



LongRun Equity Fund

Investment Company with Variable Capital (SICAV)
Annual report and audited financial statements

31 December 2023

B200398

LongRun Equity Fund

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Subscriptions are only valid if made on the basis of the current Prospectus supplemented by the latest annual report.

LongRun Equity Fund

Organisation and administration

Registered office	5, Allée Scheffer L-2520 Luxembourg, Grand Duchy of Luxembourg
Management Company	Rothschild & Co Investment Managers 33, rue Sainte Zithe (until 23 February 2024) L-2763 Luxembourg, Grand Duchy of Luxembourg 21-27 rue d'Epemay (from 24 February 2024) L-1490 Luxembourg, Grand Duchy of Luxembourg
Investment Manager	Rothschild & Co Bank AG Zollikerstrasse 181, CH-8034 Zurich, Switzerland
Depositary and Administration Agent	CACEIS Bank, Luxembourg Branch 5, Allée Scheffer L-2520 Luxembourg, Grand Duchy of Luxembourg
Global Distributor	Acolin Europe AG Reichenaustraße, 11 a-c D-78467 Konstanz, Germany
Auditor	KPMG Audit, S.à. r.l. (until April 23, 2023) 39, Avenue John F. Kennedy L-1855 Luxembourg, Grand Duchy of Luxembourg Ernst & Young S.A. (since April 23, 2023) 35E, Avenue John F. Kennedy L-1855 Luxembourg, Grand Duchy of Luxembourg
Board of Directors of the Company	
Chairman	Pierre Pâris, Rothschild & Co Bank AG
Directors	Benoit Renson, Rothschild & Co Wealth Management (Europe) S.A. Christian Bertrand, Independent Director
Board of Directors of the Management Company	Fiona Baker (from 26 July 2023) Francis Carpenter Jean de Courrèges d'Ustou Aldo di Rienzo Jörg Kopp Christian Lowe Xavier Monnereau Dominic Nadeau (from 27 March 2023) John Malik (until 2 May 2023)

LongRun Equity Fund

Report of the Board of Directors

Economic resilience best summarises the outturn in 2023. The combination of ongoing growth, alongside ongoing disinflation proved to be a favourable backdrop for markets, with global stock markets up over a fifth in 2023 (in US dollar terms), while global government bonds delivered a less remarkable 5%.

The better than expected economic and market setting has been in stark contrast to the tense and unsettling geopolitical developments. Despite a thawing in US-China tensions, Russian hostilities persisted and latterly the grim developments in the Middle East continued to deteriorate. The response from commodity markets was inconclusive: Gold rallied by over a tenth last year, though energy prices declined.

However, it was the threat of higher interest rates – the sharpest tightening cycle in four decades – that remained in the driving seat, shaping investor sentiment over the year. In fixed income, bond investors narrowly avoided a third consecutive negative year. Through to the end of the October, the US 10-year US treasury yield was close to 5% and the 10-year gilt yield close to 4.7% - both having risen over 100bps since the start of the year, before unwinding this into the year-end. The major benchmark 10-year government bond yields ended the year at or below where they started it.

In stock markets, the 2023 rebound in was led by the 'growth' and 'cyclical' segments. The large US 'technology' names remained in the driving seat for most of the year – nearly half of the global stock market return came from the seven largest US technology stocks, the so-called 'Magnificent Seven'. Stock market participation broadened in the final two months of the year, but last year's market leadership remained one of the narrowest in recent decades.

In terms of the business cycle, the major economies defied widespread expectations of a recession. The US economy grew at a trend-like pace – subject to fourth-quarter GDP outturn – with consumption notably strong. And while economic activity in Europe and the US was weaker, output expanded very modestly over the year as a whole. China also achieved its 5% growth target for 2023.

Inflation remained in focus, but continued to move lower, with headline rates ending the year relatively close to central bank targets. The vigorous response from the big western central banks – higher interest rates - continued until the final months of the year. But with policy rates back to more 'normal' levels and the inflation threat diminishing, many central banks appear to have now concluded their respective tightening cycles.

In terms of the fund, the abovementioned developments represented the cessation of the strong headwinds experienced in 2021 and 2022.

