

Unaudited semi-annual report as at 30th June 2020

Lancelot Ector

Investment Company (SICAV), Luxembourg

R.C.S. Luxembourg B54040



Subscriptions are received solely on the basis of the most recent prospectus and Key Investor Information Document (which may be read under fundinfo.fundrock.com) and the latest audited annual report at 31st December and, if more recent, the unaudited financial statements at 30th June.

Lancelot Ector

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Organisation

Registered office

H2O building
33, rue de Gasperich
L-5826 Hesperange

Board of Directors of the SICAV

Chairman
Tobias JÄRNBLAD
Managing Director
Lancelot Asset Management AB, Stockholm, Sweden

Per LJUNGBERG
Deputy Managing Director
Lancelot Holding AB, Stockholm, Sweden

Rikard LUNDGREN
Independent Director
SteenDier Sàrl, Mondorf-les-Bains, Luxembourg

Management Company

FundRock Management Company S.A.
H2O building
33, rue de Gasperich
L-5826 Hesperange

Board of Directors of the Management Company

Chairman
Michel Marcel VAREIKA
Independent Non-Executive Director
Luxembourg

Members
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Executive Director - Managing Director
FundRock Management Company S.A., Luxembourg

Eric MAY
Non-Executive Director
Founding Partner
BlackFin Capital Partners, Paris

Tracey MCDERMOTT
Independent Non-Executive Director, Luxembourg

Grégory NICOLAS
Executive Director - Co-Managing Director
FundRock Management Company S.A., Luxembourg
(until 26th June 2020)

Xavier PARAIN
Executive Director - Chief Executive Officer
FundRock Management Company S.A., Luxembourg

Serge RAGOZIN
Executive Director - Deputy Chief Executive Officer
FundRock Management Company S.A., Luxembourg

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Organisation (continued)

Depository	Skandinaviska Enskilda Banken AB (publ) - Luxembourg Branch (formerly Skandinaviska Enskilda Banken S.A.) 4, rue Peterelchen L-2370 Howald
Central Administration Agent	FundRock Management Company S.A. H2O building 33, rue de Gasperich L-5826 Hesperange
Sub-Administrative, Transfer Agent and Registrar Agent	European Fund Administration S.A. 2, rue d'Alsace L-1122 Luxembourg
Investment Manager	Lancelot Asset Management AB Nybrokajen 7, PO Box 16172 SE-103 23 Stockholm
Auditor	PricewaterhouseCoopers, Société coopérative 2, rue Gerhard Mercator L-2182 Luxembourg
Global Distributor	Lancelot Asset Management AB Nybrokajen 7, PO Box 16172 SE-103 23 Stockholm

Lancelot Ector

General information

Lancelot Ector (the "Company") is an open-ended investment Company incorporated on 28th February 1996 under the laws of the Grand Duchy of Luxembourg as a "*Société d'Investissement à Capital Variable*" ("SICAV"). The Company is registered under Part I of the amended Law of 17th December 2010 relating to undertakings for collective investment.

The EU Savings Directive has been abrogated with effect in Luxembourg from 1st June 2016 and replaced by the Common Reporting Standards described in the current prospectus.

On 1st June 2016, the Luxembourg Memorial C has been replaced by RESA (Recueil Electronique des Sociétés et Associations), the new official electronic platform of central publication regarding companies and associations. Publications made after 1st June 2016 are available on this new platform accessible through the website of the Registre de Commerce et des Sociétés.

The Company is structured as an umbrella fund. At the date of the present financial statements, the Company has only one active Sub-Fund:

- Lancelot Ector - Master Fund (the "Fund"); expressed in SEK.

The Company issues shares of Class B which can be subscribed and redeemed at the registered office of the Company or the Administrative Agent, through any Distributor or Placement Agent and/or any sub-distributor or sub-placement agent.

The B Class of Shares corresponding to the Lancelot Ector - Master Fund are issued in the form of categories being accumulation shares and dividend shares.

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

Subscription and redemption prices are available at the registered office of the Company.

Financial reports of the Company are published annually and semi-annually. At the date of the financial statements, one Sub-Fund is offered for sale. As a consequence, the financial statements of the Sub-Fund Lancelot Ector - Master Fund reflect also the global situation of the Company.

These reports, as well as the offering prospectus, and all information concerning the Company can be obtained at the offices of the registered office of the Company.

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Report from the Investment Manager

Dear Shareholders,

Lancelot Ector SICAV (“the Company”) was established as an umbrella fund on 28th February 1996.

