	539,476.72	2.29%	2.25%
CATERPILLAR - REGISTERED	2,395	USD	295.67	641,044.36	2.72%	2.67%
COMCAST CORP -A-	18,461	USD	43.85	732,824.74	3.11%	3.05%
CSX CORP	11,761	USD	34.67	369,124.94	1.57%	1.54%
DEERE AND CO - REG SHS	1,641	USD	399.87	594,022.24	2.52%	2.47%
DIAMONDBACK ENERGY	5,226	USD	155.08	733,669.56	3.12%	3.05%
DISCOVER FINANCIAL SERVICES - SHS WI	19,514	USD	112.40	1,985,582.40	8.44%	8.26%
DR HORTON	6,773	USD	151.98	931,843.15	3.96%	3.88%
EBAY INC	13,366	USD	43.62	527,791.54	2.24%	2.20%
ELECTRONIC ARTS INC - REG SHS	2,638	USD	136.81	326,714.14	1.39%	1.36%
EMERSON ELECTRIC CO - REG SHS	4,809	USD	97.33	423,717.89	1.80%	1.76%
ETSY	7,837	USD	81.05	575,013.67	2.44%	2.39%
EXPEDIA GROUP INC	16,893	USD	151.79	2,321,267.80	9.86%	9.66%
GENERAL MOTORS CO - REG SHS	41,189	USD	35.92	1,339,346.29	5.69%	5.57%
GOLDMAN SACHS GROUP INC	5,650	USD	385.77	1,973,114.11	8.39%	8.21%
HCA HEALTHCARE INC - REG SHS	2,569	USD	270.68	629,499.77	2.68%	2.62%
HILTON WORLDWIDE HOLDINGS INC -REG SHS	2,510	USD	182.09	413,747.25	1.76%	1.72%
LOWE'S CO INC	5,022	USD	222.55	1,011,764.90	4.30%	4.21%
MARATHON OIL CORP	36,129	USD	24.16	790,183.90	3.36%	3.29%
MARATHON PETROLEUM CORPORATION - REG SHS	11,307	USD	148.36	1,518,586.45	6.45%	6.32%
META PLATFORMS INC A	1,532	USD	353.96	490,894.60	2.09%	2.04%
OCCIDENTAL PETROLEUM CORP	12,697	USD	59.71	686,315.00	2.92%	2.86%
O REILLY AUTOMOTIVE INC - REG SHS	493	USD	950.08	424,016.15	1.80%	1.76%
REGENERON PHARMACEUTICALS INC	415	USD	878.29	329,960.03	1.40%	1.37%
THE CIGNA GROUP - REG SHS	2,959	USD	299.45	802,129.68	3.41%	3.34%
T-MOBILE US INC - REG SHS	2,320	USD	160.33	336,727.11	1.43%	1.40%
VALERO ENERGY CORP	7,260	USD	130.00	854,388.27	3.63%	3.56%
United States of America				23,533,390.53	100.00%	97.93%
SHARES				23,533,390.53	100.00%	97.93%
TOTAL PORTFOLIO				23,533,390.53	100.00%	97.93%
CACEIS BANK, BELGIUM BRANCH		USD		351,056.51		1.46%
Sight bank deposits				351,056.51		1.46%
DEPOSITS AND CASH				351,056.51		1.46%
MISC.DEBTS AND RECEIVABLES				185,929.07		0.77%
OTHER				-38,262.17		-0.16%
TOTAL NET ASSETS				24,032,113.94		100.00%

2.4.2 . Notes to the financial statements and other information

NOTE 1 – Other expenses

The section « IV. K. Other expenses (-) » of the profit and loss account contains mainly an invoice from PWC for tax advice.

NOTE 2 - Remuneration of the statutory auditor

In accordance with article 3:65 § 2 and 4 of the Companies and Associations Code, we inform you that the statutory auditor and the persons with whom he works professionally, have charged fees as stated below:

Remuneration of the statutory auditor(s): 5,250.00 EUR excluding VAT.

There is no remuneration for exceptional services or specific assignments performed within the company by the statutory auditor or by persons with whom the statutory auditor is affiliated.