The fund posted a 21.2% gain (class SI A - EUR - Capitalisation), measured in EUR, compared to the MSCI World AC, which was up 18.1%.

Top performers and contributors:

- Microsoft, Adobe and Alphabet were very much supported by the AI topic, although Adobe was a bit later in its announcement. These were stocks that had come under significant pressure during 2021 and 2022 in the face of higher rates due to multiple compression and the market's (misguided, in our opinion) view that one should buy Value in order to hedge inflation. Given that rates were still rising over the course of the year, the bottom-up considerations (namely, the fact that these companies had invested in AI technology) eclipsed the macro "trade".
- Intuit was a case of delivering above market expectations every quarter of the year and giving the market no other option than to reward the stock.

Bottom performers and contributors:

- Nestlé and Roche are admittedly defensive names, which tend to struggle in strongly performing markets but the investment cases for both in their own right had weakened to the point where we have exited these two positions as we found better uses for our capital.
- Alibaba suffered as market confidence in China as a whole, exacerbated by the announcement that the Cloud Unit will be retained.

Factor based attribution:

- Selection effect (that performance that cannot be attributed to the various Factors, meaning the effect is idiosyncratic) was positive and also the principal driver of the alpha generated. As a bottoms-up fund, this is what we are trying to achieve. Indeed, we have a strong style orientation but this also shows that selecting within this space is fruitful i.e. one doesn't outperform solely due to the .
- On the Factor front, some key points:
 - Momentum was positive, turning already 4Q22 after being a major headwind in 2021 and most of 2022
 - Size was positive as we tend to prefer larger cap (albeit not exclusively)
 - Quality factors slightly negative
 - Our underweight Value actually attributed negatively, albeit very minimal
- On the Industries, some key points:
 - Technology worked well for us as software rebounded strongly
 - Our non-ownership of any Energy worked well for us
 - Our preference for Managed Care and underweight in Pharma/Bio worked against us

On the whole, we observed that inflation normalising, the market was able to focus again on the fundamental drivers of stocks.

Report of the Réviseur d'Entreprises Agréé

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

Opinion

We have audited the financial statements of LongRun Equity Fund (the "Fund") which comprise the statement of net assets and the securities portfolio as at 31 December 2023, and the statement of operations and changes in net assets for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2023, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

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

Other matter

The financial statements of the Fund for the year ended 31 December 2022 were audited by another "réviseur d'entreprises agréé" who expressed an unmodified opinion on those financial statements on 17 April 2023.

Other information

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

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

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Ernst & Young
Société anonyme
Cabinet de révision agréé



Isabelle Nicks

Luxembourg, 5 April 2024

LongRun Equity Fund

LongRun Equity Fund

Statement of net assets as at 31/12/23

	Note	Expressed in EUR
Assets		676,453,987.91
Securities portfolio at market value	2.2	650,797,894.30
<i>Cost price</i>		<i>474,488,022.68</i>
Cash at banks and liquidities		22,014,070.29
Receivable for investments sold		1,034,874.11
Receivable on subscriptions		1,947,140.96
Dividends receivable, net		660,008.25
Liabilities		5,748,438.26
Payable on investments purchased		3,365,741.42
Payable on redemptions		640,783.24
Accrued management fees	3	1,567,582.41
Performance fees payable	4	2,516.28
Other liabilities		171,814.91
Net asset value		670,705,549.65

LongRun Equity Fund

Statement of operations and changes in net assets from 01/01/23 to 31/12/23

	Note	Expressed in EUR
Income		6,794,245.58
Dividends on securities portfolio, net		6,366,792.27
Bank interests on cash accounts		427,438.92
Other income		14.39
Expenses		6,609,516.23
Investment Manager fees	3	5,575,332.97
Management Company fees		162,574.12
Performance fees	4	2,516.28
Depositary fees		102,534.24
Administration fees		125,374.89
Domiciliary fees		8,000.00
Distributor fees	5	57,551.52
Audit fees		31,431.49
Legal fees		72,052.53
Transaction fees		160,137.09
Directors fees		56,250.00
Subscription tax ("Taxe d'abonnement")	6	93,529.29
Bank interests		2,564.96
Other expenses		159,666.85
Net income / (loss) from investments		184,729.35
Net realised profit / (loss) on:		
- sales of investment securities	2.2	3,625,586.84
- foreign exchange	2.3	11,776,619.58
Net realised profit / (loss)		15,586,935.77
Movement in net unrealised appreciation / (depreciation) on:		
- investments	2.2	102,406,013.97
Net increase / (decrease) in net assets as a result of operations		117,992,949.74
Subscriptions of capitalisation shares		146,344,772.22
Subscriptions of distribution shares		2,538,325.12
Redemptions of capitalisation shares		-199,552,761.02
Redemptions of distribution shares		-789,444.37
Net increase / (decrease) in net assets		66,533,841.69
Net assets at the beginning of the year		604,171,707.96
Net assets at the end of the year		670,705,549.65