Total subscriptions to the Master Fund, initially launched on 13th March, 1996 at SEK 10.00 per share, amount to 9,822,868.802 million capitalisation shares and 4,957,135.542 million distribution shares as of 30th June 2020, representing total assets of SEK 443,435,124 million. The net asset value per capitalisation share was SEK 35.39 i.e. increase of 253.90 % after fees from launch date and decrease of 2.43 % during the first six months of 2020.

The Master Fund is a so-called balanced fund, which seeks to achieve long-term growth from diversified investments both in equities and bonds. The asset allocation is flexible with the equity part invested in Swedish listed stocks but with the additionally possibility of international diversification. The bond portion of the portfolio shall to a considerable extent be invested in Swedish bonds with low credit risks.

Global economy and financial markets (market review)

In a downbeat set of forecasts, the OECD said in its June Economic Outlook that although developed economies are likely to experience a rapid initial bounce-back from the current recession, it would probably fall short of bringing living standards back to their pre-pandemic level in early 2020. The economic impact of the coronavirus on unemployment, corporate bankruptcy and adjustments to normal life forced by social distancing would be large and would prevent a normal economic recovery from recession. The strict lockdowns and travel restrictions imposed by countries around the world have led to a steep decline in business activity. Global supply chains have been halted, inequality and debt levels have soared, and confidence levels have fallen. The international organisation published two forecasts for global growth: the first assuming there is a second wave of virus infections, and a second assuming a second wave is avoided. In the first scenario, the OECD said global growth will contract by 7.6 % in 2020 and remain well short of its pre-crisis level by the end of next year. If there is no second wave, the OECD forecasted that the world economy will still shrink by 6 % in 2020 but will recover to almost pre-crisis levels by the end of 2021. France, the UK, Spain, and Italy are expected to face the sharpest economic contractions this year. Growth in the US is also expected to contract by 7.3 % in the single-hit scenario and by 8.5 % if there is a second wave. Meanwhile, the OECD said that unemployment in the median OECD economy this year is expected to be at the highest level for 25 years, and ease only slowly in 2021. Furthermore, emerging economies are also expected to be badly hit. Countries like Brazil and Argentina rely on demand from advanced economies, which are struggling. Commodity producers with limited financial buffers and low-income countries with underdeveloped domestic financial markets and a small investor base are, according to OECD, likely to be particularly affected.

In March, the Federal Reserve (the Fed) lowered the federal funds rate twice to a target range of 0-0.25 per cent to support the economic activity as the effects of the coronavirus on the economy began to materialize. In its June statement, all members but two of the Fed’s deciding committee predicted that it would keep interest rates close to zero until at least the end of 2022. The Fed also left the pace of asset purchases unchanged. The central bank does not want to repeat the mistakes of the last cycle (2018) in which the Fed repeatedly indicated that policy would soon need to be tighter, thereby risking tighter financial condition that stifles economic activity. The primary objective is to return employment to pre-virus level and absent inflationary pressures (low probability presently), the Fed will not tighten policy until the labour market is largely healed. As a reminder, the unemployment rate was around 3-4 % before the coronavirus hit the global economy compared to the latest figure of 13 %. With the global economy at a standstill, the European Central Bank (ECB) introduced various programmes to support liquidity conditions and maintain money market functions. With favourable refinancing terms for the European banks, the hope is that this will increase incentives for them to add credit into the real economy. Unfortunately, with vulnerable balance sheets, the probability of banks taking on more risk by increasing lending during today’s very uncertain times is low. The bank also launched a euro 750 billion Pandemic Emergency Purchase Programme (PEPP), which later was expanded to euro 1350 billion and extended from the end of 2020 to until mid-2021, or until necessary. The temporary asset purchase programme of private and public sector securities is aimed at easing financial condition in the whole euro area and avoid any fragmentation of the financial conditions, i.e. mitigating pressure on intra-euro spreads. Meanwhile, the Bank of Japan (BoJ) kept monetary settings, including the yield curve control policy, steady but stated that it was prepared to take additional easing measures if necessary. The priority for the BoJ and for other central banks is to help businesses ride out the pandemic to head off a wave of

bankruptcies. To that end, the BoJ enlarged its coronavirus lending programme which provides zero interest loans to banks if they boost lending to companies. The Swedish Riksbank decided to leave the benchmark rate unchanged at zero per cent and to continue purchases of government and mortgage bonds up to the end of September 2020. In addition, the bank took decisions to facilitate credit supply in the Swedish economy and counteract a rise in interest rates to households and companies as the virus crisis has increased uncertainty.

