

Annual report including audited financial statements as at 31st December 2023

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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Lancelot Ector

Organisation

Registered office

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

Board Member
Lancelot Asset Management AB, Stockholm, Sweden

Rikard LUNDGREN

Independent Director
SteenDier Sàrl, Ehrlange, Luxembourg

Management Company

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

Board of Directors of the Management Company

Chairman

Michel Marcel VAREIKA
Independent Non-Executive Director

Members

Frank DE BOER
Executive Director
(since 7th August 2023)

Romain DENIS
Executive Director
(until 17th July 2023)

Karl FÜHRER
Executive Director
(since 17th July 2023)

Thibault GREGOIRE
Executive Director
(until 15th September 2023)

Carmel MCGOVERN
Independent Non-Executive Director

Xavier PARAIN
Executive Director
(until 10th February 2023)

David RHYDDERCH
Non-Executive Director
(since 5th May 2023)

Lancelot Ector

Organisation (continued)

Depository	Skandinaviska Enskilda Banken S.A. 4, rue Peternelchen L-2370 Howald
Central Administration Agent	FundRock Management Company S.A. H2O building 33, rue de Gasperich L-5826 Hesperange
Sub-Administrative Agent, Transfer Agent and Registrar Agent	UI efa S.A. (formerly 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

Report from the Investment Manager

Dear Shareholders,

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

Total subscriptions to the Master Fund, initially launched on 13th 1996, at SEK 10,00 per share, amount to 9,117,850.788 capitalisation shares and 10,602,467.039 distribution shares as of 31st December 2023, representing total assets of SEK 592,578,890. The net asset value per capitalisation share was SEK 40.83 i.e., increase of 308.3% after fees from launch date and increase of 7.59% during the year 2023.

The Master Fund is a so-called balanced fund, which seeks to achieve positive inflation-adjusted capital growth over time. The asset allocation is flexible with the equity part invested in Swedish and international stock market listed shares. The bond portion of the portfolio shall to a considerable extent be invested in Swedish bonds with high credit ratings.

Global economy and financial markets (market review)

The year of 2023 was characterised of high but declining inflation in the western hemisphere, and to stem that inflation central banks raised policy rates. Despite some volatility in financial markets during the year, particularly during the banking crisis in March and during the third quarter, equity and bond markets delivered positive returns.

2023 turned out to be almost a reverse of 2022 in terms of stock market and sector returns, where Global stocks returned 19.7% in Swedish krona while Swedish stocks returned 19.2%. In terms of sectors, the previously beaten down global Technology sector returned 48.1%, Consumer Discretionary 30.6%, and Communication Services 40.7%, while the defensive sectors Health Care returned 0.5% and Consumer Staples -0.7%.

Considering stock market styles, similar pattern is clear, where Growth stocks, which had a tough 2022, returned 32.4% during 2023 and Quality stocks 27.6%. Small cap stock and Value stocks, on the other hand returned more modestly 12.2% and 8.4% respectively while low volatility stocks returned 3.5%.

Short interest rates increased throughout the year as central banks hiked policy rates. The 3-month STIBOR rate, which forms a basis for the yield of floating rate loans, increased from 2.7% at the beginning of the year to 4.1% at the end of the year, driving the return of floating rate corporate bonds with investment grade credit rating denominated in Swedish krona to 6.2%.

Long interest rates, on the other hand, decreased throughout the year but the volatility was high. For example, the 5-year Swedish government bond yield started the year at 2.5%, increased to a year-high of 3.2% during September but ended the year at 2.0%. As a result, the return for fixed rate corporate bonds with investment grade credit rating denominated in Swedish krona rallied during the fourth quarter, resulting in a fourth quarter return of 4.7% and a full year return of 7.3%.

The return impact of currency moves was mixed for Lancelot Ector that doesn't hedge currency risk for global stocks. The Swedish krona appreciated versus the US dollar (+3.5%) and the Euro (+0.2%) contributing negatively to Lancelot Ector's performance in Swedish krona. However, as the Swedish krona depreciated versus the British Pound (-1.9%) and the Swiss Franc (-5.9%), contribution from those currencies was positive for Lancelot Ector's performance.

