

**Annual report including audited financial statements
as at 31st December 2022**

VIVACITY FUNDS

Investment company with variable capital with multiple sub-funds

R.C.S. Luxembourg B217195

Management Company: ANDBANK ASSET MANAGEMENT LUXEMBOURG
R.C.S. Luxembourg B 147 174

No subscription can be received on the basis of these financial statements. Subscriptions are only valid if made on the basis of the current prospectus and the key information documents ("KID"), supplemented by the latest annual report including audited financial statements and the most recent unaudited semi-annual report, if published thereafter.

VIVACITY FUNDS

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VIVACITY FUNDS

Organisation

Registered Office

4, Rue Jean Monnet
L-2180 LUXEMBOURG

Board of Directors

Chairman

Didier LALOUX
Deputy Manager
ANDBANK ASSET MANAGEMENT LUXEMBOURG

Directors

Christiane DIADEMI
Head of Legal
ANDBANK ASSET MANAGEMENT LUXEMBOURG

Antoine POUPPEZ de KETTENIS de HOLLAEKEN
Independent Director

Management Company and Distributor

ANDBANK ASSET MANAGEMENT LUXEMBOURG
4, Rue Jean Monnet
L-2180 LUXEMBOURG

Board of Directors of the Management Company

Chairman

Cesar Ramon VALCARCEL FERNANDEZ DE LA RIVA
Independent Director
SPAIN

Directors

Ivan BAILE SANTOLARIA
Financial Risk Control
ANDBANK GROUP
ANDORRA

Philippe ESSER
Director
ANDBANK ASSET MANAGEMENT LUXEMBOURG
LUXEMBOURG

Alain LÉONARD
Director
ANDBANK ASSET MANAGEMENT LUXEMBOURG
LUXEMBOURG

Ricardo RODRIGUEZ FERNANDEZ
Managing Director
ANDBANK LUXEMBOURG

VIVACITY FUNDS

Organisation (continued)

**Conducting Officers of the
Management Company**

Markus HAHNFELD
Conducting Officer
ANDBANK ASSET MANAGEMENT LUXEMBOURG
LUXEMBOURG
(until 14th November 2022)

Martin WIENZEK
Conducting Officer
ANDBANK ASSET MANAGEMENT LUXEMBOURG
LUXEMBOURG
(from 19th May 2022)

Severino PONS
Conducting Officer
ANDBANK ASSET MANAGEMENT LUXEMBOURG
LUXEMBOURG

Depository and Paying Agent

QUINTET PRIVATE BANK (EUROPE) S.A.
43, Boulevard Royal
L-2955 LUXEMBOURG

**Administration Agent,
Registrar and Transfer Agent**

EUROPEAN FUND ADMINISTRATION S.A.
2, Rue d'Alsace
L-1122 LUXEMBOURG

Domiciliary and Corporate Agent

ANDBANK ASSET MANAGEMENT LUXEMBOURG
4, Rue Jean Monnet
L-2180 LUXEMBOURG

Cabinet de révision agréé

DELOITTE Audit
Société à responsabilité limitée
20, Boulevard de Kockelscheuer
L-1821 LUXEMBOURG

VIVACITY FUNDS

Report on activities of the Board of Directors

Global comment

The year 2022 will be remembered as a particularly difficult year for portfolio management, and especially for mixed portfolio management. Bonds, usually considered the safe haven of portfolios, generated losses nearly equal to those of stocks. Among the many aspects that make this year's correction a "special correction", the dislocation of correlations between assets is crucial. The magnitude of the 2022 correlation shock will make history: an environment where it is difficult to hide.

Many different events have disrupted the behaviour of all asset classes. After two years marked by the Covid and the actions of states and Central Banks to counter the effects of this pandemic, it was logical to have a risk of overheating when economic activity reopened. The colossal masses of money poured in, to help businesses and individuals, were bound to end up causing inflation to rise. This is why the financial markets only focused on the actions and statements of the Central Banks, especially the United States Federal Reserve. What was not foreseen was the invasion of Ukraine by Russia. This has caused an important increase in inflation through the vertiginous rise in energy prices and more particularly gas prices, for Europeans. In China, a very important economy for global growth, the "Zero Covid" policy has led to periods of quarantine that have slowed the domestic economy and caused delays in the delivery of essential goods for many sectors around the world. These bottlenecks have been an additional factor in the rise of inflation.