The currency market followed the global macro development in the first half of the year and the US dollar initially spiked with the outbreak of the coronavirus while high-beta currencies underperformed. At mid-year financial markets were pricing in a recovery and the US currency fell back. In a global zero-interest rate world currencies will probably need to react more to the speed, extent and quality of the recovery, differences in unconventional policies, size of deficits and valuation. The Swedish krona recovered in the second quarter (the Riksbank's KIX-index) and ended the period somewhat stronger. With cross-market correlation elevated, the commodity space also followed the recession playbook and the Refinitiv/Core Commodity CRB index fell sharply but recovered almost half of the initial fall. High cross-asset correlations are typical at turning points in the cycle, when extreme positioning drive both broad selling as the global economy enters recession followed by buying as the economy enters expansion. Crude oil (Brent) collapsed by 70 % before staging a partial recovery during the second quarter. Crude consumption dropped by as much as one-third at the height of the coronavirus crisis in April, as lockdowns and travel restrictions forced people to stay home. With signs of demand recovering from low levels, there is a growing consensus across the industry that the impact of the virus may accelerate longer-term structural changes. The current drop in demand, coupled with increasing environmental consciousness among investors, could discourage oil producers from investing into projects in more remote areas with long lead times. Less supply could of course lead to a spike in prices in a couple of years, but by that time electric vehicles should be more competitive and higher petrol prices will therefore accelerate a switch from petrol and diesel, further hurting demand for crude. The price of gold was up 17 % while prices for industrial metals were down.

Global stock markets were mostly in the red in the first half of 2020 but showed positive momentum in the second quarter with signs of the global economy transitioning from crisis to growth. Sectors that did particularly well were health care and information technology, while capital intensive and debt heavy sectors like energy, real estate, industrials, and financials were punished. The poor performance for financials reflected the fear of coming credit losses. In the EU, stock markets declined by 12.6 per cent in local currency terms (MSCI). The Nordic region was down by 2.8 per cent (Denmark +8 per cent). Among the big European bourses Switzerland (-5.8 per cent) and the Netherlands (-1.8 per cent) outperformed. In Sweden, the equity market fell by 6.5 per cent. The North American region held up well thanks to the big US technology companies and equity markets declined by 3.4 per cent (the US market -3.1). The Pacific region excluding Japan ended the first six months 13.1 per cent lower, while the Japanese market dropped by 8.9 per cent.

The world index decreased by 6.22 per cent in local currency terms, and by 7.06 per cent in Swedish krona terms.

The Fund (performance review)

As of 30th June 2020, the Swedish equity exposure, including a negative Swedish index position, amounted to 9.29%, international equity exposure amounted to 14.21%, bonds amounted to 66.47% and cash and other assets amounted to 10.04% of total net asset value. The duration of the bond portfolio at the turn of the year was 0.2 years

Some changes were made in the equity portfolio during the first half of the year. Even if the current recession now is in the process of turning to growth, policymakers continue to face huge challenges in delivering on their inflation mandates. Doing so will require a degree of monetary and fiscal coordination even after the crisis is over, i.e. bond yields are likely to remain subdued. An initial position in three technology companies were added to the portfolio, namely ASML (world leader in photolithography systems used by the semiconductor industry), Alphabet (a holding company, with Google, the internet media giant, as a wholly owned subsidiary) and Salesforce (provides enterprise cloud computing solutions). These companies have all attractive future growth possibilities, but the opportunities come with an above-average valuation. For such so-called long duration assets, where most of today's estimated valuation is a function of future cash-flows (more precisely the terminal value), a low discount rate (bond yield) is a vital tailwind. At the same time, any signs of a slowdown of future growth rates could lead to huge negative price reactions. The three stocks were all bought during the crisis when equity markets were weak. Further, a position in ABB was established. The outlook for ABB's near and medium-term fundamentals will depend on the success of the new management's efforts to increase profitability, which has lagged. The

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Report from the Investment Manager (continued)

restructuring plan aims to put more P&L responsibility at the divisional level which should lead to better choices from the divisional managers regarding product bids and capital allocation. At this stage, focus is on profitability and not on growth. The position in Loomis was sold with a loss. The company offers cash in transit, analysis, planning, cash management services and international services for banks, retailers, and other companies. The lockdown around the world have caused a surge in online shopping and a sudden drop in cash usage. This is a headwind for Loomis and could harbingers a permanent shift in consumer spending with increases in debit card transactions. Global financial markets were all hit by the virus crisis and the only safe asset was cash as markets feared a high possibility of deflation, i.e. negative or very low inflation. Consequently, equity prices together with gold moved lower, bond yields fell but credit spreads widened, and volatility spiked. The fund's bond portfolio was initially hit by widening credit spreads which were much larger than the underlying fall in bond yields. Market illiquidity also exaggerated the negative price action. It is as always of paramount importance to distinguish between the price and the value of an asset. If, as we judge is the case for all the bond portfolio's twenty positions, the credit worthiness is unaffected by the present situation, spreads will narrow, and prices finally revert to par when the bonds mature and the face value together with paid coupons will be the final return of the investments. The bonds value at any time in between purchase and maturity is of no interest unless one needs to sell them. Most of the bond holdings have the Kingdom of Sweden as explicit or implicit backer and the others have high credit worthiness. Indeed, during the latter part of the reporting period credit spreads did narrow at a quick pace, though not yet fully reversing the initial surge. Further, it is worth noting that Swedish government bills and bonds up to 10 years are negative and will not yield a positive nominal return at these levels. With this backdrop corporate bonds of high quality are the alternative but need to be monitored carefully.