The Fund (performance review)

Lancelot Ector returned 7.6% during 2023, of which about two thirds of the return contribution came from bonds and about one third from stocks.

The fund manager strives to add value to the fund by reflecting changing market views into amended portfolio allocations. Following a strong first half of 2023 for the stock market with solid returns, the fund manager became more cautious and cut the stock weighting from 26 to around 21% at the end of the second quarter. The Swedish stock market fell in total 13% from its highest level in the second quarter to its lowest level during the third quarter. The fund manager changed views and increased the stock weighting to around 30% during the third quarter and

Lancelot Ector

Report from the Investment Manager (continued)

beginning of fourth quarter, and the fund benefitted from a strong fourth quarter when Swedish stocks returned 13%.

Lancelot Ector's stock portfolio is focused on stable companies with low debt, increasing cash flows, attractive profit growth, proven business models, low valuations and low share price volatility, and is diversified geographically as well as sector wise. The individual shares which contributed most positively to Lancelot Ector's return during 2023 were Volvo (+49.0%), Ares Management (+48.5%) and Alphabet (+43.0%). The companies that gave the largest negative return contribution were General Mills (-19.7%), Hufvudstaden (-9.6%, sold) and Ericsson (-7.8%, sold).

Regarding the bond portfolio, the fund manager increased corporate bond holdings and decreased mortgage bonds in the first quarter and the fund benefitted as corporate bonds rallied following the downturn during the banking crisis in March. Around the peak in interest rates during the third quarter, the fund manager increased the interest rate duration from 1.1 years to 1.9 years by increasing holdings in fixed rate corporate bonds and decreasing floating rate corporate bonds. The fund benefitted from the change as fixed rate bonds outperformed floating rate bonds during the third quarter when long interest rates declined sharply.

The individual bonds that contributed most positive to Lancelot Ector's return during 2023 was Hufvudstaden (+11.9%), Castellum (+11.0%) and SBAB (+10.1%). The bonds that gave the largest negative return contribution were Swedbank Hypotek (-0.1%, sold), Nordea Hypotek (+0.3%) and Jernhusen (+0.6%, matured). For those stocks and bonds which provided a negative profit contribution and remain in the fund, as well as all other holdings in Lancelot Ector for that matter, we have full confidence about positive contributions to the fund during 2024.

As of 31st December 2023, the Swedish equity exposure amounted to 13.8%, international equity exposure amounted to 17.0%, bonds amounted to 64.4% and cash amounted to 4.8% of total net asset value.

Outlook for 2024 for the market and for Lancelot Ector

The fund manager is optimistic about the return of stocks during 2024. If inflation decrease in line with market expectations and the US economy avoid entering a recession, global corporate profits should increase by some 7 to 9%.

Regarding interest rates, the fund manager believe that central bank policy rates will not decline as much as the market currently is pricing in. The implication in terms of bond allocations will be that floating rate notes will continue to be attractive during 2024 following the rally in 2023.

The funds aim is to deliver stable returns with moderate risk through active asset allocation, stable equities, and a flexible fixed income strategy. Lancelot Ector's stock portfolio has a p/e ratio of 15.3 for 2024 and a profit growth of 9.3% combined with a dividend yield of 3.1%. We believe the stock portfolio is attractively valued and combined with the fixed income portfolio yield of 5.4% we believe Lancelot Ector is well placed to deliver on its target over the long term.