The consequence of all this is a much stronger and more sustained rise in inflation than central banks and investors could have expected 12 months ago.

The bond market has been one of the first victims and all bonds (government bonds, Investment Grade, High Yield, Emerging Markets...) have seen their prices fall to an extent never seen before in such a short period.

VIVACITY FUNDS - VFF GLOBAL CAPITAL

Over the year, the portfolio maintained a balanced allocation with a quite stable portfolio. In January, the managers sold a "quality of life" fund in favour of a defensive equity fund. In March, the fund invested in a conservative hedge fund that has the opportunity to hedge its positions in case of unfavourable environment. The position was sold later in September and the proceeds of the sale reinvested in a mixed asset fund invested in emerging countries.

The portfolio, mixed funds suffered from the dislocation of correlations between assets during 2022.

Additionally, most of the equity funds declined in line with the equity indices. The portfolio also held some defensive stocks funds that held up great than other equity styles.

The alternative investments funds have performed well mainly thanks to H2O Multibonds which is up strongly.

In 2022, the portfolio is down 10.54%.

VIVACITY FUNDS

Report on activities of the Board of Directors (continued)

VIVACITY FUNDS - MULTI MANAGER ALLOCATION PATRIMOINE

Over the year, the portfolio has kept a slightly defensive allocation with most of the positions being stable.

The bonds funds unfortunately suffered from a very bad year for the asset class and therefore did not protect the portfolio as usual.

Similarly, our mixed funds suffered from the dislocation of correlations between assets this year.

In the equity funds, the positions in small capitalization/high technology stocks and in space companies penalized the performance the most. The global funds performed in line with the indexes. Positions in health care sector ended the year in balance. The position in fossil fuels contributed positively with an increase of around 50%.

In 2022, the portfolio NAV per shares is down 11.72%.

Luxembourg, 27th January 2023

The Board of Directors

Note: The information in this report represents historical data and is not an indication of future results.

REPORT OF THE *REVISEUR D'ENTREPRISES AGREE*

**To the Shareholders of
VIVACITY FUNDS
4, rue Jean Monnet
L-2180 Luxembourg**

Opinion

We have audited the financial statements of VIVACITY FUNDS (the “Fund”) and of each of its sub-funds, which comprise the statement of net assets and the statement of investments and other net assets as at 31st December 2022 and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Other information

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

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

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

Responsibilities of the Board of Directors of the Company for the Financial Statements

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

Responsibilities of the “réviseur d’entreprises agréé” for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated 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 dated 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 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*".
- 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.

For Deloitte Audit, *Cabinet de révision agréé*

Nicolas Hennebert, *Réviseur d'entreprises agréé*
Partner

April 13, 2023

VIVACITY FUNDS

Combined statement of net assets (in EUR) as at 31st December 2022

Assets

Securities portfolio at market value	31,279,504.95
Cash at banks	<u>1,131,943.24</u>
Total assets	<u>32,411,448.19</u>

Liabilities

Expenses payable	<u>152,136.58</u>
Total liabilities	<u>152,136.58</u>
Net assets at the end of the year	<u>32,259,311.61</u>

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

VIVACITY FUNDS

Combined statement of operations and other changes in net assets (in EUR)

from 1st January 2022 to 31st December 2022

Income

Dividends, net	49,666.80
Other commissions received	18,541.84
Other income	6,736.62
Total income	74,945.26

Expenses

Management fees	466,664.17
Depository fees	25,146.78
Banking charges and other fees	3,100.03
Transaction fees	810.00
Central administration costs	66,589.63
Professional fees	23,670.17
Other administration costs	20,975.27
Subscription duty ("taxe d'abonnement")	7,597.87
Bank interest paid	1,854.93
Other expenses	17,799.45
Total expenses	634,208.30

Net investment loss -559,263.04

Net realised gain/(loss)

- on securities portfolio	4,954.15
- on foreign exchange	1,525.48
Realised result	-552,783.41

Net variation of the unrealised gain/(loss)

