

Quaero Capital Funds (Lux)

Société d'Investissement à Capital Variable

Annual report, including audited financial statements,
as at December 31, 2022

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No distribution notice has been filed in Germany for the below sub-funds pursuant to section 310 of the Investment Code; because of this, shares of these sub-funds may not be distributed publicly to investors falling within the scope of the German Investment Code:

- **Quaero Capital Funds (Lux) - International Equities**
- **Quaero Capital Funds (Lux) - Global Balanced (note 1)**
- **Quaero Capital Funds (Lux) - Global Conservative (note 1)**

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 accompanied by the Key Investor Information Documents ("KIIDs"), the Key Information Documents ("KIDs"), the latest annual report, including audited financial statements, and the most recent unaudited semi-annual report, if published thereafter.

Quaero Capital Funds (Lux)

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Quaero Capital Funds (Lux)

Organisation of the SICAV

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BOARD OF DIRECTORS OF THE SICAV

Chairman Mr Jean KELLER, Managing Partner, Quaero Capital SA, 20bis, rue de Lausanne, CH-1201 Geneva, Switzerland

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Mr Abdellali KHOKHA, Conducting Officer in charge of Risk Management, Conducting Officer in charge of Compliance, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Quaero Capital Funds (Lux)

Organisation of the SICAV (continued)

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ADMINISTRATIVE AGENT FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

INVESTMENT MANAGER AND GLOBAL DISTRIBUTOR Quaero Capital SA, 20bis, rue de Lausanne, CH-1201 Geneva, Switzerland

SUB-INVESTMENT MANAGERS

For Quaero Capital Funds (Lux) - World Opportunities:

- Berger, van Berchem & Cie SA, 26, rue de la Corraterie, Geneva, Switzerland

For Quaero Capital Funds (Lux) - Bamboo:

- Quaero Capital LLP, 2-4 King Street, London, England

For Quaero Capital Funds (Lux) - Yield Opportunities:

- SingAlliance (Switzerland) SA, 16bis, rue de Lausanne, Geneva, Switzerland (until February 1, 2022) (note 1)

For Quaero Capital Funds (Lux) - Accessible Clean Energy:

- Quaero Capital (France) S.A.S., 4-8, rue Daru, 75008, Paris, France

For Quaero Capital Funds (Lux) - China:

- Quaero Capital LLP, 2-4 King Street, London, England

For Quaero Capital Funds (Lux) - Cullen ESG US Value:

- Cullen Capital Management LLC, 645, Fifth Avenue, New York, United States

For Quaero Capital Funds (Lux) - Global Convertible Bonds:

- Quaero Capital LLP, 2-4 King Street, London, England

For Quaero Capital Funds (Lux) - Taiko Japan:

- Quaero Capital LLP, 2-4 King Street, London, England

For Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap:

- Quaero Capital LLP, 2-4 King Street, London, England

For Quaero Capital Funds (Lux) - Net Zero Emission:

- Quaero Capital (France) S.A.S., 4-8, rue Daru, 75008, Paris, France

Quaero Capital Funds (Lux)

Organisation of the SICAV (continued)

AUDITOR	PricewaterhouseCoopers, <i>Société coopérative</i> , 2, rue Gerhard Mercator, L-2182 Luxembourg, Grand Duchy of Luxembourg
LEGAL ADVISER	Arendt & Medernach S.A., 41A, avenue J. F. Kennedy, L-2082 Luxembourg, Grand Duchy of Luxembourg
COUNTERPARTY ON FORWARD FOREIGN EXCHANGE CONTRACTS (NOTE 9)	Pictet & Cie (Europe) S.A. Luxembourg

Quaero Capital Funds (Lux)

General information

Annual reports, including audited financial statements, of Quaero Capital Funds (Lux) (the "SICAV") of the end of each fiscal year is established as at December 31 of each year. In addition, unaudited semi-annual reports is established as per the last day of the month of June. Those financial reports provide for information on each of the sub-fund's assets as well as the consolidated accounts of the SICAV and be made available to the Shareholders free of charge at the registered office of the SICAV and of the Administrative Agent.

The financial statements of each sub-fund are established in the Reference Currency of the sub-fund but the consolidated accounts are in Euro.

Audited annual reports are published within 4 months following the end of the accounting year and unaudited semi-annual reports are published within 2 months following the end of period to which they refer.

Any amendments to the Article of Association of the SICAV should be published in the *Recueil électronique des sociétés et associations* of the Grand Duchy of Luxembourg.

Information on the net asset value, the subscription price (if any) and the redemption price may be obtained at the registered office of the SICAV.

Quaero Capital Funds (Lux)

Distribution abroad

Offer in Switzerland

Representative

The representative in Switzerland is FundPartner Solutions (Suisse) SA (the "Representative") with registered office at 60, route des Acacias, CH-1211 Geneva 73, Switzerland.

Paying Agent

The paying agent in Switzerland is Banque Pictet & Cie SA, with registered office at 60, route des Acacias, CH-1211 Geneva 73, Switzerland.

Place of distribution of reference documents

The Prospectus and the key investor information documents of the sub-funds distributed in Switzerland, the articles of incorporation and the annual and semi-annual reports are available free of charge from the representative.

The list of purchases and sales that have taken place during of the financial year under review is available free of charge on request to the Representative in Switzerland.

Distribution in Germany

Information for Investors in Germany

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Quaero Capital Funds (Lux) - Argonaut

Management report

After a partial recovery in equity markets in October and November on first signs of inflation peaking, indices weakened in December at the end of a very weak year. Quaero Capital Funds (Lux) - Argonaut retraced -0.9% in December, proving again more resilient during selloffs than the benchmark EMIX European Smaller Companies index which fell -2.6%. Of particular note was the 31% rise of boat builder Beneteau over the month as the company raised its guidance for sales and profits.

Quaero Capital Funds (Lux) - Argonaut outperformed its index in each of the first three quarters of the year and then unsurprisingly lagged the recovery bounce in October and November. Over the year the sub-fund fell by -12.8%, resisting substantially better than the EMIX which fell -23.3%.

Small caps- out of favour:

Smaller companies have been hit harder than large caps this year for three main reasons: i) They are "perceived" to be more risky than large caps, ii) They are seen to have more exposure to the domestic European economies which might be suffering more from the energy crisis and iii) There have been a number of IPOs of small cap "concept" stocks whose valuations were out of proportion with their fundamentals over the last years and then came back down to earth in 2022.

Small caps are now really out of favour and they have been for more than 4 years. This is visible in the continued flows of redemptions in small cap funds which then have to sell their portfolio shares into the market. There was a small cap "boom" between 2012 and 2018, but most of the subscriptions over that period have now exited, leaving a very attractively valued universe of companies. Despite the much lower valuations of listed companies compared to private, we are still waiting for Private Equity players to start to deploy their "dry powder" here. The valuations of smaller companies have come down substantially, revealing a number of opportunities.

Lower share prices and the resilience of our portfolio company profits mean that median multiples of Quaero Capital Funds (Lux) - Argonaut have now come down to well below the historical average: the price to book value multiple is now below 1.0x at 0.98x, the PE ratio has fallen to 10.7x last year's net profit and the dividend yield is 3.3%

The Gravitational pull of Fundamentals:

2022 was the year of inflation, but also of the return to fundamentals as the exorbitantly over-valued shares and concept stocks, which had driven markets higher over recent years, started to come back down to earth. "Concept" stocks that did not have a medium-term path to value creation through net profits were dumped and led markets lower. This means that "value" shares (or simply companies creating value and trading at sensible multiples) fell less than indices. The rise in interest rates has also accelerated this trend towards shorter duration assets which produce profits now rather than further away in the future. Rather than a classic "growth" to "value" rotation that investors can play tactically for the short term, we have observed the beginnings of a more structural shift from "growth at any price" to "valuation counts" or what we call "Fundamentals Investing".

There are currently plenty of risks inherent to investing. The global outlook is complicated to say the least. However, we can be sure of one thing which is that buying "good" companies at "great" prices is a long-term strategy that delivers outperformance.