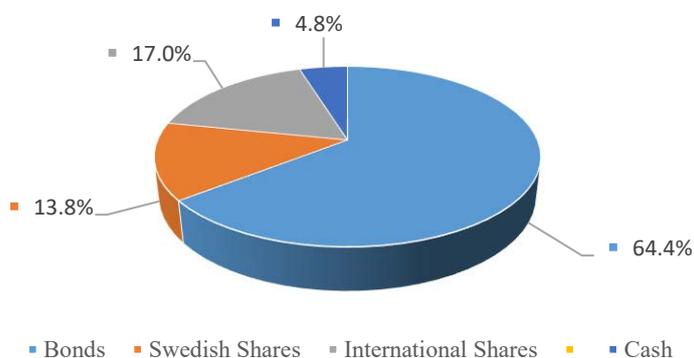
Luxembourg, 23rd January 2024

The Investment Manager

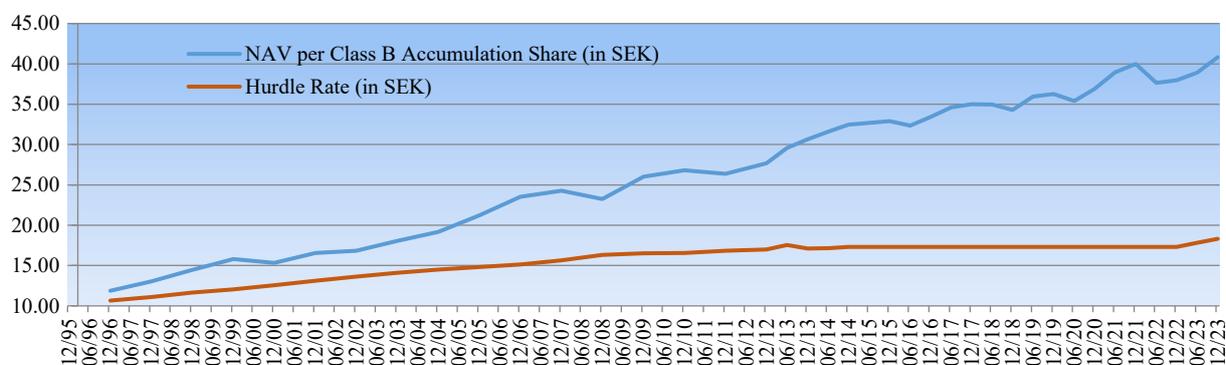
Note: The information in this report represents historical data and is not an indication of future results.

Lancelot Ector
Graphics (unaudited)

Lancelot Ector - Master Fund Breakdown of net Assets*



Lancelot Ector
Development of NAV per Class B Accumulation Share compared to Hurdle Rate**



Year	NAV Development	Hurdle rate 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	1.76%	0.00%
2021	8.34%	0.00%
2022	-5.10%	0.00%
2023	7.59%	2.872%

*Accrued interest on interest bearing instruments is included in the bonds exposure

**Hurdle rate used for performance fees calculation

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



Audit report

To the Shareholders of
Lancelot Ector

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Lancelot Ector (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.

What we have audited

The Fund’s financial statements comprise:

- the statement of net assets as at 31 December 2023;
- the statement of operations and other changes for the year then ended;
- the statement of investments and other net assets as at 31 December 2023; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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

We are 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. We have fulfilled our other ethical responsibilities under those ethical requirements.

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 audit report 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 identified above 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 that 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 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.

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

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 an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 scepticism 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 audit report 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 audit report. 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.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 26 April 2024

Antoine Geoffroy

Lancelot Ector - Master Fund

Statement of net assets (in SEK)

as at as at 31st December 2023

Assets

Securities portfolio at market value	560,897,714
Cash at banks	28,928,358
Income receivable on portfolio	3,465,387
Prepaid expenses	65,101
Total assets	<u>593,356,560</u>

Liabilities

Expenses payable	<u>777,670</u>
Total liabilities	<u>777,670</u>
Net assets at the end of the year	<u><u>592,578,890</u></u>

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	9,117,850.788	SEK	40.83	372,284,672
B Dividend	10,602,467.039	SEK	20.78	<u>220,294,218</u>
				<u><u>592,578,890</u></u>

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 2023 to 31st December 2023

Income

Dividends, net	3,777,802
Interest on bonds and other debt securities, net	15,751,880
Bank interest	266,254
Total income	19,795,936

Expenses

Management fees	5,098,317
Transaction fees	203,471
Central administration costs	726,342
Professional fees	285,287
Other administration costs	316,663
Subscription duty ("taxe d'abonnement")	264,503
Bank interest paid	856
Other expenses	281,433
Total expenses	7,176,872

Net investment income	12,619,064
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Net realised gain/(loss)

- on securities portfolio	7,915,851
- on foreign exchange	-286,370
Realised result	20,248,545

Net variation of the unrealised gain/(loss)

- on securities portfolio	18,156,036
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Result of operations	38,404,581
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Dividends paid	-2,569,992
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Subscriptions	157,866,606
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Redemptions	-32,124,546
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Total changes in net assets	161,576,649
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Total net assets at the beginning of the year	431,002,241
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Total net assets at the end of the year	592,578,890
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The accompanying notes are an integral part of these financial statements.