- on securities portfolio -3,285,093.21

Result of operations -3,837,876.62

Subscriptions 5,843,529.66

Redemptions -4,678,126.97

Total changes in net assets -2,672,473.93

Total net assets at the beginning of the year 34,931,785.54

Total net assets at the end of the year 32,259,311.61

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

VIVACITY FUNDS - VFF GLOBAL CAPITAL

Statement of net assets (in EUR)

as at 31st December 2022

Assets

Securities portfolio at market value	15,592,475.88
Cash at banks	478,355.96
Total assets	16,070,831.84

Liabilities

Expenses payable	70,867.80
Total liabilities	70,867.80
Net assets at the end of the year	15,999,964.04

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in EUR)
A Capitalization	120,676.810	EUR	125.04	15,089,682.54
B Capitalization	9,333.910	EUR	97.52	910,281.50
				15,999,964.04

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

VIVACITY FUNDS - VFF GLOBAL CAPITAL

Statement of operations and other changes in net assets (in EUR)

from 1st January 2022 to 31st December 2022

<u>Income</u>	
Dividends, net	49,666.80
Other commissions received	6,672.45
Total income	56,339.25
<u>Expenses</u>	
Management fees	215,937.03
Depository fees	12,648.36
Banking charges and other fees	1,383.50
Transaction fees	180.00
Central administration costs	33,562.84
Professional fees	11,835.08
Other administration costs	10,540.11
Subscription duty ("taxe d'abonnement")	3,669.75
Bank interest paid	1,103.13
Other expenses	9,695.83
Total expenses	300,555.63
Net investment loss	-244,216.38
<u>Net realised gain/(loss)</u>	
- on securities portfolio	-284,922.12
- on foreign exchange	753.99
Realised result	-528,384.51
<u>Net variation of the unrealised gain/(loss)</u>	
- on securities portfolio	-1,282,936.94
Result of operations	-1,811,321.45
Subscriptions	3,115,743.37
Redemptions	-3,035,580.51
Total changes in net assets	-1,731,158.59
Total net assets at the beginning of the year	17,731,122.63
Total net assets at the end of the year	15,999,964.04

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

VIVACITY FUNDS - VFF GLOBAL CAPITAL

Statistical information (in EUR)

as at 31st December 2022

Total net assets	Currency	31.12.2020	31.12.2021	31.12.2022
	EUR	17,660,761.31	17,731,122.63	15,999,964.04

Net asset value per share class	Currency	31.12.2020	31.12.2021	31.12.2022
A Capitalization	EUR	129.03	139.05	125.04
B Capitalization	EUR	-	-	97.52

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
A Capitalization	127,517.610	16,317.900	-23,158.700	120,676.810
B Capitalization	-	9,772.910	-439.000	9,333.910

VIVACITY FUNDS - VFF GLOBAL CAPITAL

Statement of investments and other net assets (in EUR) as at 31st December 2022

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets *
<u>Investments in securities</u>					
<u>Other transferable securities</u>					
Closed-ended investment funds					
EUR	7	H2O MultiBonds SP FCP Side Pocket IC Dist	444,141.65	200,982.88	1.26
Total closed-ended investment funds			444,141.65	200,982.88	1.26
<u>Open-ended investment funds</u>					
Investment funds (UCITS)					
EUR	5,309	Acatis Value Event Fds A Cap	1,350,237.97	1,636,552.34	10.23
EUR	39,640	BlackRock Global Fds ESG Multi-Asset D2 Cap	880,800.80	761,880.80	4.76
EUR	6,037	Carmignac Portfolio Emerging Patrimoine F EUR Acc Cap	780,704.84	816,383.51	5.10
EUR	16	CPR Invest Food For Generations I Cap	2,128,221.60	2,159,549.28	13.50
EUR	9,673	Flossbach von Storch Multiple Opportunities II I Dist	1,342,485.02	1,533,460.69	9.58
EUR	97,936	Guardcap UCITS Fds Plc Global Equity I EUR Cap	1,460,225.76	2,051,955.07	12.82
EUR	6	H2O Multibonds FCP IE Cap	1,322,545.46	1,382,309.64	8.64
EUR	11,303	Man Funds VI Plc GLG Alpha Select Alternative IN H Cap	1,292,498.05	1,331,267.34	8.32
EUR	9,308	Nordea 1 SICAV Alpha 15 MA Fd BI EUR Cap	1,001,447.72	932,276.25	5.83
EUR	23,175	Nordea 1 SICAV Global Stable Equity Fd Unhedged BI BaCur Cap	754,809.75	744,418.08	4.65
EUR	16,000	Varenne UCITS Valeur P Cap	2,205,280.00	2,041,440.00	12.76
Total investment funds (UCITS)			14,519,256.97	15,391,493.00	96.19
Total investments in securities			14,963,398.62	15,592,475.88	97.45
Cash at banks				478,355.96	2.99
Other net assets/(liabilities)				-70,867.80	-0.44
Total				15,999,964.04	100.00

* Minor differences may arise due to rounding in the calculation of percentages.