Past performance is not an indicator of current or future returns.

Quaero Capital Funds (Lux) - Argonaut

Management report (continued)

Top contributors for the year:

For completely unrelated reasons, the sub-fund's two strongest contributors to performance for the year came from Switzerland, which shows that there are opportunities in a country weighed down by the strength of the Franc where (high quality and expensive) small caps have been hit particularly hard (the SPI Xtra index was down 24%).

Construction company Implenia rose 83% over the year. This was a very contrarian buy two years ago after a number of years of poor results which left the share at a very low level. In the course of a meeting with the new CEO at the time we were impressed with his plans to streamline the business, implement operational excellence, improve the contract bidding process and raise profitability. This led to a recovery in results in 2022 and a doubling in operating profits in the first half of last year and the company delivered a very upbeat message on the outlook at its recent Capital Markets Day. We have taken partial profits on the recent rise, but believe there is still substantial upside as the share is still trading at only half its level of 4 years ago whilst the company is clearly in much better shape today. And the PE multiple is still on only 9x for last year with significant hidden assets in real estate.

The other strong Swiss performer was GPS modules and chipsets designer u-blox which rose 59%. The company published strong results for the first half of the year with sales growing by an impressive 52% and the order book doubling, pointing to continued strong growth. This was a very contrarian investment made in the Summer of last year after a very poor run for the shares over 3 years with several profit warnings. Management had indicated that business was picking up, but their credibility had been damaged due to previous disappointments. All the analysts following the company had a negative recommendation, but we found that their criticism was based mostly on poor past results due to insufficient growth and excessive R&D spending. So, we spoke to representatives of clients, distributors and competitors to get a better appreciation of the company's positioning and the dynamics of the end market. The results of these discussions led us each time to increase our weighting in the share as we saw that the rise in the proportion of electronics in cars, with the ultimate ambition of autonomous driving, was the engine for growth for the company for the longer term. We also realised that the "over-spending" on R&D of the past would be solved not by cutting costs, but by doubling revenues. Since then, the company has been over-delivering on sales growth and profitability and the analyst community are beginning to notice and raise their recommendations. By the by this top 5 holding is a highly profitable company with organic growth of 50% expected for last year, yet trading on a PE ratio of barely 10x.. A "good" company trading at a "great" price.

The next combined contribution was from two tactical contrarian investments in refined oil product tankers (Torm from Denmark and d'Amico from Italy) implemented when valuations were just too low. Our investment thesis was based on buying the shares when we perceived they were at their lows due to low shipping rates, whilst the value of the fleet of ships more than covered the market capitalisation and the shares were trading at a substantial discount to book value. Our view was that at some stage the shipping rates for refined petroleum products would have to rise due to the tight supply situation and the absence of new capacity coming from the shipyards. A tactical reversion to the mean play. The catalysts have been a recovery in demand for jet fuel transport with more travel and the Russian sanctions resulting in shipping rates that have more than tripled over the last 9 months. We have more than doubled our money and sold all our shares in Torm. We have taken partial profits on d'Amico, but are running the rest as we expect profits for last year to be very strong and put the share on a PE ratio of 3x with a solid outlook for 2023.

Past performance is not an indicator of current or future returns.

Quaero Capital Funds (Lux) - Argonaut

Management report (continued)

The next contributor was driven by our "constructive engagement" approach. French engineer Group Gorgé rose 22% as the management announced the final steps in its transformation plan. As long-term shareholders with a 5% stake, we have been engaging with the family management over the last two years to move from a diversified engineering conglomerate to a focussed high-tech Drone and Robotics operation with a strong growth outlook and high margins. After having bought out the minorities of its main operating subsidiary ECA, the company spun off its 3D printing business Prodways last year. They then made the acquisition of iXblue, a very highly regarded developer of navigation technology systems and components at the beginning of the year. They announced the final step at the end of the year to sell the remaining non-core (and loss-making) businesses and rebrand the company to Exail Technologies. The result is a focussed drone and navigational tech business with strong growth assured by a substantial long term order book. The company has given targets for EUR 500 million sales with a 25% Ebitda margin which should yield EUR 125 million of operating profits in 3 to 4 years. On a multiple of 10 x Ebitda that would give a valuation of twice the current share price for Gorgé's 62% stake....and they have a call option to buy out the minorities from the private equity partner. We have also made a good return from holding onto our shares in Prodways with the share rising more than 30% since we received them from the spin-off.

Another major contributor to performance was the theme of families taking their listed companies private with a substantial premium. Founding families are increasingly feeling frustration on seeing their shares so lowly valued by the stock market compared to valuations given to their peers by Private Equity buyers. This was the case for French office supplies firm Manutan (+40%) and French asset management software developer Linedata (+32%). The fund saw a total of four Public to Private deals over the year with Studio Babelsberg in Germany and SQLI from France in the first quarter.

Bottom contributors for the year:

The sub-fund's two largest negative contributors (BigBen and Rapala) had been seen as Covid winners in 2020 and 2021, but then got hit by indiscriminate selling, as the market moved on to "re-opening" plays, taking them back down to very low valuations, despite solid fundamentals. We had taken partial profits on them, but not enough in retrospect.

French video games and smartphone accessories player BigBen fell 56% on the publication of disappointing figures for the last few quarters. We had anticipated a fall in sales of video game accessories linked to supply chain issues for components of the PlayStation5 but expected that this would be compensated by a sharp rise in revenues from new game releases. The company has a very promising line-up of new game releases, but there were several major release delays and the overall market is now softer as consumers have started reallocating their spending to going out and travelling.

This means that the company had to reduce their guidance for profits for the year. However, we feel the share has been excessively sanctioned and is trading on a multiple of only 5x normalised earnings we should reach in the coming year.

Finnish fishing tackle supplier Rapala fell 41% over the year. There were three factors driving the price over the previous years : i) New management streamlining the business, making acquisitions to expand the product portfolio in rods and reels and accelerating the growth profile, ii) speculation that USA peer Pure Fishing would launch a bid on the company after taking an un-invited 20% stake, iii) enthusiasm for fishing as a perfect solitary outdoor activity during Covid. If we have no news on the bid and the Covid interest in fishing may be waning, the fundamental change in Rapala's growth profile and profitability is here to stay and should start to become visible in the company's profitability this year and put the share on a single digit multiple for next year.

Past performance is not an indicator of current or future returns.

Quaero Capital Funds (Lux) - Argonaut

Management report (continued)

French supplier of software and services to the healthcare sector Cegedim was once again a poor contributor with a fall of 38%. The share had already been a laggard for some time, but was sanctioned on the publication of poor results for the first half of the year. Despite strong market positions generating good profitability in several niches, the company continues to publish overall poor results. The irritation of the market may be more linked to the 'matter of fact' explanation by the family management than the poor results themselves. Indeed, further analysis provides greater reassurance. The real problem is that Cegedim is investing/spending large sums of money in its software for medical practices division to develop market share in digital appointments against an aggressive private equity financed peer. More reassuring on the massive under-valuation of the Cegedim share is that this division, which represents only 12% of group sales, saw partners take an 18% stake in March which values the business at more than the entire market capitalisation of Cegedim. Our sum-of-the-parts calculations for the whole group give a valuation of several times the current market capitalisation based on conservative scenarios. This is clearly one of the investments in the portfolio where we have had to engage with the family management to deliver a value-creation plan and explain it more clearly to the market. On this front, our most recent meeting with the management has at last been more positive. They have on one side well entrenched moat positions generating high margins, and on the other two major sources of losses. Our continued engagement added to the electric shock of the sharp fall in the share, seems to have finally pressed family management to start thinking about finding an urgent solution to the losses. We now see glimmers of hope that there may be more focus on improving overall profitability. In this scenario the share is trading on single digit multiples whilst operating in growth markets.

We find it particularly surprising to see the 28% fall of Dutch construction company Heijmans as the company published very strong results for the first half of the year and is trading on a PE ratio of only 4.8x last year's net profits. Furthermore, the recurring dividend yield is 8.6% and the value of just the net cash and the landbank covers the market cap.