LongRun Equity Fund

Statistics

		31/12/23	31/12/22	31/12/21
Total Net Assets	EUR	670,705,549.65	604,171,707.96	1,002,228,564.09
AP A - EUR - Capitalisation				
Number of shares		1.00	-	-
Net asset value per share	EUR	1,117.11	-	-
BP D - EUR - Distribution				
Number of shares		1,874.00	2,067.00	2,545.91
Net asset value per share	EUR	2,243.35	1,865.02	2,306.11
BP A - EUR - Capitalisation				
Number of shares		13,883.20	22,179.55	25,698.46
Net asset value per share	EUR	2,089.02	1,737.03	2,147.85
BP D - USD - Distribution				
Number of shares		967.00	1,037.18	1,299.18
Net asset value per share	USD	2,106.94	1,691.93	2,229.21
BP A - USD - Capitalisation				
Number of shares		5,035.81	40,188.11	42,700.18
Net asset value per share	USD	2,197.82	1,764.75	2,325.15
BP A - CHF - Capitalisation				
Number of shares		10,694.35	9,969.31	13,442.31
Net asset value per share	CHF	1,401.76	1,237.75	1,605.95
CP A - USD - Capitalisation				
Number of shares		6,101.420	150.000	-
Net asset value per share	USD	1,183.11	950.93	-
CI D - EUR - Distribution				
Number of shares		10,106.10	10,158.10	10,290.70
Net asset value per share	EUR	2,343.02	1,937.61	2,383.04
CI A - EUR - Capitalisation				
Number of shares		46,972.15	50,253.31	69,539.57
Net asset value per share	EUR	2,206.41	1,824.64	2,244.08
CI A - USD - Capitalisation				
Number of shares		15,280.28	21,465.05	31,122.25
Net asset value per share	USD	2,211.72	1,767.09	2,315.75
CI A - CHF - Capitalisation				
Number of shares		4,695.37	7,752.68	13,044.43
Net asset value per share	CHF	1,756.37	1,542.67	1,990.87
FI A - EUR - Capitalisation				
Number of shares		5.00	5.00	5.00
Net asset value per share	EUR	1,057.55	874.97	1,076.66
SP D - EUR - Distribution				
Number of shares		517.000	100.000	-
Net asset value per share	EUR	1,138.27	944.70	-
SP A - CHF - Capitalisation				
Number of shares		328.84	-	-
Net asset value per share	CHF	1,043.11	-	-
SI D - EUR - Distribution				
Number of shares		900.99	28.00	30.00
Net asset value per share	EUR	2,364.69	1,950.69	2,398.68
Dividend per share		-	5.1000	2.5094
SI A - EUR - Capitalisation				
Number of shares		31,924.87	21,861.48	26,770.79
Net asset value per share	EUR	2,245.74	1,852.53	2,272.70

LongRun Equity Fund

Statistics

		31/12/23	31/12/22	31/12/21
SI A - USD - Capitalisation				
Number of shares		161,597.04	154,735.11	229,524.42
Net asset value per share	USD	2,267.14	1,806.86	2,361.95
SI A - CHF - Capitalisation				
Number of shares		22,091.31	17,477.38	17,478.68
Net asset value per share	CHF	1,251.94	1,096.88	1,412.04