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

VIVACITY FUNDS - VFF GLOBAL CAPITAL

Industrial and geographical classification of investments as at 31st December 2022

Industrial classification

(in percentage of net assets)

Investment funds	97.45 %
Total	<u>97.45 %</u>

Geographical classification

(by domicile of the issuer)
(in percentage of net assets)

Luxembourg	56.18 %
Ireland	21.14 %
Germany	10.23 %
France	9.90 %
Total	<u>97.45 %</u>

VIVACITY FUNDS - VFF GLOBAL CAPITAL

Statement of changes in investments (unaudited)

from 1st January 2022 to 31st December 2022

Currency	Description	Purchases	Sales	Other
<u>Investment funds (UCITS)</u>				
EUR	ACATIS Fair Val Modul Vermögen Nr1 Dist	0	98	0
EUR	Acatis Value Event Fds A Cap	0	1,065	0
EUR	Athymis Better Life Cap	0	5,250	0
EUR	Carmignac Portfolio Emerging Patrimoine F EUR Acc Cap	6,037	0	0
EUR	H2O Multibonds FCP IE Cap	0	1	0
EUR	Nordea 1 SICAV Global Stable Equity Fd Unhedged BI BaCur Cap	23,175	0	0
EUR	Varenne UCITS Valeur P Cap	0	0	16,000
EUR	Varenne Valeur P-EUR Cap	0	0	-16,000

VIVACITY FUNDS - MULTI MANAGER ALLOCATION PATRIMOINE

Statement of net assets (in EUR)

as at 31st December 2022

Assets

Securities portfolio at market value	15,687,029.07
Cash at banks	653,587.28
Total assets	16,340,616.35

Liabilities

Expenses payable	81,268.78
Total liabilities	81,268.78
Net assets at the end of the year	16,259,347.57

Breakdown of net assets per share class

Share class	Number of shares	Currency of share class	NAV per share in currency of share class	Net assets per share class (in EUR)
A Capitalization	154,558.300	EUR	98.00	15,146,615.88
B Capitalization	11,347.550	EUR	98.06	1,112,731.69
				16,259,347.57

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

VIVACITY FUNDS - MULTI MANAGER ALLOCATION PATRIMOINE

Statement of operations and other changes in net assets (in EUR)

from 1st January 2022 to 31st December 2022

<u>Income</u>	
Other commissions received	11,869.39
Other income	6,736.62
Total income	18,606.01
<u>Expenses</u>	
Management fees	250,727.14
Depository fees	12,498.42
Banking charges and other fees	1,716.53
Transaction fees	630.00
Central administration costs	33,026.79
Professional fees	11,835.09
Other administration costs	10,435.16
Subscription duty ("taxe d'abonnement")	3,928.12
Bank interest paid	751.80
Other expenses	8,103.62
Total expenses	333,652.67
Net investment loss	-315,046.66
<u>Net realised gain/(loss)</u>	
- on securities portfolio	289,876.27
- on foreign exchange	771.49
Realised result	-24,398.90
<u>Net variation of the unrealised gain/(loss)</u>	
- on securities portfolio	-2,002,156.27
Result of operations	-2,026,555.17
Subscriptions	2,727,786.29
Redemptions	-1,642,546.46
Total changes in net assets	-941,315.34
Total net assets at the beginning of the year	17,200,662.91
Total net assets at the end of the year	16,259,347.57

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

VIVACITY FUNDS - MULTI MANAGER ALLOCATION PATRIMOINE

Statistical information (in EUR)

as at 31st December 2022

Total net assets	Currency	31.12.2020	31.12.2021	31.12.2022
	EUR	15,901,648.20	17,200,662.91	16,259,347.57