French maker of contrast agents for X-ray scans Guerbet fell a surprising 53% from an already low level. They have been through the perfect storm with Covid clogging hospitals and delaying operations whilst at the same time seeing their core product Dotarem being attacked by a generic. The real growth drivers for the business are the new products which are less toxic and can be more regularly injected into the body to make more precise diagnostics and operations. We see 2023 as being the last "bad" year for the company's profitability as the growth products start to show their full impact. In the meantime, the share has fallen so low that the PE ratio is now single digit for last year and this year. Profits should really start to accelerate in 2024 and 2025 when the company will have regained its growth profile whilst being on a PE ratio of barely 5x.

Other weak performers were Italian gardening equipment supplier Emak (-42%), French distributor of products for senior citizens Damartex (-39%), French family holding company Lacroix (-36%) and Spanish pharmaceutical laboratory Reig Jofre (-32%).

AUM details:

At the end of December total assets under management in the sub-fund stood at EUR 285 million (EUR 287 million end November), and in the strategy EUR 345 million (EUR 352 million). Uninvested cash fell to 5.4% from 7.0% as the fund reallocated capital to new ideas. The total number of individual positions increased to 63, with good concentration of the portfolio with the top 20 holdings representing 57% of the fund. The weighting in France has been reduced to 33% with large exposure to Switzerland (16%), Italy (13%), Germany (8%) and Sweden (6%), whilst the UK remains particularly underweighted at 4%.

Past performance is not an indicator of current or future returns.

Quaero Capital Funds (Lux) - World Opportunities

Management report

What a year we have been through! Ups but mainly downs, between the risk of recession, skyrocketing inflation, the energy crisis, and falling markets, we have seen it all!

But what did the last month of the year hold for us? Well, we started December on a positive note with Jerome Powell's speech on fiscal and monetary policy. Indeed, during his speech, the Fed Chair indicated slowing the pace of rate hikes at the US central bank's next meeting. Slightly-lower-than-expected US inflation numbers for November also delivered a short-term boost. Then, during the month, with the help of the European Central Bank ("ECB"), Swiss National Bank ("SNB"), and Bank of England, the Federal Reserve Bank ("Fed") pushed the stock markets to the ropes by saying that a restrictive policy will be necessary for some time and dashed hopes of an imminent end to monetary tightening.

While rising energy and commodity prices were the main reasons for last year's sharp jump in the rate of inflation, this is now likely to be compounded by wage growth. Salaries in Germany are set to rise by around 7% in 2023; the expectation for Eastern Europe, meanwhile, is more than 10%. Wages in Switzerland are likely to increase by 2.5% on average. Several companies are raising salaries at an even faster rate to retain their competitiveness in the job market. At the same time, firms are seeking to pass the cost increase on to consumers. Nearly all firms we met in the past couple of months are set to raise prices again in the first quarter.

In China, after three years of a strict "zero Covid" policy, the health constraints were lifted at the beginning of December. The very sudden nature of this change in strategy is worrying many Chinese who fear a wave of Covid contamination. The new guidelines to significantly relax its Covid policy for domestic infections and inbound travelers are effective January 8, 2023. Key actions include: removal of quarantine requirements for Covid cases, discontinuation of the district risk classification system, and moving to a de facto "0+0" regime for inbound travelers. While this news bodes well for full reopening and thus for Chinese and global growth, one must remain vigilant with the increased difficulties of the Chinese medical system in the near term. Especially since it is very complicated to know the exact state of the health situation in China. By sifting through various sources of information, scientists are preparing for potentially catastrophic results.

Portfolio review

The only positive performance of the month was Nike (+5.3%) after the company beats earnings expectations and see improving inventory trends.

On the other hand, our three main detractors were Tesla (-14.5%) again because of concerns about Elon Musk's move with the acquisition of Twitter and his future implication with the company as well as its struggle in the Chinese market. Volkswagen (-16.5%) after a speech of the CFO who expects next year to be even more challenging as inflation and economic outlook cut demand. Advanced Micro Devices (-16.4%) after some still ongoing pressures on semiconductors in general.

Quaero Capital Funds (Lux) - Bamboo

Management report

Quaero Capital Fund (Lux) - Bamboo, having enjoyed two strong years of outperformance in 2020 and 2021, underperformed its benchmark in 2022. The underperformance was largely concentrated in January 2022, without which the rest of the year would have been in line with the benchmark.

In January 2022, we suffered significant losses in semiconductor and healthcare stocks; the former due to recession expectations, the latter due to multiple compression on rate sensitivity. We had been cautious on tech names and largely exited them around the region due to earnings concerns about reopening resilience. However, we did not expect the significant impact of rates on our semiconductor companies which were trading at low valuations, as well as the non-cyclical healthcare names. After the significant losses in January, we exited Taiwan and Korea with gains on our semiconductor positions, which saved us significantly more pain from those regions over the rest of the year.

The second major contribution to the underperformance was our decision to exit India due to high valuations and a historical correlation with US markets and rates. We doubled our money in Indian positions in 2021 and took profit to buy Chinese shares which had been down -20% that year. However, in 2022 India sustained its outperformance, decoupled from the US markets and was the strongest market in the region. India was not affected by multiple compression that we saw elsewhere. Our value-driven decision to overweight China at the beginning of the year turned out to be 10 months early as the region was hit by first, the geopolitical implications of the Ukrainian war, and then by the draconian zero-Covid 19 policies instituted in June.

From a single stock perspective, Wuxi Biologics was hit by the Unverified List ("UVL") inclusion on February 8, 2022; however, we correctly assessed that this was a procedural issue, not a geopolitical one, and the company successfully removed itself from the UVL list by the end of the year. We continued to add to the position throughout the year, maintaining the position as our largest holding due to its unique business model and managerial excellence.

The sub-fund began to outperform again as we doubled down on China after the conclusion of the Party Congress, enjoying a rapid rebound alongside the rapid reopening of the Chinese market. Our top and third contributors at year end were Trip.com and Pinduoduo, both Chinese positions that gained quickly from low expectations into the Xi pivot.

2022 was a macro-driven year and our concentrated style that had served us well in 2020 and 2021 was also the source of our significant underperformance. Xpeng, HYBE, Silergy, Wuxi Biologics and Unimicron, all of which had been top contributors in the prior two years, were the largest net drags on our performance in 2022. We continued to hold Wuxi Biologics due to the idiosyncratic nature of its downturn but avoided further losses by cutting the other positions at the end of January. The underperformance from the rest of the year came from the overweight we maintained in China, which turned into a net positive after the October Congress.

We believe that 2022 and perhaps even 2023 will be exceptional years of post-COVID normalization, marked by dramatic changes in monetary and geopolitical policy. While we believe that careful stock selection will win in the long term, we understand the extraordinary sensitivity of stocks and countries to macroeconomic conditions requires flexibility in portfolio positioning.

With this in mind we will continue to be positioned defensively until excess risk has been wrung out of the global markets.

Past performance is not an indicator of current or future returns.

Quaero Capital Funds (Lux) - Bamboo

Management report (continued)

We do believe that China has fully repriced after two years of COVID 19 regulation-driven and geopolitical turmoil-induced economic slowdown, however but we remain cautious on the rest of the world. Currently our portfolio is long commodities, precious metals and China - until we have more visibility into the cyclical bottom for other countries. We will remain patient.

Quaero Capital Funds (Lux) - International Equities

Management report

The year 2022 was marked by Russia's invasion of Ukraine; the unthinkable war starts in February and Putin's ideological confinement can only be a cause for concern. The rekindling of tensions between China and Taiwan shows that the world is becoming very unstable again. For its part, the Covid pandemic remains present, but it is now well managed in countries using the right vaccines and capable of creating herd immunity. The damaging consequence of these elements is the surge in energy prices, which calls for an in-depth review of the security of supplies and, more broadly, highlights the dependence of deliveries in all strategic areas (food, technological components, chemical products, etc.). The reduction of explosive inflation is rapidly becoming a real issue, which is reflected in the complete change of priority (fight against price increases and no longer support for growth) on the part of central banks. In terms of growth, the world economy is slowing down, but resisting.