LongRun Equity Fund

Securities portfolio as at 31/12/23

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
Transferable securities admitted to an official stock exchange listing			650,797,894.30	97.03
Shares			650,797,894.30	97.03
Cayman Islands			23,163,616.75	3.45
ALIBABA GROUP HOLDING LTD	HKD	1,136,080	9,957,122.34	1.48
TENCENT HOLDINGS	HKD	387,997	13,206,494.41	1.97
Finland			14,078,313.88	2.10
KONE OYJ -B-	EUR	311,743	14,078,313.88	2.10
France			58,963,137.30	8.79
L'OREAL SA	EUR	68,706	30,962,358.90	4.62
LVMH MOET HENNESSY LOUIS VUITTON SE	EUR	38,169	28,000,778.40	4.17
Ireland			34,872,445.63	5.20
ACCENTURE - SHS CLASS A	USD	109,777	34,872,445.63	5.20
Netherlands			34,135,445.80	5.09
ASML HOLDING NV	EUR	50,074	34,135,445.80	5.09
Switzerland			6,414,472.63	0.96
SONOVA HOLDING NAM-AKT	CHF	21,733	6,414,472.63	0.96
United Kingdom			63,061,253.06	9.40
LINDE PLC	USD	81,297	30,151,240.60	4.50
RELX PLC	GBP	916,983	32,910,012.46	4.91
United States of America			416,109,209.25	62.04
ADOBE INC	USD	48,338	26,106,414.52	3.89
ALPHABET INC -A-	USD	353,008	44,640,100.96	6.66
COSTCO WHOLESALE CORP	USD	49,047	29,307,874.68	4.37
DANAHER CORP	USD	102,971	21,564,578.05	3.22
GARTNER INC	USD	48,053	19,623,581.07	2.93
IDEXX LABS CORP	USD	42,073	21,140,287.56	3.15
INTUIT	USD	60,999	34,514,285.04	5.15
MASTERCARD INC -A-	USD	93,238	35,999,583.02	5.37
MICROSOFT CORP	USD	154,420	52,566,964.02	7.84
MOODY S CORP	USD	91,309	32,283,205.58	4.81
PROCTER & GAMBLE CO	USD	167,441	22,212,288.18	3.31
THERMO FISHER SCIENT SHS	USD	51,467	24,730,157.91	3.69
UNITEDHEALTH GROUP INC	USD	61,290	29,210,470.56	4.36
VERALTO CORPORATION	USD	298,245	22,209,418.10	3.31
Total securities portfolio			650,797,894.30	97.03

LongRun Equity Fund
Notes to the financial statements

LongRun Equity Fund

Notes to the financial statements

1 - General information

GENERAL

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

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

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

The Company has the sole compartment : LongRun Equity.

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

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

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

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

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

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

Hedged Classes of Shares are Classes of Shares with respect to which the Investment Manager will seek to hedge the exposure of the Company's portfolio to currencies other than the Class Currency of the relevant Class of Shares. For such Classes, the Company will hedge the currency exposure of portfolio securities denominated in a currency other than the Class Currency of the Class of Shares, in proportion to the amount of Shares in issue for the relevant Class of Shares. It should be noted that hedged Classes of Shares may not necessarily be 100% hedged at all times. The Investment Manager will take hedging positions from time to time in the best interest of investors and on a best effort basis. There is no active Currency Hedged Classes of Shares as at December 31, 2023.

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

During the year, 2 new shares were launched:

- AP A - EUR - Capitalisation : launched on April 5, 2023
- SP D - CHF - Capitalisation : launched on August 7, 2023

2 - Principal accounting policies

2.1 - Determination of net asset value

The accounts of the Company are expressed in EUR. As the Company has only one active compartment as at December 31, 2023 and as the reference currency of the sole compartment is EUR, the consolidated accounts of the Company are the same as the accounts of the sole compartment.

Presentation of Financial Statements

The Financial Statements are prepared in accordance with Luxembourg regulations relating to Undertakings for Collective Investment. The financial statements are prepared on a going concern basis. For the purposes of financial reporting, a reporting NAV was calculated as at 31 December 2023.

Determination of the Net Asset Value per share

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

LongRun Equity Fund

Notes to the financial statements

2 - Principal accounting policies

2.2 - Portfolio valuation

The value of assets is fixed as follows as at December 31, 2023:

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

2.3 - Foreign currency translation

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

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

All assets and liabilities expressed in currencies other than in EUR are translated at the exchange rates applicable at the period-end.