Net asset value per share class	Currency	31.12.2020	31.12.2021	31.12.2022
A Capitalization	EUR	98.94	111.01	98.00
B Capitalization	EUR	97.97	110.51	98.06

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
A Capitalization	144,956.130	24,457.460	-14,855.290	154,558.300
B Capitalization	10,030.180	2,263.370	-946.000	11,347.550

VIVACITY FUNDS - MULTI MANAGER ALLOCATION PATRIMOINE

Statement of investments and other net assets (in EUR)

as at 31st December 2022

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets *
<u>Investments in securities</u>					
<u>Open-ended investment funds</u>					
Investment funds (UCITS)					
EUR	68	Acatis Value Event Fds B Dist	1,240,050.99	1,457,186.28	8.96
EUR	1,904	Amundi Oblig Intl I	1,192,451.63	1,164,048.48	7.16
EUR	8,853	Aphillion Q2 SICAV Equities B Cap	982,224.25	1,287,049.14	7.92
EUR	4,157	BL Global Flexible EUR BM Cap	807,975.79	826,162.18	5.08
EUR	61,441	BlackRock Global Fds World Energy EUR A2 Cap	462,036.32	1,327,740.01	8.17
EUR	6,579	Carmignac Portfolio Patrimoine Europe F Cap	860,455.37	833,493.51	5.13
EUR	7,691	Echiquier Fd Artificial Intelligence K EUR Cap	1,299,598.42	843,395.06	5.19
EUR	707	Echiquier Fd Space K Cap	784,897.26	458,673.32	2.82
EUR	9,925	Flossbach von Storch Bond Opp IT Cap	1,239,434.00	1,109,515.75	6.82
EUR	5,150	Flossbach von Storch Multiple Opportunities II IT Cap	817,435.48	825,751.00	5.08
EUR	28,384	Fundsmith SICAV Equity Fd T Cap	1,287,338.76	1,414,221.45	8.70
EUR	37	Groupama Tresorerie I Cap	1,478,944.20	1,475,452.33	9.07
EUR	932	R-co Valor P EUR Cap	1,637,993.16	1,724,218.64	10.60
EUR	3,800	Schroder Intl Sel Fd Healthcare Innovation C Cap	509,793.18	404,895.32	2.49
Total investment funds (UCITS)			14,600,628.81	15,151,802.47	93.19
Tracker funds (UCITS)					
EUR	11,740	Xtrackers (IE) Plc MSCI Wld Hlth Care UCITS ETF 1C Cap	505,817.90	535,226.60	3.29
Total tracker funds (UCITS)			505,817.90	535,226.60	3.29
Total investments in securities			15,106,446.71	15,687,029.07	96.48
Cash at banks				653,587.28	4.02
Other net assets/(liabilities)				-81,268.78	-0.50
Total				16,259,347.57	100.00

* Minor differences may arise due to rounding in the calculation of percentages.

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

VIVACITY FUNDS - MULTI MANAGER ALLOCATION PATRIMOINE

Industrial and geographical classification of investments

as at 31st December 2022

Industrial classification

(in percentage of net assets)

Investment funds	96.48 %
Total	<u>96.48 %</u>

Geographical classification

(by domicile of the issuer)

(in percentage of net assets)

Luxembourg	49.48 %
France	26.83 %
Germany	8.96 %
Belgium	7.92 %
Ireland	3.29 %
Total	<u>96.48 %</u>

VIVACITY FUNDS - MULTI MANAGER ALLOCATION PATRIMOINE

Statement of changes in investments (unaudited)

from 1st January 2022 to 31st December 2022

Currency	Description	Purchases	Sales	Other
<u>Investment funds (UCITS)</u>				
EUR	Acatis Value Event Fds B Dist	5	0	0
EUR	Aphilon Q2 SICAV Equities B Cap	1,676	0	0
EUR	BL Global Flexible EUR BM Cap	300	0	0
EUR	BlackRock Global Fds World Energy EUR A2 Cap	0	26,340	0
EUR	Carmignac Portfolio Patrimoine Europe F Cap	845	0	0
EUR	Echiquier Fd Artificial Intelligence K EUR Cap	3,538	0	0
EUR	Echiquier Fd Space K Cap	0	0	707
EUR	Echiquier SICAV Space K Cap	0	0	-707
EUR	Flossbach von Storch Multiple Opportunities II IT Cap	548	0	0
EUR	Fundsmith SICAV Equity Fd T Cap	9,433	0	0
EUR	Groupama Tresorerie I Cap	0	38	0
EUR	R-co Valor P EUR Cap	362	0	0