Lancelot Ector - Master Fund

Statistical information (in SEK)

as at 31st December 2023

Total net assets	Currency	31.12.2021	31.12.2022	31.12.2023
	SEK	486,063,546	431,002,241	592,578,890

Net asset value per share class	Currency	31.12.2021	31.12.2022	31.12.2023
B CAP	SEK	39.99	37.95	40.83
B Dividend	SEK	21.40	19.80	20.78

Number of shares	outstanding at the beginning of the year	issued	redeemed	outstanding at the end of the year
B CAP	8,647,627.049	999,674.928	-529,451.189	9,117,850.788
B Dividend	5,191,903.710	6,000,114.900	-589,551.571	10,602,467.039

Dividends paid	Currency	Dividend per share class	Ex-dividend date
B Dividend	SEK	0.495	11.01.2023

Lancelot Ector - Master Fund

Statement of investments and other net assets (in SEK) as at 31st December 2023

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets*
Investments in securities					
Transferable securities admitted to an official stock exchange listing					
Shares					
Cyclical consumer goods					
SEK	49,158	Bilia AB A Reg	5,511,138	6,616,667	1.12
USD	2,134	Mc Donald's Corp	6,574,247	6,374,980	1.08
			12,085,385	12,991,647	2.20
Financials					
USD	6,413	Apollo Global Management Inc	5,915,840	6,021,097	1.02
USD	2,606	Ares Management LP	2,188,247	3,122,298	0.53
GBP	183,454	Legal & General Group Plc	5,827,005	5,917,375	1.00
SEK	35,819	Lundbergforetagen AB B	16,575,203	19,635,976	3.31
SEK	61,328	Svenska Handelsbanken AB A	6,211,596	6,712,350	1.13
			36,717,891	41,409,096	6.99
Healthcare					
SEK	3,896	AstraZeneca Plc	5,653,342	5,273,236	0.89
USD	943	Elevance Health Inc	4,472,775	4,480,162	0.76
CHF	4,299	Novartis AG Reg	2,869,780	4,367,523	0.74
CHF	1,643	Roche Holding Ltd Pref	5,446,760	4,808,725	0.81
CHF	1,002	Sandoz Group AG Partizsch	185,823	324,570	0.05
			18,628,480	19,254,216	3.25
Industrials					
SEK	18,640	ABB Ltd Reg	6,826,818	8,300,392	1.40
SEK	46,869	Afry AB	6,527,300	6,547,599	1.10
SEK	28,877	Assa Abloy AB B	6,955,574	8,382,993	1.41
SEK	32,205	Volvo AB B	5,898,250	8,428,048	1.42
			26,207,942	31,659,032	5.33
Investment funds					
USD	14,037	Ares Capital Corp	2,653,733	2,832,698	0.48
Non-cyclical consumer goods					
SEK	22,789	Essity AB B Reg	5,735,991	5,697,250	0.96
USD	6,799	General Mills Inc	5,720,640	4,462,085	0.75
CHF	4,177	Nestlé SA Reg	5,157,639	4,875,590	0.82
USD	3,004	Procter & Gamble Co	4,513,918	4,435,077	0.75
			21,128,188	19,470,002	3.28
Raw materials					
SEK	43,496	Stora Enso Oyj R	6,100,497	6,050,294	1.02
Technologies					
USD	4,368	Alphabet Inc A	4,762,549	6,147,422	1.04
EUR	2,737	CapGemini SE	5,672,968	5,748,998	0.97
USD	1,118	Meta Platforms Inc A	3,866,733	3,986,952	0.67
USD	1,400	Microsoft Corp	5,145,323	5,304,044	0.89
USD	4,188	Qualcomm Inc	5,241,431	6,102,533	1.03
			24,689,004	27,289,949	4.60
Telecommunications services					
USD	12,371	Comcast Corp A	5,477,966	5,465,369	0.92
JPY	441,774	Nippon Telegraph & Teleph Corp	5,610,387	5,437,169	0.92
			11,088,353	10,902,538	1.84