1 EUR =	0.9297	CHF	1 EUR =	0.86655	GBP	1 EUR =	8.62575	HKD
1 EUR =	1.10465	USD						

2.4 - Formation expenses

Formation expenses have been fully amortized.

3 - Investment Manager fees

Investment Manager fees

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

- Class A Shares: 1.70%
- Class B Shares: 1.50%
- Class C Shares: 1.00%
- Class S Shares: 0.75%
- Class F Shares: 1.00%

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

The sub-distributor fees will be paid out of the Investment Management Fee, through the intermediation of the Global Distributor.

Management Company fees

In consideration of its services, the Management Company is entitled to receive a management company fee ("Management Company Fee") the effective rate of 0.024% p.a. calculated on the average net assets of the Company and this without prejudice to additional fees linked to the production and update of the KIIDs of the Company, the cross-border registration services, and the further risk management and investment compliance monitoring services which the Company may request from the Management Company from time to time, as these fees and costs are further detailed in the Management Company Agreement.

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Notes to the financial statements

4 - Performance fees

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

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

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

Performance Fees per Class are as follows:

- Class A Shares: 10%
- Class B Shares: 10%
- Class C Shares: 10%
- Class D Shares: 10%
- Class S Shares: 10%
- Class F Shares: 10%

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

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

The Performance Fee is paid annually.

In application of the ESMA guidelines on performance fees (ESMA34-39-992) and CSSF Circular 20/764, the table below shows the amount of performance fees charged for each share category concerned as well as the percentage of these fees calculated on the basis of the Net Asset Value ("NAV") of the share category. Only those share classes for which performance fees have been charged are shown.

Sub-Funds	Share Classes	Code ISIN	Currency	Amount of performance fees as at 31/12/23 (in Sub-Fund currency)	Average NAV of Share Class (in Sub-Fund currency)	% in the Share Class average NAV
LongRun Equity Fund	CP A - USD	LU2561048229	EUR	1,968.50	2,616,234.53	0.08
	SP A - CHF	LU2561049037	EUR	324.00	226,583.32	0.14
	SP D - EUR	LU2561048575	EUR	<u>223.78</u>	421,045.65	0.05
			Total	2,516.28		

5 - Distribution fees

Acolin Europe AG acting as Global Distributor of the Company shall receive a Global Distributor Fee amounting up to a maximum 0,01% p.a. calculated on the Net Asset Value of each Class of Shares and payable quarterly with a minimum fee of EUR 14,000 per annum.

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

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

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

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

LongRun Equity Fund

Notes to the financial statements

7 - Changes in the composition of securities portfolio

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

LongRun Equity Fund
Additional unaudited information

LongRun Equity Fund

Additional unaudited information

Other information

SFTR (Securities Financing Transactions and Reuse Regulation)

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

Risk Management

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

Information concerning the remuneration policy:

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

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

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

Remuneration Amounts :

The fixed remuneration, variable remuneration, total remuneration and total headcount of Rothschild & Co Investment Managers as of December 31, 2023 is as follows:

	2023 Fixed Remuneration	2023 Variable Remuneration	Total Remuneration	Headcount
Entire population	2,703	551	3,254	37
Of which Senior Management and staff having a material impact on the risk profile				2

In k€ without social charges

Headcount as at 31/12/2023

Remuneration data include employees that left during the course of 2023

Considering that senior management and staff having a material impact on the Management Company's risk profile are low in number as at December 31, 2023, the Management Company considered this would give confidential information on those staff's remuneration and only disclosed overall remuneration amounts.

More details about this and remuneration policy, which describes, but is not limited to, how remuneration and benefits are determined, may be obtained upon request to the Management Company. There has not been any material change to the Remuneration Policy in 2023.

Information concerning the remuneration of the delegated Investment Manager

During 2023, Rothschild & Co Bank AG acting as delegated Investment Manager of LongRun Equity Fund has received a total of EUR 194,176.34 EUR split into fixed (EUR 113,375.51) and variable (EUR 60,800.83) remuneration

LongRun Equity Fund

Additional unaudited information

SFDR (Sustainable Finance Disclosure Regulation)

Periodic disclosure for the financial product 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 are covered under SFDR periodic disclosure (unaudited) section of the Annual Report.