VIVACITY FUNDS

Notes to the financial statements

as at 31st December 2022

Note 1 - General information

VIVACITY FUNDS (the "Company") is organized as a "*Société d'Investissement à Capital Variable*" and is subject, in particular, to the provisions of Part I of the Law of 2010 which relate specifically to undertakings for collective investment in transferable securities ("UCITS") as defined by the European Directive of 13th July 2009 (2009/65/EC) as amended from time to time (the "UCITS Directive"). The Company was incorporated for an unlimited period of time in Luxembourg on 9th August 2017.

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

Copies of the following documents can be obtained by the shareholders during office hours on any Business Day from the registered office of the Company at 4, Rue Jean Monnet, L-2180 LUXEMBOURG:

- the Articles of Incorporation of the Company;
- the agreement with the Depositary and Paying Agent;
- the agreements with the Domiciliary and Corporate Agent, Administrative Agent, Registrar and Transfer Agent;
- the agreement with the Management Company;
- the latest annual reports including audited financial statements and unaudited semi-annual reports.

Copies of the Prospectus, KID and latest published annual reports including audited financial statements and unaudited semi-annual reports may also be consulted from the following website: www.andbank.lu.

Note 2 - Significant accounting policies

a) Presentation of the financial statements

The financial statements of the Company are prepared in accordance with the Luxembourg legal and regulatory requirements concerning Undertakings for Collective Investment and with generally accepted accounting principles in Luxembourg.

The financial statements of the Company have been prepared on a going concern basis.

b) Valuation of assets

The assets of each Class within each Sub-Fund are valued as of each Valuation Day, as defined in the relevant Sub-Fund Particular of the Prospectus, as follows:

1. shares or units in open-ended undertakings for collective investment, which do not have a price quotation on a Regulated Market, are valued at the actual net asset value for such shares or units as of the relevant Valuation Day, failing which they shall be valued at the last available net asset value. In the case where events have occurred which have resulted in a material change in the net asset value of such shares or units since the last net asset value was calculated, the value of such shares or units may be adjusted at their fair value in order to reflect, in the reasonable opinion of the Board of Directors of the Company, such change;
2. the value of securities (including a share or unit in a closed-ended undertaking for collective investment and in an exchange traded fund) and/or financial derivative instruments which are listed and with a price quoted on any official stock exchange or traded on any other organised market at the last available price.
Where such securities or other assets are quoted or dealt in or on more than one stock exchange or other organised markets, the Board of Directors of the Company shall select the principal of such stock exchanges or markets for such purposes;

VIVACITY FUNDS

Notes to the financial statements (continued)

as at 31st December 2022

3. shares or units in undertakings for collective investment the issue or redemption of which is restricted and in respect of which a secondary market is maintained by dealers who, as principal market-makers, offer prices in response to market conditions may be valued by the Board of Directors of the Company in line with such prices;
4. the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Board of Directors of the Company may consider appropriate in such case to reflect the true value thereof;
5. the value of any security or other asset which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price;
6. any assets or liabilities in currencies other than the reference currency of the Sub-Fund concerned are converted using the relevant spot rate quoted by a bank or other responsible financial institution;
7. in the event that any of the securities held in the Company's portfolio on the relevant Valuation Day are not listed on any stock exchange or traded on any organised market or if with respect to securities listed on any stock exchange or traded on any other organised market, the price as determined pursuant to sub-paragraph (2) is not, in the opinion of the Board of Directors of the Company, representative of the fair market value of the relevant securities, the value of such securities are determined prudently and in good faith based on the reasonably foreseeable sales price or any other appropriate valuation principles by the Board of Directors of the Company;
8. in the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors of the Company may adopt to the extent such valuation principles are in the best interests of the Shareholders any other appropriate valuation principles for the assets of the Company; and
9. in circumstances where the interests of the Company or its Shareholders so justify (avoidance of market timing practices, for example), the Board of Directors of the Company may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Company's assets.

c) Acquisition cost of securities in the portfolio

The acquisition cost of the securities held by each Sub-Fund that are denominated in currencies other than the reference currency of the Sub-Fund is converted into this currency at the exchange rate prevailing on the date of purchase.

d) Net realised gain / (loss) on securities portfolio

The realised gains and losses on the securities portfolio are calculated on the basis of the average acquisition cost and are disclosed net in the statement of operations and other changes in net assets.

e) Investment portfolio income

Dividend income is recorded at the ex-date, net of any withholding tax.