After the slight contraction in US growth in the first half of the year, the second half of the year is proving to be more dynamic due to the good performance of the consumer and government spending; however, the leading indicators (PMI) remain in contraction territory. In the Eurozone, revised GDP data indicate sequential growth of +0.3% in the third quarter thanks to resilient household spending and business investment; however, the composite purchasing managers' indices (manufacturing PMI and services PMI) remain below 50, i.e. in a recessive configuration, and have been since mid-year.

In Japan, the economic situation is fairly stable and close to stagnation. Finally, in China, growth is slowing down sharply, as expectations for the whole year have been revised from +5.5% to +2.2%. Hopes for a stronger recovery are real at the end of the year as China ends its "zero Covid" policy, but not without creating a rather chaotic situation due to a flagrant lack of preparation.

The shift in the growth/inflation mix under the restrictive effect of monetary and fiscal policies has strongly penalized the performance of risky assets in 2022. Monetary tightening and rising geopolitical risks are leading to a massive reduction in valuation multiples.

Over the year, the S&P500 lost nearly 20%, the Nasdaq more than 33% and the Eurostoxx50 fell by around 10%; the Nikkei lost 10%, Hong Kong 21% and Brazil gained 5%. In the equity portfolio, the uncertainty linked to the armed intervention in Ukraine led us to reduce our exposure to the USA, Europe (including Eastern Europe) and the Asia-Pacific region in February; we reduced our sensitivity to the "growth" style and to small caps in the US. We reinitiated a tactical hedge position on the US and Eurozone indices. The equity portion has become underweighted in the asset allocation and remained so until the end of the year.

From July onwards, we took advantage of the easing of interest rates in anticipation of a spike in inflation to slightly increase positions and then reduce hedging. In 2022 our equity allocation slightly underperformed its benchmark.

In terms of currencies, the Euro remains the main exposure. Positions in other currencies are generally hedged. We maintain a small tactical long exposure to the US dollar, which appreciated by 6% overall against the euro in 2022.

The commodities allocation benefited from the 14% increase in Broad Commodities in 2022, driven up by energy prices. Over the year, gold remained stable and silver rose by 3%.

In December we reduced the share of commodities in the asset allocation by reducing the weight of Broad Commodities and selling silver. We keep the gold position.

The sub-fund Euro class A (ACC) EUR was down 14.25% in 2022.

Past performance is not an indicator of current or future returns.

Quaero Capital Funds (Lux) - Global Balanced (note 1)

Management report

The year 2022 was marked by Russia's invasion of Ukraine; the unthinkable war starts in February and Putin's ideological confinement can only be a cause for concern.

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In Japan, the economic situation is fairly stable and close to stagnation. Finally, in China, growth is slowing down sharply, as expectations for the whole year have been revised from +5.5% to +2.2%. Hopes for a stronger recovery are real at the end of the year as China ends its "zero Covid" policy, but not without creating a rather chaotic situation due to a flagrant lack of preparation.

The geopolitical situation accelerated the decisions of central banks in February. It is clearly the dynamics of inflation that now dictate the direction of monetary policies, and consequently the level of interest rates. The Federal Reserve Bank ("Fed") raised its base rate seven times from 0.25% to 4.5% between March and December; the European Central Bank ("ECB") in turn raised its rate four times in a row starting in July, taking its key rate from 0% to 2.5% in December. Bond yields rose sharply in 2022; the 10-year US sovereign bond went from 1.50% to 3.83% and the 10-year German Bund from -0.18% to 2.56%. In addition to the rise in bond yields, the widening of spreads marks the return of volatility to the credit markets. Despite a slow easing in recent months, the bond markets ended the year on a clearly negative note. Our bond portfolio is suffering the effects of these readjustments despite the reduction in early March of positions in corporate bonds (Investment Grade and High Yield) and especially in emerging debt, which was impacted by the Russian embargo and the Chinese real estate crisis. Overall, over 2022, our bond allocation is resisting well to the rise in interest rates and the widening of credit spreads. The short duration of the portfolio through hedging allows us to cushion the sharp decline in sovereign and corporate bonds. Our tactical choices in inflation-linked bonds, financial subordinated debt, variable-rate high-yield credit and emerging local-currency debt helped reduce the generalized decline in value of our bond segments.

We ended the year with a negative performance of less than half of our benchmark.

Quaero Capital Funds (Lux) - Global Balanced (note 1)

Management report (continued)

The shift in the growth/inflation mix under the restrictive effect of monetary and fiscal policies has strongly penalized the performance of risky assets in 2022. Monetary tightening and rising geopolitical risks are leading to a massive reduction in valuation multiples. Over the year, the S&P500 lost nearly 20%, the Nasdaq more than 33% and the Eurostoxx50 fell by around 10%; the Nikkei lost 10%, Hong Kong 21% and Brazil gained 5%. In the equity portfolio, the uncertainty linked to the armed intervention in Ukraine led us to reduce our exposure to the USA, Europe (including Eastern Europe) and the Asia-Pacific region in February; we reduced our sensitivity to the "growth" style and to small caps in the US. We reinitiated a tactical hedge position on the US and Eurozone indices. The equity portion has become underweighted in the asset allocation and remained so until the end of the year. From July onwards, we took advantage of the easing of interest rates in anticipation of a spike in inflation to slightly increase positions and then reduce hedging. In 2022 our equity allocation slightly underperformed its benchmark.

The performance of the alternative portfolio was slightly negative in 2022 but well above that of the other asset classes, thus justifying its decorrelation and diversification role. In February, we sold the tactical long volatility exposure, which had not fulfilled its hedging role, and in December the Global Macro.

In terms of currencies, the Euro remains the main exposure. Positions in other currencies are generally hedged. We maintain a small tactical long exposure to the US dollar, which appreciated by 6% overall against the euro in 2022.

The commodities allocation benefited from the 14% increase in Broad Commodities in 2022, driven up by energy prices. Over the year, gold remained stable and silver rose by 3%.

In December we reduced the share of commodities in the asset allocation by reducing the weight of Broad Commodities and selling silver. We keep the gold position.

The sub-fund Euro class A (ACC) EUR was down 11.26 in 2022.

Quaero Capital Funds (Lux) - Global Conservative (note 1)

Management report

The sub-fund is a global portfolio of bond, equity and alternative strategies structured in order to obtain a conservative risk profile. The sub-fund invests in a basket of 20 to 30 bond managers or direct fixed income positions, 25 to 35 equity managers and 5 to 10 alternative managers. In addition, the sub-fund may invest in commodity-related investment products. It is denominated in EUR and it is hedged to protect against significant currency swings.

The year 2022 was marked by Russia's invasion of Ukraine; the unthinkable war starts in February and Putin's ideological confinement can only be a cause for concern. The rekindling of tensions between China and Taiwan shows that the world is becoming very unstable again. For its part, the Covid pandemic remains present, but it is now well managed in countries using the right vaccines and capable of creating herd immunity. The damaging consequence of these elements is the surge in energy prices, which calls for an in-depth review of the security of supplies and, more broadly, highlights the dependence of deliveries in all strategic areas (food, technological components, chemical products, etc.). The reduction of explosive inflation is rapidly becoming a real issue, which is reflected in the complete change of priority (fight against price increases and no longer support for growth) on the part of central banks. In terms of growth, the world economy is slowing down, but resisting.

The geopolitical situation accelerated the decisions of central banks to raise rates in February. It is clearly the dynamics of inflation that now dictate the direction of monetary policies, and consequently the level of interest rates. In addition to the rise in bond yields, the widening of spreads marks the return of volatility to the credit markets. Our bond portfolio is suffering the effects of these readjustments despite the reduction in early March of positions in corporate bonds (Investment Grade and High Yield) and especially in emerging debt, which was impacted by the Russian embargo and the Chinese real estate crisis. Over the first half of 2022, our bond allocation is resisting well to the rise in interest rates and the widening of credit spreads. The short duration of the portfolio through hedging allows us to cushion the sharp decline in sovereign and corporate bonds. Our tactical choices in inflation-linked bonds, financial subordinated debt, variable-rate high-yield credit and emerging local-currency debt helped reduce the generalized decline in value of our bond segments.