During the first six months of 2020 the value of the Fund decreased by 2.43 %. The main positive contributors to the Fund's performance were EQT, Danaher and ASML, while Loomis underperformed. Performance from the bond portfolio was as mentioned above moderately negative as credit spreads widened.

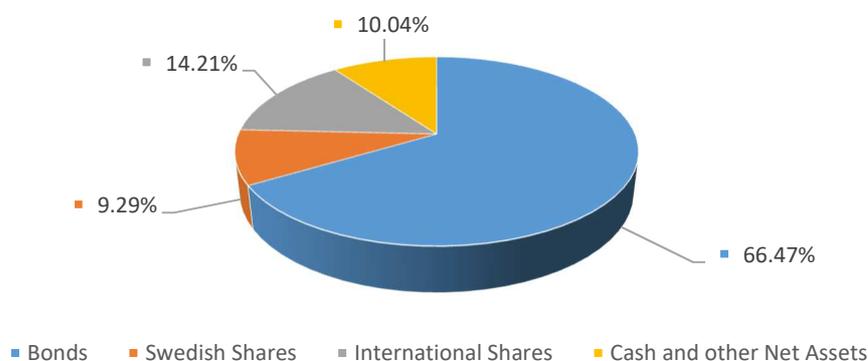
Some increase in virus infections was always probable as economies exited the lockdowns. A likely scenario going forward is a string of rolling, local lockdowns in various places, but for lack of political will no nationwide shutdowns. What infection rate is tolerable will vary by country and state depending on available resources. Consequently, after an initial economic surge due to pent-up demand, the economic recovery would limp along in this situation. Even a slow simmer of infections may keep plenty of people wary of leaving their homes for precautionary reasons and thereby hampering them from engaging in normal economic activity. Under such a scenario it would take the world economy a few years to return to previous peaks in GDP. What would the global economy look like? Probably bifurcated, with some industries and segments learning to grow around the virus while other will have a hard time doing so within their existing business models and will repeatedly push for a more rapid reopening and be a recurring source for new infections. If financial markets suffer a severe setback and signals a rapid deterioration of economic activity, the pressure on governments to put a floor under the global economy by expanding the existing extraordinary fiscal packages will increase. This would help the global economy to move forward in a choppy way with unequal outcomes along a suboptimal path, but still forward. If, on the other hand, a vaccine was to be successful, a more optimistic economic scenario would unfold. Until we know more about the economic rebound, the future earnings profile remains unknown. To navigate this extremely uncertain environment with so many unknown variables, it is vital to start off by establishing an appropriate risk level. Only then should possible rewards be considered.

Luxembourg, 2nd July 2020

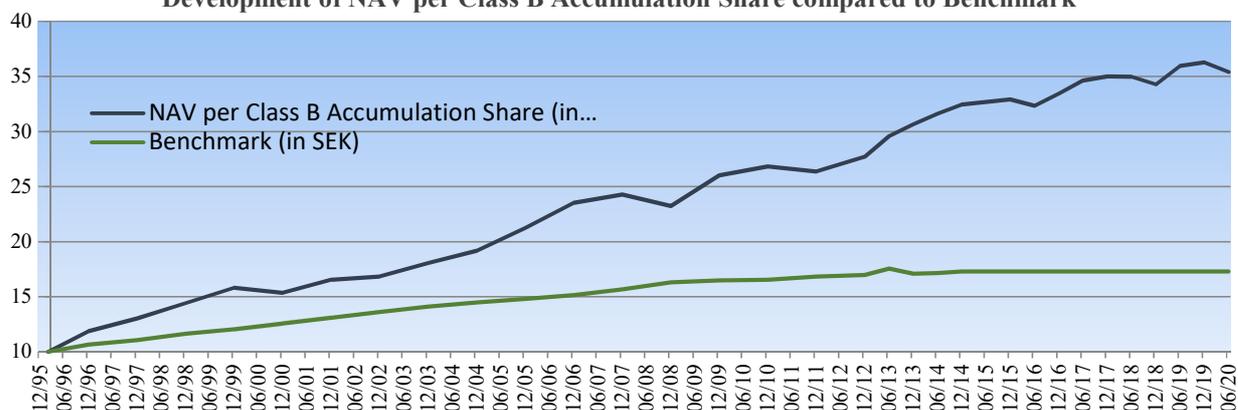
The Board of Directors

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

Lancelot Ector - Master Fund Breakdown of net Assets



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Development of NAV per Class B Accumulation Share compared to Benchmark*