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

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

The share of investments aligned with environmental/social characteristics was at 69.48%, while the share of sustainable investments was at 66.06%. The share of investments with other environmental characteristics was at 63.31%.

No	Principal Adverse Indicator	Metric	Reference Period 01.01. - 31.12.2023
1	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector Eligible assets: 97.51% Covered assets: 96.73%	4.12%
2	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UN-GC principles or OECD Guidelines for Multinational Enterprises Eligible assets: 97.51% Covered assets: 97.51%	0.00%
3	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons Eligible assets: 97.51% Covered assets: 97.51%	0.00%

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

A sustainable investment, as defined by the SFDR Article 2(17) should consider the three following building blocks:

- positive contribution to an environmental or social objective;
- do no significant harm;
- good governance practices.

Based on Rothschild & Co Bank AG's interpretation of these building blocks and mainly using data provided by MSCI ESG Research LLC, companies selected in the financial product had a positive contribution to an environmental or social objective if:

- companies had carbon emissions reduction targets aligned with a global warming of 2°C or less;
- or had a strategic business focus on products with a direct social or environmental impact as shown by a share of revenues from those products of at least 20%.

If the investee company met one of these criteria, the investment is considered to be 100% sustainable.



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

In-line with the exclusion policy of R&Co Bank AG, PAI 10 (no breach of OECD and UNGC principles) and PAI 14 (exposure to controversial weapons) were considered for all direct investments in private companies.

Furthermore, private companies were considered complying with the "do no significant harm" criteria, if they did report on additional PAIs 1 (greenhouse gas emissions), PAI 2 (carbon footprint), PAI 4 (exposure to companies active in the fossil fuel sector), PAI 5 (share of non-renewable energy consumption and production), PAI 6 (energy consumption intensity per high impact climate sector) and PAI 13 (board gender diversity).

For third party funds we paid attention to its definition of sustainable investments, but could not fully assure that it was fully aligned with the banks interpretation of the SFDR requirements and objectives.

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

In general, PAIs have been used for the definition of sustainable investments and all of the mandatory PAIs (1-14, 15, 16) were measured.

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

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

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

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

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the 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?

In general, principal adverse impact indicators (PAIs) have been used for the definition of sustainable investments and all the mandatory PAIs (1-14, 15, 16) were measured.

Furthermore, the "do no significant harm" criteria incorporated the following if private issuers reported the following

- PAI 1 (greenhouse gas emissions)
- PAI 2 (carbon footprint)
- PAI 4 (exposure to companies active in the fossil fuel sector)
- PAI 5 (share of non-renewable energy consumption and production)
- PAI 6 (energy consumption intensity per high impact climate sector)
- PAI 13 (board gender diversity)

R&Co Bank AG paid specific attention to:

- PAI 4 (exposure to fossil fuel sector): 4.12%
- PAI 10 (violations of UN Global Compact principles and OECD guidelines): 0.00%
- PAI 14 (exposure to controversial weapons): 0.00%



What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01.01. - 31.12.2023

No	ISIN	Largest Investments	Sector	% Asset	Country
1	US5949181045	Microsoft Corp Reg Shs (951692)	Information Technology	7.58%	United States
2	US02079K3059	Alphabet Inc -A- Reg Shs (29798540)	Communication Services	6.54%	United States
3	IE00B4BNMY34	Accenture PLC -A- Reg Shs (10478724)	Information Technology	5.49%	Ireland
4	US57636Q1040	Mastercard Inc -A- Reg Shs (2282206)	Information Technology	5.23%	United States
5	FR0000121014	LVMH Moet Hennessy Louis Vuitton SE Shs (507170)	Consumer Discretionary	4.86%	France
6	FR0000120321	L'Oreal S.A. Shs (502805)	Consumer Staples	4.70%	France
7	GB00B2B0DG97	RELX PLC Reg Shs (3632181)	Industrials	4.69%	United Kingdom
8	US6153691059	Moody's Corp Reg Shs (1130337)	Financials	4.66%	United States
9	NL0010273215	ASML Holding NV Shs (19531091)	Information Technology	4.54%	Netherlands
10	US91324P1021	Unitedhealth Group Inc Reg Shs (1078451)	Health Care	4.52%	United States
11	US4612021034	Intuit Inc Reg Shs (60141)	Information Technology	4.49%	United States
12	US22160K1051	Costco Wholesale Corp Reg Shs (903618)	Consumer Staples	3.98%	United States
13	US2358511028	Danaher Corp Reg Shs (923916)	Health Care	3.85%	United States
14	US00724F1012	Adobe Inc Reg Shs (903472)	Information Technology	3.78%	United States
15	IE000S9YS762	Linde PLC Reg Shs (124625792)	Materials	3.77%	Ireland