The shift in the growth/inflation mix under the restrictive effect of monetary and fiscal policies has strongly penalized the performance of risky assets in the first half of 2022. Monetary tightening and rising geopolitical risks are leading to a massive reduction in valuation multiples. In the equity portfolio, the uncertainty linked to the armed intervention in Ukraine led us to reduce our exposure to the USA, Europe (including Eastern Europe) and the Asia-Pacific region in February; we reduced our sensitivity to the "growth" style and to small caps in the US. We reinitiated a tactical hedge position on the US and Eurozone indices. The equity portion has become underweighted in the asset allocation.

The performance of the alternative portfolio was well above that of the other asset classes, thus justifying its decorrelation and diversification role. In February, we sold the tactical long volatility exposure, which had not fulfilled its hedging role.

In terms of currencies, the Euro remains the main exposure. Positions in other currencies are generally hedged. We maintain a small tactical long exposure to the US dollar.

The commodities allocation benefited from the good performance of Broad Commodities, driven up by energy prices.

Past performance is not an indicator of current or future returns.

Quaero Capital Funds (Lux) - Global Conservative (note 1)

Management report (continued)

During the first half of 2022, it was noted that the assets of the sub-fund had reduced to such a level that continuing it as a stand alone sub-fund would not be in the interest of the shareholders. As such the decision was made to merge the sub-fund with the Quaero Capital Funds (Lux) - Global Balanced. This merger took place at the end of June.

The sub-fund Euro class A (ACC) EUR was down 9.74% year to date as of June 30, 2022.

Quaero Capital Funds (Lux) - Infrastructure Securities

Management report

For the year 2022, the Euro Class A lost 9.5%, however it outperformed the major equity indexes, with the Eurostoxx 50 down 12%, and both the S&P 500 and the MSCI World dropping 19.5%. The index used by the sub-fund as a benchmark changed during the year, however the one used for the greatest part of the year rose 1%.

The sub-fund has been hedged for currency risk since inception in order to reduce volatility. The managers concluded during the year that the negative effect on performance of hedging far outweighed the attractiveness of lower volatility, and made the decision to cease hedging currencies. Consequently, the benchmark index was changed from a hedged variety to an unhedged index, the S&P Global Infrastructure Net Total Return (EUR) index.

It would be an understatement to characterise 2022 as a difficult year for equities. The sub-fund faced several significant external risks during the year, including higher rates, persistent inflation, volatile energy prices, natural gas shortages, labour shortages, supply chain failures, Russian sanctions and shortages of critical renewables components. Most of the companies in the portfolio are protected from inflation either through their tariff/revenue structures or through their ability to rapidly pass on cost increases. Higher interest rates decrease the valuations of companies with long duration cash flows as discount rates increase. However, the sub-fund's portfolio companies are conservatively leveraged and many hedge interest rate risk on their debt. The impact of higher energy prices on costs was significant for rails, airports, and toll roads. However, some of the energy companies in the portfolio benefitted significantly from higher prices. Overall, the portfolio outperformed the broader markets, as it should when these risks are acute.

Throughout the year, our largest allocations were to communications infrastructure, electricity generation, transmission and distribution, diversified infrastructure companies (such as Vinci) and midstream energy in the US and Canada. In terms of our country exposure, a fairly equal allocation to Europe and North America accounted for over 90% of the portfolio throughout the year.

In terms of sectoral performance attribution, midstream energy led the way, followed by airports, renewable energy, and diversified infrastructure companies. The worst performing sectors were communication infrastructure and data centres.

Looking forward, infrastructure is now receiving unprecedented support from governments throughout the world. Belatedly they are acknowledging that deferred maintenance is unsafe and can lead to major disasters (witness the Genoa bridge tragedy). They are also becoming significantly more focussed on climate change, putting hundreds of billions to work on the energy transition. In the US, an infrastructure investment plan is putting ~USD 1.2 trillion to work over the next 8 years, and the Inflation Reduction Act is deploying ~USD 370 billion for energy security and climate change. In Europe, the NextGenEU funds (EUR 750 billion) are focussed mostly on renewable energy and upgrading communications infrastructure. Similar programmes have been launched around the world. These are providing long-term tailwinds which should benefit the sector.

Quaero Capital Funds (Lux) - Yield Opportunities

Management report

The sub-fund net unit value registered a total performance of -7.0% for the year 2022. Out of the -5.16% gross performance, contributions came from bonds for -4.6% ex-currency, from equities for -1.7% ex-currency, from cash for -0.6% and from currencies for +3.0%. Exposure to Russia cost around 4% (bonds and equities) while outperformance came from China and Brazil government bonds, also from exposure to energy equities and currencies, but chiefly from exposure to the USD and to the Yuan.

The year began with an overall favorable outlook, as the pandemic was receding in developed countries and emerging countries including China were expected to tread the same path in the next few months. The sub-fund allocation was geared to a mid- to late-cycle scenario, with short bond duration (except for China Yuan govies), average exposure to corporate risk and to healthy emerging and high-yield borrowers, overweight cyclical sectors such as energy, industrial commodities and mining, capital goods, precious metal mining and discretionary consumption. Growth and non-cyclical sectors were avoided as a general rise in interest rates was expected. Non-Europe currency exposure was already very important (65%), as Europe was seen as less performing in that environment and some worries around tension with Russia were surfacing.

Then came the Russian invasion, a surprise for markets, soon followed by a new pandemic in China and its stringent lockdown measures which ensured further industrial supply restrictions. At the same time the unexpected resistance of Ukraine, the backing of NATO countries and the about-turn of European energy supply from Russia sent energy prices to extreme levels for many countries. In most developed countries, energy consumer subsidies partially dampened the impact for households. Such support to consumption, coming after the Covid subsidies which had grown into pent-up unsatisfied demand, resulted in inflation spreading all around the economic system, where it is now entrenched.

As long duration markets crashed until June, the sub-fund allocation to equities was reduced by selling all European consumer discretionary and US industrials in March, then capital goods and basic industry in May and June. Bank perpetuals were sold and other corporates were refunded and not reinvested. USD cash allocation rose progressively to 37% at end June.

In June, market expectations anticipated a recession and long US rates declined under 3%. We disagreed: with resilient consumption, households savings at historic highs and strong corporate balance sheets the Fed would have to raise rates much higher and for a long time to control inflation. The outlook for equities was looking less obvious, with inflation threatening operating margins.

Asset allocation remained as such for the sub-fund until November. US advanced economic indicators were now weakening and residential construction had entered an accelerating contraction. The dollar had started declining as capital flows came back to Europe and to some emerging markets. Clearly, Central banks tightening against spreading and resilient inflation were introducing an important change in economic outlook with major consequences for markets to come.

The sub-fund then raised and shifted its equity allocation, reducing energy exposure and purchasing European discretionary consumption equities. Some (7%) of the USD cash was invested in BRL Brazil bonds with a high real rate. Exposure to the USD was cut in half to 20%, hedging against the Euro. These moves were furthered in December, as long US Treasuries were bought for 20% of allocation while exposure to the dollar was cut to zero.

Quaero Capital Funds (Lux) - Yield Opportunities

Management report (continued)

At this point in the economic cycle, most US advanced indicators are signalling a GDP decline while lagging indicators employment and consumption have flattened. Liquidity tightening should now dent corporate investment, as credit defaults and banking conditions have jumped in the last few months. Business managers see declining factory orders, rising cost of credit and higher tax threats: clearly not favorable to investment, which should sooner or later weigh on employment figures and consumption. As the Fed is overtly data dependent, a recession is now by far the most probable outcome. Long UST offer good yield today, US equities should still decline and the dollar will follow when the Fed will reverse its tightening policy. This may be some months away.