Year	NAV Development	Benchmark Development*
1996**	18.75%	6.56%
1997	9.72%	3.97%
1998	10.84%	5.02%
1999	9.51%	3.53%
2000	-2.97%	4.28%
2001	7.79%	4.31%
2002	1.73%	3.95%
2003	7.22%	3.55%
2004	6.26%	2.77%
2005	10.74%	2.15%
2006	10.86%	2.26%
2007	3.15%	3.44%
2008	-4.28%	4.11%
2009	11.90%	1.19%
2010	3.12%	0.33%
2011	-1.68%	1.61%
2012	5.05%	0.92%
2013	10.69%	0.69%
2014	5.91%	0.79%
2015	1.39%	0.079%
2016	1.55%	0.00%
2017	4.70%	0.00%
2018	-2.03%	0.00%
2019	5.81%	0.00%
2020***	-2.43%	0.00%

* Benchmark used for performance fees calculation

** Relating to the period 15/03/1996 to 31/12/1996, i.e. since the Fund's inception

*** Relating to the period from 01/01/2020 to 30/06/2020

Lancelot Ector - Master Fund

Statement of net assets (in SEK)

as at 30th June 2020

Assets

Securities portfolio at market value	413,257,744
Cash at banks	29,654,794
Income receivable on portfolio	475,167
Unrealised gain on forward foreign exchange contracts	734,148
Prepaid expenses	48,457
Total assets	444,170,310

Liabilities

Bank overdrafts	7,329
Redeemable cash collateral received	70,000
Bank interest payable	85
Expenses payable	657,772
Total liabilities	735,186

Net assets at the end of the period	443,435,124
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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 SEK)
B CAP	9,822,868.802	SEK	35.39	347,634,059
B Dividend	4,957,135.542	SEK	19.33	95,801,065
				443,435,124

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

Lancelot Ector - Master Fund

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

from 1st January 2020 to 30th June 2020

Income	
Dividends, net	637,929
Interest on bonds and other debt securities, net	2,502,265
Bank interest	3
Total income	3,140,197
Expenses	
Management fees	2,275,789
Transaction fees	100,799
Central administration costs	325,973
Professional fees	89,595
Other administration costs	201,890
Subscription duty ("taxe d'abonnement")	108,543
Bank interest paid	12,115
Other expenses	181,376
Total expenses	3,296,080
Net investment loss	-155,883
Net realised gain/(loss)	
- on securities portfolio	967,423
- on forward foreign exchange contracts	461,292
- on foreign exchange	-47,972
Realised result	1,224,860
Net variation of the unrealised gain/(loss)	
- on securities portfolio	-13,076,317
- on forward foreign exchange contracts	364,645
Result of operations	-11,486,812
Dividends paid	-2,516,738
Subscriptions	3,618,874
Redemptions	-15,077,844
Total changes in net assets	-25,462,520
Total net assets at the beginning of the period	468,897,644
Total net assets at the end of the period	443,435,124

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

Lancelot Ector - Master Fund

Statistical information (in SEK)

as at 30th June 2020

Total net assets	Currency	31.12.2018	31.12.2019	30.06.2020
	SEK	487,510,382	468,897,644	443,435,124

Net asset value per share class	Currency	31.12.2018	31.12.2019	30.06.2020
B CAP	SEK	34.28	36.27	35.39
B Dividend	SEK	19.59	20.31	19.33

Number of shares	outstanding at the beginning of the period	issued	redeemed	outstanding at the end of the period
B CAP	10,150,716.234	100,382.577	-428,230.009	9,822,868.802
B Dividend	4,957,135.542	-	-	4,957,135.542

Dividends paid	Currency	Dividend per share class	Ex-dividend date
B Dividend	SEK	0.5077	10.01.2020