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

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 31st December 2023

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets *
Utilities					
EUR	39,770	Iberdrola SA	5,128,524	5,253,355	0.89
GBP	40,073	National Grid Plc Reg	5,558,413	5,446,190	0.92
			10,686,937	10,699,545	1.81
Total shares			169,986,410	182,559,017	30.80
Bonds					
Corporate bonds					
SEK	8,000,000	Afry AB FRN 23/25.05.26	8,000,000	8,103,440	1.37
SEK	4,000,000	Afry AB FRN Ser 105 21/01.12.26	3,905,560	4,014,700	0.68
SEK	16,000,000	Castellum AB 5.348% Ser 441 23/04.12.26	16,000,000	16,396,640	2.77
SEK	16,000,000	Castellum AB FRN Ser 442 23/04.12.26	16,000,000	16,074,960	2.71
SEK	4,000,000	Catena AB FRN 21/16.06.25	3,790,000	3,954,980	0.67
SEK	16,000,000	Elekta AB 1.925% Ser 107 21/14.12.28	13,933,760	14,474,320	2.44
SEK	8,000,000	Getinge AB 4.615% Ser 11 23/17.05.28	8,000,000	8,265,440	1.39
SEK	6,000,000	Heba Fastighets AB FRN Ser MTN 104 21/19.05.25	5,653,500	5,908,950	1.00
SEK	10,000,000	Hufvudstaden AB 1.188% 21/11.03.26	10,008,200	9,482,300	1.60
SEK	10,000,000	Hufvudstaden AB 1.293% Ser 124 21/14.10.26	10,000,000	9,383,350	1.58
SEK	10,000,000	Husqvarna AB 4.154% Ser 126/1 23/14.08.28	10,000,000	10,160,800	1.71
SEK	4,000,000	ICA Gruppen AB FRN 23/18.09.28	4,017,160	4,025,820	0.68
SEK	8,000,000	Indutrade AB 4.635% Ser 114 23/23.02.28	8,000,000	8,210,320	1.38
SEK	2,000,000	Kungsleden AB 1.748% Ser 114 20/23.01.26	1,760,180	1,898,420	0.32
SEK	14,000,000	Loomis AB 4.923% 23/19.05.27	14,000,000	14,324,170	2.42
SEK	8,000,000	Loomis AB FRN Ser 106 23/19.05.27	8,000,000	8,093,520	1.37
SEK	6,000,000	Nibe Industrier AB 4.973% Ser 116 23/01.09.27	6,000,000	6,264,780	1.06
SEK	6,000,000	Nibe Industrier AB FRN 23/01.12.28	6,000,000	6,018,360	1.01
SEK	10,000,000	Rikshem AB 4.51% EMTN 22/06.09.27	10,040,500	10,303,200	1.74
SEK	5,000,000	Sinch AB FRN Sen 19/27.11.24	4,961,050	4,960,900	0.84
SEK	7,000,000	Storebrand Livsforsikring AS FRN 23/02.02.Perpetual	7,003,500	7,026,250	1.19
SEK	20,000,000	Swedavia AB Step-up 23/15.11.Perpetual	20,000,000	20,845,500	3.52
SEK	6,000,000	Tryg Forsikring AS FRN 21/26.05.Perpetual	5,823,000	5,965,710	1.01
SEK	10,000,000	Tryg Forsikring AS FRN 23/20.06.Perpetual	10,000,000	9,950,000	1.68
			210,896,410	214,106,830	36.14
Financial Institution bonds					
SEK	10,000,000	DNB Bank ASA FRN EMTN 23/23.05.33	10,002,500	9,997,450	1.69
SEK	16,000,000	DNB Bank ASA VAR 23/14.09.Perpetual	16,008,000	16,819,040	2.84
SEK	8,000,000	Lansforsakringar Bank AB FRN 23/01.03.33	8,000,000	7,853,200	1.32
SEK	10,000,000	Lansforsakringar Bank AB VAR EMTN 23/08.09.28	10,000,000	10,470,050	1.77
SEK	8,000,000	Lansforsakringar Bank FRN Jun Sub 20/19.02.Perpetual	7,995,000	8,054,040	1.36
SEK	8,000,000	Nordea Hypotek AB 0.5% Ser 5536 21/16.09.26	8,023,760	7,511,880	1.27
SEK	15,000,000	Skandinaviska Enskilda Bk AB VAR EMTN 23/03.11.33	14,955,450	15,818,175	2.67
SEK	18,000,000	Spar Nord Bk A/S FRN Ser 14 22/01.12.28	18,106,020	18,438,930	3.11
SEK	10,000,000	Stadshypotek AB 0.5% Ser 1591 Sen 20/01.06.26	9,995,400	9,448,150	1.59
SEK	10,000,000	Stena Metall Finans AB FRN 23/10.05.28	10,015,475	10,195,200	1.72
SEK	32,000,000	Swedbank AB FRN EMTN 23/09.06.33	32,062,300	32,963,040	5.56
			145,163,905	147,569,155	24.90
Government guaranteed bonds					
SEK	17,500,000	Kommuninvest I Sverige AB 1% MTN Ser K2611 Sen 19/12.11.26	18,151,394	16,662,712	2.81
Total bonds			374,211,709	378,338,697	63.85
Total investments in securities			544,198,119	560,897,714	94.65
Cash at banks				28,928,358	4.88
Other net assets/liabilities				2,752,818	0.47
Total				592,578,890	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.