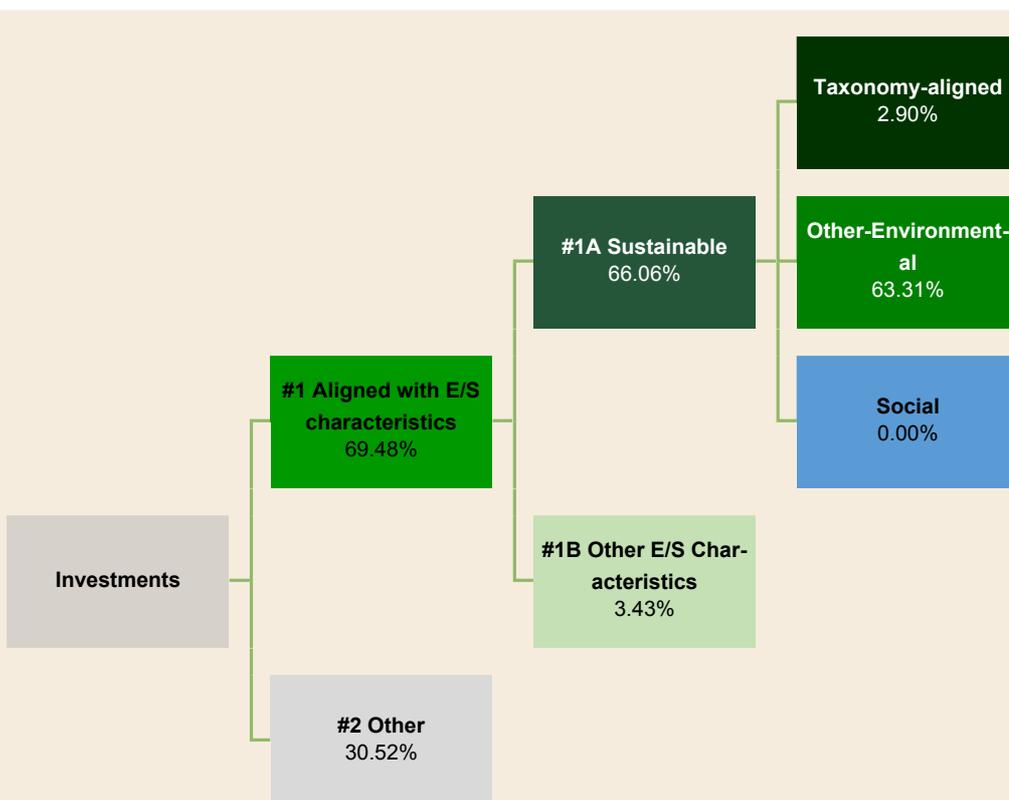
What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

• **What was the asset allocation?**

Investments with environmental and/or social characteristics were at 69.48% of the assets. Share of sustainable investments was at 66.06%. Share of investments with other environmental characteristics was at 63.31%.

Investments with social characteristics and/or taxonomy-alignment can vary, since no specific thresholds have been set. Derivatives were not used to attain the E/S characteristics promoted by the product.