Lancelot Ector - Master Fund

Statement of investments and other net assets (in SEK) as at 30th June 2020

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>Investments in securities</u>					
<u>Transferable securities admitted to an official stock exchange listing</u>					
Shares					
Financials					
SEK	35,400	EQT AB Reg	3,708,817	5,917,110	1.33
SEK	25,050	Investor AB B	10,913,152	12,317,085	2.78
SEK	60,000	Nordea Bank Abp Reg	4,048,950	3,858,600	0.87
SEK	47,500	Skandinaviska Enskilda Bk AB A	4,268,961	3,833,250	0.86
			22,939,880	25,926,045	5.84
Healthcare					
USD	1,800	Becton Dickinson & Co	4,009,132	4,013,649	0.90
USD	9,750	Danaher Corp	6,013,692	16,067,163	3.62
CHF	14,000	Novartis AG Reg	9,274,264	11,351,460	2.56
CHF	1,300	Roche Holding Ltd Pref	4,314,548	4,199,247	0.95
			23,611,636	35,631,519	8.03
Industrials					
SEK	43,200	ABB Ltd Reg	8,258,194	9,028,800	2.04
SEK	53,000	Volvo AB B	6,370,448	7,732,700	1.74
			14,628,642	16,761,500	3.78
Non-cyclical consumer goods					
GBP	86,500	Britvic Plc	5,130,499	7,670,056	1.73
Technologies					
USD	365	Alphabet Inc C	4,378,028	4,808,406	1.08
EUR	1,750	ASML Holding NV	4,902,833	5,988,895	1.35
USD	6,600	Fortive Corp	3,400,626	4,161,545	0.94
USD	2,750	Salesforce.com Inc	4,528,993	4,800,856	1.08
SEK	82,500	Telefon AB LM Ericsson B	5,184,490	7,108,200	1.60
			22,394,970	26,867,902	6.05
Total shares					
			88,705,627	112,857,022	25.43
Bonds					
Corporate bonds					
SEK	18,000,000	Akademiska Hus AB FRN EMTN Sen 19/20.06.24	18,536,940	18,254,610	4.12
SEK	20,000,000	Castellum AB FRN MTN Sen 17/02.10.24	20,000,000	19,727,600	4.45
SEK	8,000,000	Getinge AB FRN MTN Ser 104 Sen 18/21.05.21	7,976,000	8,016,200	1.81
SEK	8,000,000	ICA Gruppen AB FRN Ser 111 Sen 19/04.03.22	8,000,000	8,006,840	1.81
SEK	16,000,000	Jernhusen AB FRN DMTN Ser MTN121GB Sen 18/17.04.23	16,226,560	16,056,800	3.62
SEK	7,000,000	Jernhusen AB FRN Ser 104 13/19.09.23	7,273,910	7,075,600	1.60
SEK	10,000,000	PostNord AB FRN DMTN Ser 116 Sen 19/28.05.24	10,000,000	9,852,250	2.22
SEK	20,000,000	Rikshem AB FRN DMTN Ser 144 Sen 18/01.02.23	19,961,600	19,889,500	4.49
SEK	20,000,000	Scania CV AB FRN EMTN Ser 62 16/06.09.21	20,037,376	19,918,200	4.49
SEK	20,000,000	Storebrand Livsforsikring AS FRN Sub 17/21.11.47	19,990,000	20,011,200	4.51
SEK	20,000,000	Sveaskog AB FRN 14/06.03.24	20,408,000	20,185,200	4.55
SEK	20,000,000	Sveaskog AB FRN Sen 14/30.10.23	20,000,000	20,118,000	4.54
SEK	17,500,000	Swedavia AB VAR Jun Sub 19/26.02 Perpetual	17,603,125	17,115,962	3.86
			206,013,511	204,227,962	46.07
Financial Institution bonds					
SEK	18,000,000	Danske Bank A/S FRN EMTN Sen Reg S 18/25.01.23	18,000,000	17,762,580	4.01
SEK	20,000,000	Landshypotek Bank AB VAR Jun Sub 17/31.12.Perpetual	21,150,000	20,195,900	4.55
SEK	4,000,000	Lansforsakringar Bank FRN Sub 19/10.07.Perpetual	4,000,000	4,037,720	0.91
SEK	20,000,000	Nordea Bank Abp FRN EMTN Sen Reg S 18/27.06.23	20,000,000	19,916,400	4.49
SEK	8,000,000	SBAB Bank AB FRN Jun Sub 19/05.12.Perpetual	8,000,000	8,075,160	1.82
			71,150,000	69,987,760	15.78

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

Lancelot Ector - Master Fund

Statement of investments and other net assets (in SEK) (continued) as at 30th June 2020