In Europe too, the ECB now recognizes the necessity of weighing on economic activity to get some grip on inflation and it will keep raising rates. Even in major countries, weak governments are now reducing subsidies, which will weigh on consumption. Pent up demand and lower input prices ensure that European companies will enjoy positive demand and hire manpower. The peak of the cycle could nevertheless occur in the second half of this year. In the meantime the Euro could stay firm against the dollar despite the Russian war.

Quaero Capital Funds (Lux) - Accessible Clean Energy

Management report

Key facts

After the macro-led rally in the month of November, the wildly volatile year 2022 finished with a sudden sell-off during the month of December. In December our sub-fund fell 6.1%, giving a full year performance of -17.7%.

The Wilderhill NEX December performance was -9.54% and full year -30%.

The MSCI World Index was -4.3% and -18.1% for the full year 2022.

Market review

By far the greatest influence in the market during the year was the flip-flopping interpretations of many "macro" statistics and events, such as whether rate hikes had peaked following inflation reports, or if China's economy could open up despite the persistent COVID contagions, or consumer confidence and the labour market could continue or if adequate European gas storage levels thanks to lower Chinese fossil energy demand and warmer winter weather might pull down energy inflation. One strategist noted that the only certainty - and the biggest surprise - was that the sharp monetary contraction did not lead to the expected recession.

Added to this, the about-turn in specific policy-related interpretations of whether re-shoring technology manufacturing was remotely realistic if without any of the requisite electronics skills in the US (an observation by some portfolio holdings looking to produce there) or if costs of doing so would result in unrealistically high costs, possibly 50% higher than in Taiwan.

And so, the clean energy universe rallied in August as energy security worries peaked as France's nuclear power and Spain's hydro power proved undependable, gas prices soared, and the breakthrough IRA was passed.

Portfolio review

In the final month of the year, the universe fell and the two worst contributing subsectors in our sub-fund were energy storage and solar. Both sell-offs were double digit. Yet, all of our top five negative contributors - Albemarle, SQM, Enphase, FSLR and SunRun - are experiencing unprecedented demand for their goods and services especially in Europe and the US, expanding their margins as supply chains ease, trading on pre-IRA valuations and expect unprecedented visibility ahead.

Among the strongest monthly contributors were power developers - Drax, Iberdrola and Boralex - as companies commented on active asset sales at good prices and more "reasonable" Spanish and UK regulatory clawbacks/caps to protect consumers from high electricity costs. Plus, rules to speed up environmental permitting are being discussed and adopted.

Overall, this performance suggests that:

Clean energy is underappreciated as a solution for energy security. Yet, all of the growth in "global" electricity demand in the first half of the year was met by renewable energy, with wind and solar filling 77% of the rise in demand. The avoided fuel cost from substitution with wind and solar was an estimated USD 40 billion. Solar installations alone grew 47% in Europe in FY 2022.

Past performance is not an indicator of current or future returns.

Quaero Capital Funds (Lux) - Accessible Clean Energy

Management report (continued)

The IRA has not yet become a tailwind. Many of the IRA tax and grant rules await interpretation by the US Treasury. And Europe's expected response to the IRA is now taking shape.

Battery storage and EV adoption are not yet seen as secular trends. Yet, chip supply from new fabs is rising to ease battery production. Importantly, within automobiles there is no sign of EV sales softening.

Outlook

From today's vantage point looking out into 2023 we foresee the following as critical trends:

The IRA becomes a tailwind

In the US but also in Europe and elsewhere. Companies are telling us they are waiting for the US Treasury to define components for as example different types of inverters because the tax credits depend on these specific definitions. Other definitions or questions relate to how local content and local labour rules apply because the associated subsidies can be hugely beneficial. In fact, many companies are being asked how these subsidies will be distributed. Once defined, companies will expand their manufacturing footprints to the US. Timing also becomes key. In the case of Vestas, developers are waiting for the content definitions before signing supply agreements with the company, creating short-term uncertainty. More clarity is expected in January or February, and this should speed up build-out in the sector.

Challenged by the IRA, Europe is also adopting new more supportive policies. One example is a green hydrogen subsidy still under discussion of USD 6/kg that will be even more supportive to accelerating the development of green hydrogen versus blue or grey hydrogen than the tax credit included in the IRA at USD 3/kg.

Europe has also recently mandated solar rooftops for all new commercial and public buildings by 2025 and by 2029 for all residential buildings. Some companies in our investment universe that expect to participate in the acceleration of clean energy deployment prefer Europe to the United States because the sense of urgency is greater in Europe as households have less debt. The much higher battery attachment rates for rooftop solar on homes in Europe is reflecting this. In Germany, 80% of homes with rooftop solar are equipped with batteries already. Urgency also suggests that there may be fewer local political barriers too. California has adopted NEM.3, a new rule that will constrain rooftop power exports to the grid. This seems unthinkable in Europe today. That said, the new rule will likely stimulate demand before it is implemented in April.

China and India also appear to be jumping on the IRA-style train to accelerate their own local deployment.

Wind and especially solar deployment swells and their economics improve

The levelized cost of electricity ("LCOE") of solar and wind rose in 2022 because of the general inflationary environment. However, as costs come down - polysilicon fell 37% in the last month of 2022 alone and still prices have fallen sharply as have freight costs. A new significant driver could be easier environmental permitting in the US but also in Europe. The waiting lists for projects awaiting permitting are daunting. At the start of 2023, the Spanish government announced that it is accelerating environmental permitting. This decision is expected to unlock one-third of 80 GW of pending projects, easing bottlenecks on new renewable energy capacity going forward.

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Quaero Capital Funds (Lux) - Accessible Clean Energy

Management report (continued)

At the same time Spain's Ecology Transition Minister set prices for renewable energy remuneration levels for the next three years - EUR 207.88/MWh, EUR 129.66/MWh and EUR 78.19/MWh for 2023, 2024 and 2025 respectively - at levels well above average market prices for the past few years of EUR 50/MWh.

Battery storage and grid efficiency technologies have significant tailwinds as they are recognized for their strategic role in the global energy transition

The variable nature of wind and solar requires a backbone for vast renewable energy capacity buildout. We believe transmission and distribution technologies present huge potential tailwinds.

Grid efficiency technologies are essential to transmission for large-scale but also small-scale flows. While IRA and RepowerEU policy frameworks support utility-scale build-out to speed up transition, we continue to believe distributed generation will be a booming market for residential and C&I solar and lower voltage electronics.

An exciting area for high voltage growth is transmission and distribution ("T&D") of offshore wind. The complexities of offshore wind became especially apparent during 2022 and weighed on developers like Orsted - inflationary supply chain costs, freight costs, hedging risk when insufficient wind production brought on hedging losses as merchant spot prices escalated. But demand for offshore wind is nevertheless strong and falling input costs since third quarter 2022 should catalyze much greater offshore wind, and subsea cables. "Floating" offshore is also gathering interest and attention.

Battery demand has been projected to grow some >20% CAGR from 430 GWh in 2021 to 6.1 TWh in 2030. Passenger EVs should account for c. 69% of this demand. The IRA's provision of USD 91.2bn of tax credits for battery production in the US is already luring Korean and Japanese battery manufacturers to build entire supply chains in the US.

Clean energy "transactions", increasing in size and number, will reflect the voracious appetite to secure supply

In fourth 2022, of 17 transactions in EU and US, the smallest concerned 160 MW of (solar) capacity and the largest 10,400 MW of (solar + onshore wind + storage) capacity. We would not be surprised to see the oil and gas industry after a boon year in 2022, take advantage of the strong fundamentals of clean energy companies, especially where stock performances were weak, to acquire more sustainable energy. BP's acquisition of Archaea in October, one of the US's largest renewable natural gas companies for USD 4.1 billion, at a 54% premium and 28x Ebitda 2022E may be a sign of more M&A to come. Ameresco, a portfolio holding, is in place to become the US n^o2 Renewable Natural Gas ("RNG") company by the end of 2023.