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Notes to the financial statements

as at 31st December 2023

Note 1 - 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.

On 1st June 2016, the Luxembourg Mémorial 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 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.

Note 2 - 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 or Money Market Instruments 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 or Money Market Instruments 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 Depositary 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.

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Notes to the financial statements (continued)

as at 31st December 2023

- 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) 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.

d) 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 and is disclosed in the statement of operations and other changes in net assets.

e) 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.

f) 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 or losses are disclosed in the statement of operations and other changes in net assets.

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

1	SEK	=	0.0835385	CHF	Swiss Franc
			0.0898607	EUR	Euro
			0.0778475	GBP	Pound Sterling
			13.9995034	JPY	Japanese Yen
			0.0992556	USD	US Dollar

g) Transaction fees

Transaction costs disclosed under the caption "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 transactions paid to the Depository and of transaction fees on financial and derivative instruments.

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.

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Notes to the financial statements (continued)

as at 31st December 2023

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

The Investment Manager is entitled to a performance fee paid out of the Sub-Fund's assets, calculated daily and payable yearly at the end of the Company's financial year, at the rate of 15% of the relevant Sub-Fund's total return, based on the High Water Mark (the "HWM") model where the Net Asset Value at the beginning and at the end of the relevant financial year and after accrual of the fixed fee, outperforms on a year to year basis the agreed Hurdle.

The Hurdle rate is the higher of:

- a) 0 percent
- b) The interpolated twelve months Swedish Government rate of interest as per close of market on the last Swedish banking day of the previous year. An interpolation is made in the Hurdle rate in a non-discretionary manner from the existing listed Swedish Government interest bearing securities (i.e. Swedish Treasury Bills and Swedish Government Benchmark Bonds).

For a calendar year when the Sub-Fund underperforms the agreed Hurdle no performance fee is paid and the amount of the relative underperformance from that year shall remain relevant for coming years. This means that at a forthcoming year with outperformance compared to the Hurdle, no performance fee is paid until the amount of underperformance from previous year (s) is fully recovered.

As at 31st December 2023, no performance fee was recorded for the Sub-Fund.

Note 5 - Central administration costs

For its services to the Company, the Management Company is entitled to receive an administration fee payable monthly in arrears based on the Sub-Fund's net assets calculated daily during the relevant 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 in the item "central administration costs" in the statement of operations and other changes in 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.