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
Municipal bonds					
SEK	20,000,000	Stockholm (City of) FRN EMTN Sen Reg S 19/21.05.24	20,720,800	20,485,300	4.62
Total bonds			<u>297,884,311</u>	<u>294,701,022</u>	<u>66.47</u>
<u>Open-ended investment funds</u>					
Tracker funds (UCI)					
Investment funds					
SEK	135,000	XACT BEAR Units Dist	9,928,098	5,699,700	1.29
Total tracker funds (UCI)			<u>9,928,098</u>	<u>5,699,700</u>	<u>1.29</u>
Total investments in securities			<u>396,518,036</u>	<u>413,257,744</u>	<u>93.19</u>
Cash at banks				29,654,794	6.69
Bank overdrafts				-7,329	0.00
Other net assets/liabilities				529,915	0.12
Total				<u><u>443,435,124</u></u>	<u><u>100.00</u></u>

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

Note 1 - Significant accounting policies

a) Presentation of the financial statements

The financial statements of the Company are established 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

- 1) Securities admitted to official listing on a stock exchange or which are traded on another regulated market which operates regularly and is recognised and open to the public within the EU or the OECD Member States are valued on the base of the last known sales price. If the same security is quoted on different markets, the quotation of the main 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 done in good faith by the Board of Directors or its delegate with a view to establishing the probable sales prices for such securities.
- 2) Non-listed securities are valued on the basis of their probable sales price as determined in good faith by the Board of Directors and its delegate.
- 3) Liquid assets are valued at their nominal value plus accrued interest.
- 4) Time deposits are valued at their yield value if a contract exists between the Company and the Depository stipulating that these time deposits can be withdrawn at any time and their yield value is equal to the realized value.
- 5) All assets denominated in a different currency than the respective Sub-Fund's currency are converted into this respective Sub-Fund's currency at the exchange rates used for the respective Valuation Day.
- 6) Financial instruments which are not traded on the futures exchanges but on a regulated market are valued at their settlement value, as stipulated by the Company's Board of Directors in accordance with generally accepted principles, taking into consideration the principles of proper accounting, the customary practices in line with the market, and the interests of the shareholders, provided that the above-mentioned principles correspond with generally accepted valuation regulations which can be verified by the auditor.

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

The net realised gain/(loss) on securities portfolio is determined on the basis of the average cost of securities sold.

d) Cost of securities

The acquisition cost of a security denominated in a currency other than that of the Sub-Fund is converted to the Sub-Fund's currency at the exchange rate prevailing on the date of purchase.

e) Exchange translation

Bank balances, other assets and liabilities and the value of securities held that are denominated in other currencies than the Sub-Fund's currency are converted at the prevailing exchange rate of the closing day. Income and expenses incurred in currencies other than the Sub-Fund's currency are converted at the prevailing exchange rate of the day of each transaction. Exchange gains and losses are disclosed in the statement of operations and other changes in net assets.

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Notes to the financial statements (continued)

as at 30th June 2020

At the date of the financial statements, the prevailing exchange rates on the closing day were as follows:

1	SEK	=	0.1016504	CHF	Swiss Franc
			0.0955226	EUR	Euro
			0.0868377	GBP	Pound Sterling
			0.1073053	USD	US Dollar

f) Investment income

Dividend income is recognised on an ex-dividend basis and is disclosed net of withholding tax.

Interest income is accrued on a *pro rata temporis* basis, net of any withholding tax.

g) Forward foreign exchange contracts

Forward foreign exchange contracts are valued at prevailing market rates for the remaining period from valuation day to the maturity of the contracts. Unrealised gain/(loss) is disclosed in the statements of net assets. Net variation of the unrealised gain/(loss) and the net realised gain/(loss) are disclosed in the statement of operations and other changes in net assets.

h) Transaction fees

Transaction costs disclosed under the title "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 relating to purchases or sales of securities and of fees relating to liquidation of transactions paid to the Depository.

Note 2 - Subscription, redemption and conversion fees

Shares of Class B are subscribed at an issue price based on the Net Asset Value per Share on the relevant Valuation Day.

The price to be paid in respect of each share tendered for redemption (the "Redemption Price") is the Net Asset Value.

Note 3 - Management fees

For infrastructure supplies, the Management Company is entitled to receive out of the Sub-Fund's assets a fee of maximum 0.025% p.a.. This fee is payable monthly in arrears based on the Sub-Fund's net assets calculated daily during the relevant month.

For its services, the Investment Manager, Lancelot Asset Management AB, Stockholm, is entitled to receive an Investment Management Fee received by the Management Company on behalf of the Investment Manager of maximum 1% p.a.. This fee is payable monthly in arrears based on the Sub-Fund's net assets calculated daily during the relevant month.

These fees are disclosed under the title "Management fees" in the statement of operations and other changes in the net assets.

Note 4 - Performance fees

A Performance Fee is paid out of the Sub-Fund's assets to the Investment Manager. The Performance Fee is 15% of the amount by which the relevant Sub-Fund's total return, based on the Net Asset Value at the beginning and at the end of the relevant year and after accrual of the fixed fee, outperforms on a year to year basis the agreed benchmark return.