To conclude, we are cautiously optimistic about the outlook for our industry in 2023 thanks to unstoppable secular trends. We consider the corrections to company valuations an opportunity. We believe the inflationary stress may have peaked and a more open Chinese economy will relieve supply chains. If we are right, we can expect this significant infrastructure capex spending cycle to create investment opportunities in meaningful productivity gains from low-cost energy and greater capital efficiencies.

Past performance is not an indicator of current or future returns.

Quaero Capital Funds (Lux) - New Europe

Management report

Key Points

The Quaero Capital Funds (Lux) - New Europe Class A EUR share class declined 22.1% in 2022, compared to a 69.3% fall in the MSCI Emerging Markets Europe Net TR Index (EUR).

Market Review

Major regional markets were mixed, with the Greek market gaining 4.1%, whilst Poland retreated 20.9%.

Portfolio Review

The biggest contributor to performance was Wittchen, a Polish leather goods and travel accessories company, whose share price rose ~116% during the year. The company reported stellar numbers, not only fully recovering, but exceeding 2019 levels, with a notably preservation of margins, despite the inflationary backdrop. The company is un-levered, with an owner-operator CEO and ongoing regional growth plans. The shares trade on a mid-single digit P/E ratio for 2022F, whilst management intend to pay healthy dividends, implying at least a high single digit yield - we continue to see considerable upside.

Another big contributor was Erste Bank, an Austrian company, with a substantial banking footprint across Eastern Europe. Erste reported strong results, and we believe this trend will continue, as higher rates across the region support net interest margins, especially in Czech Republic and Romania, where rates are materially higher than the Eurozone. In addition, the bank's conservative approach to lending over the past ten years, should allow it to capture this margin, without a correspondingly high increase in defaults, as its borrowers in aggregate remain financially stable. This share is also representative of how inefficient Eastern European markets have become this year, following the war, with a large cap name, available at a discounted valuation, despite its prospects improving. We purchased the shares at 0.6x P/B, on a 5-6x P/E and 7-8% dividend yield for 2022F, a valuation that has only slightly increased, due to the ongoing growth in the business. It remains one of our highest conviction ideas and a large weighting in the sub-fund.

Another meaningful winner was Attica Group, a Greek shipping company, whose price rose ~130%. The company has long been viewed as a likely take-out candidate by us, underpinned by strong long-term fundamentals, from a consolidating sector. We always believed such a bid would be above tangible book value (relative to our entry price of circa 0.5x), given this consists mostly of ferry boats, which could obviously be relocated, providing a floor valuation. The pandemic delayed any potential transaction, but our strategic patience, in this completely orphaned name was rewarded in the end. A willingness to adopt such a perspective is a core tenet of our investment philosophy.

The biggest detractors to performance were our Russian exposed names, Headhunter.ru, Yandex, Alrosa, Globalports, Raven Property Group and Softline. The reason for such poor performance, was our decision to write all holdings to zero, whilst trading in the shares remains suspended. However, we are exploring ways to dispose of these holdings, at reasonable valuations and have already sold Globalports, at what we believe to be a fair value, given the fundamental and corporate structure level headwinds the company faces in the current sanctioned environment. Many of our other Russian names face far less fundamental disruption from the heavy sanctioning of Russia and in some cases are seeing a strong tailwind, due to the withdrawal of foreign competitors- we hope to update investors in the coming quarters on any other potential write backs to the sub-fund NAV.

The sub-fund ended 2022 with 35 holdings.

Past performance is not an indicator of current or future returns.

Quaero Capital Funds (Lux) - China

Management report

Last year was another challenging year for Quaero Capital Funds (Lux) - China, marked by the three large events; the Ukrainian war, the zero-COVID 19 policy implementation, and the rapid reopening following Xi's consolidation of power in the party congress. Entering 2022, initially we were not too confident about the reopening, and had few reopening plays relative to peers. We were overweight internet due to low valuations, the continued stay-at-home environment and regulatory clearing. Additionally, Quaero Capital Funds (Lux) - China was overweight clean tech due to robust demand from overseas as well as select exporters.

The significant adjustment in risk premium for Chinese shares following the Ukraine invasion hit the foreign-owned shares the hardest, with the internet companies being the most representative. Following this first event, we did not make changes to the portfolio as the risk premium adjustment was not a fundamental issue and we did not believe the risk of a Taiwanese invasion was negligible.

During the zero-COVID 19 lockdown however, fundamentals did change. Firstly, a shift of Western consumers' buying from goods to services had already made us cautious of Chinese exporters. The zero-COVID 19 policy made it even harder for many of these exporters, and we decided to exit many of them completely ahead of what we had anticipated. Furthermore, some companies had been negatively impacted by the policies, such as Pop Mart and Xpeng, whereas others benefited from the lockdowns, such as Wuxi Biologics, Milkyway, JD.com and Meituan. We went to our highest cash position historically at circa 20% of the sub-fund as the fallout was assessed from the abrupt lockdown.

Going into the Congress, we believed that investors were looking for the wrong signals - although a consolidated political party was a foregone conclusion, China sold off almost -20% that month as they perceived the Li Qiang appointment and Hu Jintao incident as regime suicide. Furthermore, they interpreted literally the statement about sticking to the zero-COVID 19 policies. On the ground, we heard that the Beijing caseload was exploding and the Foxconn workers escaping, further consolidated our view that China could no longer contain Omicron and would reopen. We therefore invested the entirety of our cash including our safe haven weighting of expensive "clean tech" plays into companies that had benefited from the lockdowns, and particularly into reopening plays. We also sold A-shares, which had outperformed throughout the year, in favour of H-shares, which would be the largest beneficiary of foreign inflows and had the greatest valuation discounts.

The other stock specific drama of the year was Wuxi Biologics. Wuxi Biologics was hit by the Unverified List ("UVL") inclusion on February 8, 2022, however, we correctly assessed that this was a procedural issue, not a geopolitical one, and the company successfully removed itself from the UVL list by the end of the year. We continued to add to the position throughout the year, maintaining the position as our largest holding due to its unique business model and managerial excellence.

The sub-fund staged a rapid recovery at year end, although still falling short of the benchmark performance for the year. We attribute our underperformance to the concentration of our stocks which were impacted by significant macro factors throughout the year.

In retrospect, we can see that January contributed all of the underperformance of the sub-fund, with a sudden multiple rerating seen across the world in all growth stocks. From January onwards our performance was in line with the benchmark. Yet, China is now opening faster than any investor expected, with services PMI figures accelerating to 54.4 in January from 41.6 a month prior. We believe Chinese growth expectations may still have room for upward revision this year due to an accelerated rebound from two years of regulatory, pandemic, and geopolitical headwinds.

Past performance is not an indicator of current or future returns.

Quaero Capital Funds (Lux) - Cullen ESG US Value

Management report

Following declines in each of the first three quarters of 2022, US equities rebounded in the 4th quarter with the S&P 500 returning 7.6% and the Russell 1000 Value up 12.4%. Equity markets were up sharply in October and November, driven in part by talk of another potential Federal Reserve ("Fed") pivot, as some investors anticipate the central bank to slow or pause interest rate increases in 2023. However, the rally faded in December, as concerns grew about a slowing economy and a potential recession.

For the full year, US stocks posted their biggest declines since 2008, as the S&P 500 dropped 18.1% while the Russell 1000 Value was down 7.6%. Likely the most significant development impacting financial markets in 2022 was the sharp pivot by the Federal Reserve, and central banks worldwide, away from the ultra-low interest policies that have been in place since the 2008-2009 financial crisis. Although central bankers were gradually lifting rates in the 2017-2018 timeframe, persistently low inflation allowed them to quickly pivot back to their low interest rate regimes, particularly after the onset of Covid-19 in 2020. In 2022, with inflation running in the high-single digits, central banks were left with little choice but to aggressively raise rates. Starting at a near-zero level at the beginning of the year, the Fed Funds rate was 4.25%-4.50% by the end of the year, the highest level since 2007. The dramatic shift in interest rate policy had the most severe impact on high-multiple, long-duration Growth stocks, as reflected in the performance of the Russell 1000 Growth index, which was down 29.1% for the year. Energy (+65.7%) was by far the best performing sector, following 2021 when the sector was up 54.7%. Communication Services (-39.9%) was the worst performing sector in 2022, driven down by media and entertainment stocks.