VIVACITY FUNDS

Notes to the financial statements (continued)

as at 31st December 2022

f) Formation expenses

The costs and expenses for the formation of the Company and the initial issue of its Shares are borne by the first Sub-Funds and amortised over a period not exceeding five years. Any additional Sub-Fund which may be created in the future shall bear their own formation expenses to be amortised over a period not exceeding five years.

g) Conversion of foreign currencies

Cash at banks, other net assets, liabilities and the market value of the securities in portfolio expressed in currencies other than the reference currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the financial statements. Income and expenses expressed in currencies other than the reference currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the transaction. Net realised gains or losses on foreign exchange are disclosed in the statement of operations and other changes in net assets.

h) Combined financial statements

The combined financial statements of the Company are expressed in EUR and are equal to the sum of the corresponding items in the financial statements of each Sub-Fund.

i) Transaction fees

Transaction costs disclosed under the item "Transaction fees" in the expenses of the statement of operations and other changes in net assets are mainly composed of broker fees incurred by the Company and of fees relating to transactions paid to the depositary as well as of transaction fees on financial instruments and derivatives.

Note 3 - Management fee

Pursuant to the Management Company Agreement, the Sub-Funds pay a management company fee to the Management Company in remuneration for its services. This fee is payable per annum of the average net assets of the Sub-Fund during the relevant quarter:

Sub-Fund	Annual rate
VIVACITY FUNDS - VFF GLOBAL CAPITAL	0.075% p.a.
VIVACITY FUNDS - MULTI MANAGER ALLOCATION PATRIMOINE	0.075% p.a.

The following Investment management fee is payable per annum of the average net assets of the Sub-Fund during the relevant quarter:

Sub-Fund	Share Class	Annual rate
VIVACITY FUNDS - VFF GLOBAL CAPITAL	A Capitalization	1.25% p.a.
	*B Capitalization	0.80% p.a.
VIVACITY FUNDS - MULTI MANAGER ALLOCATION PATRIMOINE	A Capitalization	1.50% p.a.
	B Capitalization	1.00% p.a.

* (launched on 7th March 2022)

VIVACITY FUNDS

Notes to the financial statements (continued)

as at 31st December 2022

Note 4 - Management fees of the target funds

The aggregate management fees charged both to the Sub-Funds and to the target UCITS or UCIs may not exceed 5%.

Note 5 - Management fee retrocession

Management fee retrocessions received by the Company and related to its investments in UCITS or other UCIs are disclosed under the "Other commissions received" in the statement of operations and other changes in net assets.

Note 6 - Depositary fees

The remuneration for depositary services are included under the item "Depositary fees" disclosed in the statement of operations and other changes in net assets.

Note 7 - Central Administration costs

The item "Central Administration costs" disclosed in the statement of operations and other changes in net assets is mainly composed of administrative agent fees.

Note 8 - Subscription duty ("*taxe d'abonnement*")

The Company is governed by Luxembourg law.

Pursuant to the legislation and regulations in force, the Company is subject to an annual subscription duty ("*taxe d'abonnement*") of 0.05% which is payable quarterly and calculated on the basis of the net assets of each Sub-Fund on the last day of each quarter. A reduced subscription tax rate of 0.01% per annum is also applicable to any Sub-Fund or Class provided that their Shares are only held by one or more Institutional Investors.

Pursuant to Article 175 (a) of the amended 2010 Law, the net assets invested in undertakings for collective investment already subject to the ("*taxe d'abonnement*") are exempt from this tax.

Note 9 - "Swing Pricing"

On any Valuation Day the Board of Directors of the Company may determine to apply an alternative Net Asset Value calculation method (to include such reasonable factors as they see fit) to the Net Asset Value per Share. This method of valuation is intended to pass the estimated costs of underlying investment activity of the Company to the active Shareholders by adjusting the Net Asset Value of the relevant Share and thus to protect the long-term Shareholders from costs associated with ongoing subscription and redemption activities. Such adjustment may vary from Sub-Fund / Class and will not exceed 2% of the original Net Asset Value per Share.