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Notes to the financial statements (continued)

as at 30th June 2020

The benchmark return is the higher of:

- a) 0 percent
- b) The twelve months rate of interest Interpolated between Swedish Treasury Bills and/or Swedish Government Bonds at 31st December of the prior year, as published in the financial media or any corresponding benchmark approved by the Board of Directors of the Company.

With effect from 1st January 2017, for a calendar year when the Sub-Fund underperforms the agreed Benchmark return no performance fee is paid and the amount of the relative underperformance from that year shall remain relevant for coming years (as a High Water Mark). This means that at a forthcoming year with outperformance compared to the Benchmark return, no performance fee is paid until the amount of underperformance from previous year is fully recovered.

On 1st January 2020, the Benchmark return was determined by interpolating between the market rate of the Swedish Government Bond 1047 with maturity on 1st December 2020 and the market rate of the Swedish Government Bond 1054 with maturity on 1st June 2022 (the "Market Rates"). Since this rate was negative the Benchmark return shall be 0 percent for the year 2020.

At the date of the financial statements, no performance fee was recorded.

Note 5 - Central administration costs

For its services to the Company, the Management Company is entitled to receive, out of the Sub-Fund's assets an administration fee of maximum 0.13% p.a. payable monthly in arrears based on the Sub-Fund's net assets calculated daily during the relevant month with a minimum fee of EUR 3,330 per month. This fee includes the fee due to the Depositary.

The Management Company is furthermore entitled to receive out of the Sub-Fund's assets for the Registrar and Transfer Agent function an annual flat fee per share Class, in accordance with Luxembourg customary banking practice.

These fees are disclosed under the title "Central administration costs" in the statement of operations and other changes in the net assets.

Note 6 - 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.

According to Article 175 (a) of the amended Law of 17th December 2010 the net assets invested in Undertakings for Collective Investments already subject to the "*taxe d'abonnement*" are exempt from this tax.

Note 7 - Independent Director's fees

Independent Director's fees of SEK 115,787 are included in the title "Other expenses" in the statement of operations and other changes in net assets.

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Notes to the financial statements (continued) as at 30th June 2020

Note 8 - Forward foreign exchange contracts

As at 30th June 2020, the Sub-Fund is committed in the following forward foreign exchange contracts with Skandinaviska Enskilda Banken AB (publ) – Luxembourg Branch (formerly Skandinaviska Enskilda Banken S.A., Luxembourg):

Lancelot Ector - Master Fund

Currency	Purchases	Currency	Sales	Maturity	Unrealised result (in SEK)
GBP	36,000	SEK	427,864	27.08.2020	-13,443
SEK	2,305,451	CHF	231,116	27.08.2020	29,648
SEK	2,646,244	CHF	269,000	27.08.2020	-2,604
SEK	1,663,484	CHF	169,000	27.08.2020	-663
SEK	598,542	CHF	62,000	27.08.2020	-11,973
SEK	398,594	CHF	41,800	27.08.2020	-13,011
SEK	1,954,036	CHF	200,000	27.08.2020	-15,368
SEK	4,739,980	EUR	448,900	27.08.2020	38,032
SEK	565,924	EUR	54,500	27.08.2020	-4,930
SEK	1,669,056	EUR	160,000	27.08.2020	-6,844
SEK	6,461,847	GBP	548,497	27.08.2020	147,719
SEK	18,599,207	USD	1,924,228	27.08.2020	679,066
SEK	3,551,697	USD	387,000	27.08.2020	-52,394
SEK	442,092	USD	48,000	27.08.2020	-4,927
SEK	1,442,430	USD	157,000	27.08.2020	-19,695
SEK	254,513	USD	27,000	27.08.2020	3,065
USD	38,000	SEK	365,434	27.08.2020	-11,544
USD	650,000	SEK	6,059,368	27.08.2020	-5,985
					<u>734,148</u>

Note 9 - Changes in investment portfolio

The statement of changes in the investment portfolio for the period covered by the report is available free of charge upon request from the registered office of the Company.

Note 10 - Event

On 2nd January 2020, the Depositary and Paying Agent in Luxembourg of the Fund, Skandinaviska Enskilda Banken S.A., transformed into the Luxembourg Branch of its parent company, Skandinaviska Enskilda Banken AB (publ.). This cross-border merger was done by way of absorption between Skandinaviska Enskilda Banken S.A. and Skandinaviska Enskilda Banken AB (publ.).

Note 11 - Subsequent events

There are no significant subsequent events.

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

During the reporting year, 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.