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Notes to the financial statements (continued)

as at 31st December 2023

Note 7 - Independent Director's fees

Independent Director's fees of SEK 255,372 are included in the title "Other expenses" in the statement of operations and other changes in net assets.

Note 8 - 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 9 - SFDR statement

Information on environmental and/or social characteristics and/or sustainable investments is available in the relevant annexes under the (unaudited) Sustainable Finance Disclosure Regulation section.

Note 10 - Events

With effect from 15th May 2023, European Fund Administration S.A. changed its name to UI efa S.A..

Romain Denis resigned from the Board of Directors of FundRock Management Company S.A. on 17th July 2023 and Karl Fuhrer was appointed as a director in his place.

Xavier Parain resigned from the Board of Directors of FundRock Management Company S.A. on 10th February 2023 and David Rhydderch was appointed by co-optation to the Board on 5th May 2023.

Frank deBoer was appointed to the Board of Directors of FundRock Management Company S.A. on 7th August 2023.

Note 11 - Subsequent events

The Board of Directors informed the shareholders in a notice dated 26th January 2024 to update the prospectus of the Sub-Fund. The Sub-Fund now promotes environmental/social characteristics within the meaning of Article 8 of the SFDR regulation. The change became effective as of 26th February 2024.

Lancelot Ector

Additional information (unaudited)

as at 31st December 2023

1 - Risk management

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

The Board of Directors of the SICAV decided to adopt the commitment approach as a method of determining the global exposure.

2 - Remuneration disclosure

2.1. Remuneration of the Management Company

FundRock Management Company S.A. ("FundRock") as subject to CSSF Circular 18/698 has implemented a remuneration policy in compliance with Articles 111a and 111b of the 2010 Law and/or Article 12 of the 2013 Law respectively.

FundRock as subject to Chapter 15 of the 2010 Law and AIFM must also comply with the guidelines of the European Securities and Markets Authority ESMA/2016/5758 and ESMA/2016/5799 to have sound processes in place. FundRock has established and applies a remuneration policy in accordance with the ESMA Guidelines on sound remuneration policies under the UCITS V Directive (ESMA 2016/575) and AIFMD (ESMA 2016/579) and any related legal & regulatory provisions applicable in Luxembourg.

Further, consideration has been given to the requirements as outlined in Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial sector, the SFDR Requirements.

The remuneration policy is aligned with the business strategy, objectives, values and interests of FundRock and the Funds that it manages and of the investors in such Funds, and which includes, *inter alia*, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Funds that the Management Company manages.

FundRock ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that FundRock's employees who are identified as risk-takers are not remunerated based on the performance of the funds under management.

A paper version of the remuneration policy is made available free of charge to investors at FundRock's registered office. FundRock's remuneration policy can also be found at: <https://www.fundrock.com/policies-and-compliance/remuneration-policy/>

The total amount of remuneration for the financial year ending 31st December 2023 paid by FundRock to its staff: EUR 14,194,779

Fixed remuneration: EUR 13,452,850

Variable remuneration: EUR 741,929

Number of beneficiaries: 208

The aggregated amount of remuneration for the financial year ending 31st December 2023 paid by FundRock to Identified staff/risk takers is EUR 1,867,063

The total amount of remuneration is based on a combination of the assessment of the performance of the individual, the overall results of FundRock, and when assessing individual performance, financial as well as non-financial criteria are taken into account.

The Policy is subject to annual review by the Compliance Officer and the update is performed by HR department of FundRock and is presented for review to the Remuneration Committee and approval by the Board of FundRock.

Lancelot Ector

Additional information (unaudited) (continued)
as at 31st December 2023

2.2. Remuneration of the Investment Manager

The remuneration to Lancelot Asset Management AB for the period from 1st January 2023 till 31st December 2023:

Number of employees: 15

Total compensation to staff: SEK 29,589,000

Of which compensation to identified staff/risk takers: SEK 19,789,000

3 - 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.

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, and as complemented by regulatory technical standards (RTS), the Fund is categorised under SFDR Article 6.

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