This alternative Net Asset Value calculation method may take account of trading spreads on the Company's investments, the value of any duties and charges incurred as a result of trading and may include an allowance for market impact. Where the Board of Directors of the Company, based on the prevailing market conditions and the level of subscription or redemptions requested by Shareholders or potential Shareholders in relation to the size of the relevant portfolio, have determined for a particular portfolio to apply an alternative Net Asset Value calculation method, the portfolio may be valued either on a bid or offer basis.

VIVACITY FUNDS

Notes to the financial statements (continued)

as at 31st December 2022

Because the determination of whether to value the Net Asset Value on an offer or bid basis is based on the net transaction activity of the relevant Valuation Day, Shareholders transacting in the opposite direction of the Company's net transaction activity may benefit at the expense of the other Shareholders in the Company. In addition, the Net Asset Value and short-term performance may experience greater volatility as a result of this alternative Net Asset Value calculation method.

At the date of the financial statements, there was no "Swing Pricing" applied to the Net Assets Value of the Company's Sub-Funds.

Note 10 - Events

A new prospectus has been issued in January 2022 and received the CSSF visa.

The Board of Directors decided to launch the share class B Capitalization in the Sub-Fund VIVACITY FUNDS - VFF GLOBAL CAPITAL.

The initial subscription period in the Share Class should be from 15th February 2022 to 28th February 2022 ("the Initial Offering Period") (before noon Luxembourg time). Subscriptions should be accepted at a price per Unit of EUR 100 and with payment value date 28th February 2022.

Note 11 - Subsequent events

There are no significant subsequent events.

VIVACITY FUNDS

Additional information (unaudited)

as at 31st December 2022

1 - Risk management

As required by Circular CSSF 11/512 as amended, the Board of Directors of the Company needs to determine the global risk exposure of the Company by applying either the commitment approach or the VaR ("Value at Risk") approach.

In terms of risk management, the Board of Directors of the Company decided to adopt the commitment approach as a method of determining the global exposure.

2 - Remuneration

The Management Company has established a remuneration policy for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profiles of the Management Company or the Company, that are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles or the Company's Articles.

The remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and the Company and of its shareholders, and includes measures to avoid conflicts of interest.

The variable remuneration is granted on the basis of the results of the performance assessment process. It shall be based on relevant, pre-determined and measurable criteria linked to the Management Company's corporate values, business strategy goals, long-term interests of its shareholders and clients, and risk management.

The remuneration policy also ensures that fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

This remuneration policy takes into account the principle of proportionality, which allows procedures, mechanisms and organizational structure to be calibrated to the nature, scale and complexity of the Management Company business and to the nature and range of activities carried out in the course of its business.

	Headcount	Fixed Remuneration	Variable Remuneration
Authorised Management	3	428,875.77	50,700.00
Employees	26	1,704,866.75	390,950.00
Total	29	2,133,742.52	441,650.00

This table reflects the total remuneration amounts paid during the year starting on 1st January 2022 and ending on 31st December 2022.

The headcount is therefore related to this remuneration and includes all employees under the payroll during this period.

Information related to the remuneration policy of Andbank Asset Management Luxembourg is located in the prospectus.

A paper copy may be obtained free of charge upon request at the Company's registered office.

VIVACITY FUNDS

Additional information (unaudited) (continued)

as at 31st December 2022

3 - Information concerning the transparency of securities financing transactions and of reuse of cash collateral (regulation EU 2015/2365, hereafter "SFTR")

During the reporting period, the Company did not engage in transactions which are subject to the publication requirements of SFTR. Accordingly, no information concerning the transparency of securities financing transactions and of reuse of cash collateral should be reported.

4 - Sustainability-related disclosures

In accordance with the requirements of the EU Regulations 2019/2088 and of the Council of 27th November 2019 on sustainability -related disclosures in the financial services sector (the "SFDR") as amended, the Sub-Funds are categorised under SFDR Article 6.

The investments underlying these financial products do not take into account the EU criteria for environmentally sustainable economic activities.