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

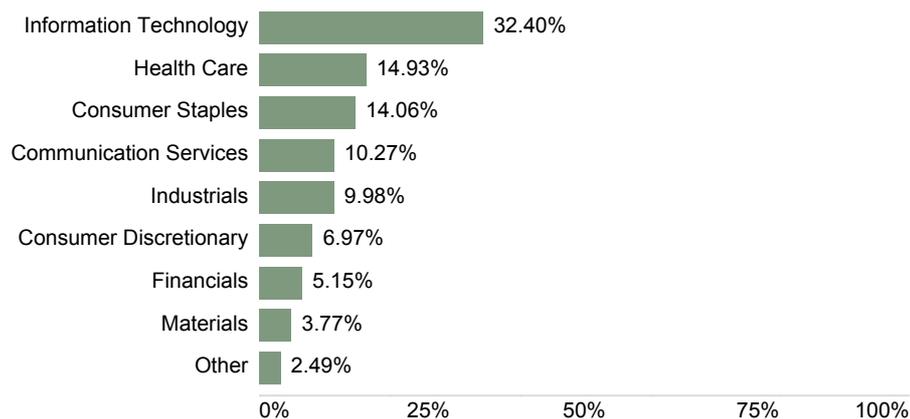
#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

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

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

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



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

The product did not apply a minimum threshold for sustainable investments with an environmental objective aligned with the EU Taxonomy. The EU Taxonomy alignment was also not a specific target within the product's strategy. However, it was and is no intention of the product to target direct investments in private companies that align with the EU Taxonomy. Data was provided by the data provider MSCI ESG Research LLC and can either be estimated or directly reported by private companies.

Considering the above limitations, the share of taxonomy-aligned investments (share of revenue, excluding sovereigns) was at 2.90%.

• Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

Yes:

In fossil gas

In nuclear energy

No



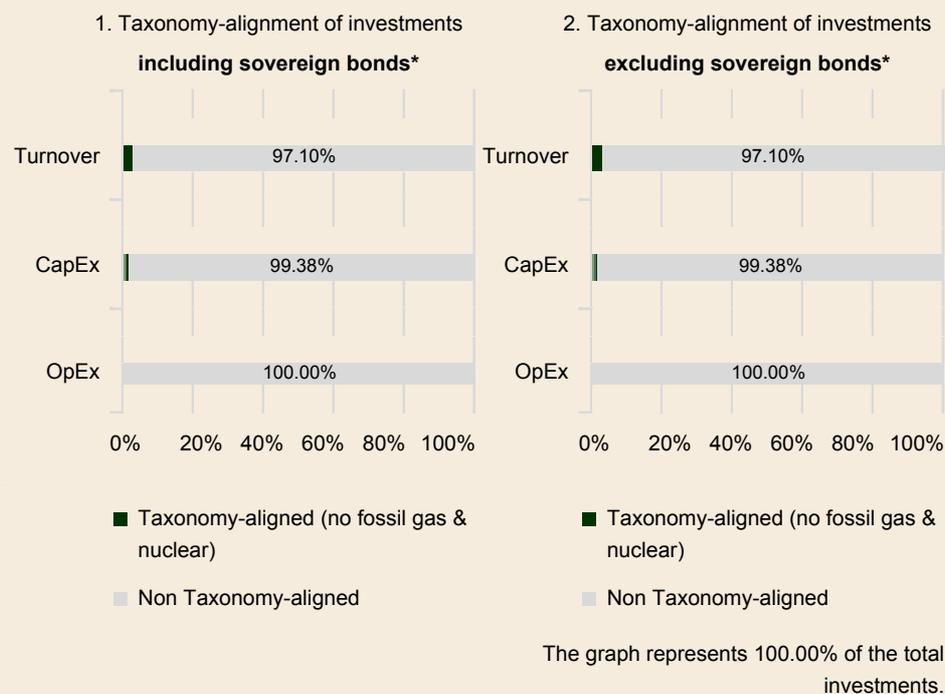
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

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

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

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



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

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

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

The product did not explicitly apply investments in transitional and enabling activities.

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

Given that this is Rothschild & Co Bank AG's first time reporting on such metrics, there is no previous period to reference.



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



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

The share of investments with an environmental objective not aligned with the EU Taxonomy was at 63.31%.



What was the share of socially sustainable investments?

The share of socially sustainable investments was at 0.00%.



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

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



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

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



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

- **How does the reference benchmark differ from a broad market index?**
The fund does not have a benchmark in place.
- **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?**
Not applicable.
- **How did this financial product perform compared with the reference benchmark?**
Not applicable.
- **How did this financial product perform compared with the broad market index?**
Not applicable.

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