For the 4th quarter, Energy was the best-performing sector, up 22.8%. OPEC+ upended global markets by cutting daily oil production by two million barrels, roughly twice consensus expectations. Leading Energy companies also reported another strong quarter of earnings, with higher cash flows and returns to shareholders. Industrials (+19.2%) was the 2nd best performing sector, as transportation and capital goods stocks rallied partly on economic optimism and the anticipation of a Fed pivot. Materials (+11.8%) was the next best performer, as commodities prices rallied, including copper, gold and other metals. Consumer Discretionary (-10.2%) was the worst performing sector, brought down in the quarter by outsized weights in Tesla and Amazon, both of which sharply declined. Communication Services (-1.4%) was the next worst performer, as leading media and entertainment stocks declined on disappointing earnings.

The Consumer Price Index (CPI) increased 7.1% in November, below consensus expectations and down from 7.7% in October and 8.2% in September.* The Fed raised interest rates 0.5% in December but forecast a higher-than-expected peak rate in 2023 of 5.1%. Acknowledging the lag between monetary policy actions and their full impact on the economy, Powell said it makes sense for the Fed to slow the pace of increases and monitor inflation and other economic data. In the mid-term elections, Democrats fared better than widely anticipated, as they retained a Senate majority and only narrowly lost the House of Representatives. The split Congress should result in gridlock, a scenario that has historically favored stock market performance.

Performance Analysis:

The Value Equity strategy composite returned 15.7% (gross) and 15.5% (net) for the fourth quarter of 2022 versus 12.4% for the Russell 1000 Value and 7.6% for the S&P 500. Year-to-date, the strategy returned -4.6% (net of fees) versus -7.6% for the Russell 1000 Value and -18.1% for the S&P 500.

* <https://www.bls.gov/news.release/cpi.nr0.htm>

Past performance is not an indicator of current or future returns.

Quaero Capital Funds (Lux) - Cullen ESG US Value

Management report (continued)

Figure 1: Value Equity Returns vs. Benchmark

December 31, 2022	QTD	YTD	1 year	3 year	5 year	10 year
Value Equity (gross)	15.7	-4.0	-4.0	5.6	7.4	10.9
Value Equity (net)	15.5	-4.6	-4.6	5.0	6.9	10.3
Russel 1000 Value Index	12.4	-7.6	-7.6	6.0	6.7	10.3
S&P 500 Index	7.6	-18.1	-18.1	7.7	9.4	12.6
Performance for periods greater than 1 year is annualized. Past performance is no guarantee of future results.						

The strong fourth quarter market rally, initially driven by signs of peaking inflation, strengthened after core CPI in October declined from the prior month's decades-high reading. The subsequent release in November confirmed a downside break from the escalating inflation trends experienced over the past year. Equity markets quickly began to discount an earlier pause in the Federal Reserve's tightening cycle. However, despite the welcomed drop in inflation, equity markets drifted lower in December with the historically positive seasonal tailwinds failing to materialize. The Fed remained resolute in its primary objective to bring inflation lower and reiterated the need to observe a sustained decline before adjusting monetary policy to a less restrictive stance. Importantly, the Fed's quantitative tightening program, the reduction of its balance sheet through asset sales, remains an overhang on the market as it pressures money supply. Meanwhile, global economic growth is further decelerating and numerous leading indicators point to an imminent decline in earnings and an increasing chance of recession.

Value led the market higher in the fourth quarter and outperformed Growth for the full year. Growth stocks faced headwinds from higher interest rates, more restrictive financial conditions and a greater preference for current, sustainable earnings. The more speculative and richly valued an asset, the greater the underperformance as higher rates have highlighted the importance of cash generation, financial discipline and balance sheet strength. Pockets of blow-ups among former market darlings such as cryptocurrencies, the continued weakness of Covid beneficiaries in market rallies and the underperformance of former bulletproof FANG stocks suggests a secular change in market leadership. The Russell 1000 Value outperformed the Russell 1000 Growth by 10.2 ppt in the quarter and 21.6 ppt for the full year 2022, the largest annual spread between the two indices in 20 years. The sharp rise in interest rates pressured long-duration growth stocks and highlighted the relative attractiveness of current income and inflation hedges.

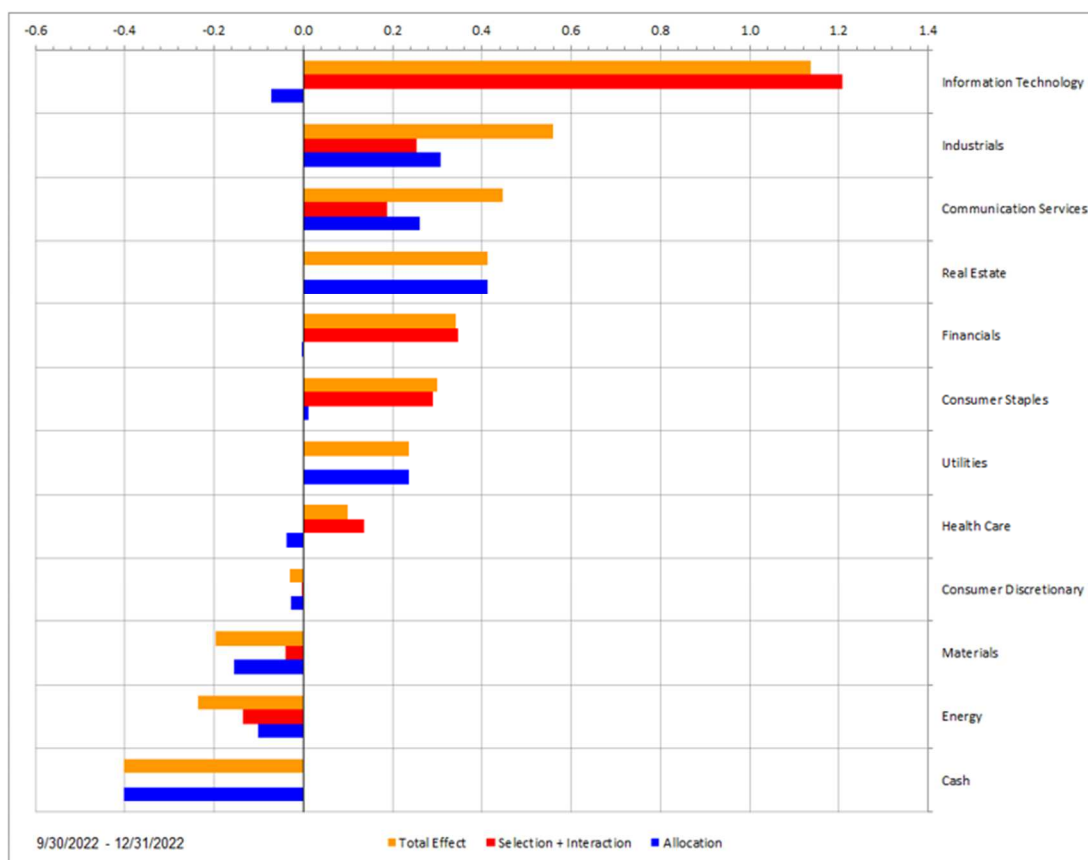
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Quaero Capital Funds (Lux) - Cullen ESG US Value

Management report (continued)

Portfolio Attribution:

Attribution Effects -Value Equity vs. Russell 1000 Value 09/30/2022-12/31/2022



Source: CCM/Bloomberg, 12/31/2022.

The following attribution analysis of the Value strategy utilizes the Russell 1000 Value Index as the benchmark of comparison for the fourth quarter of 2022.

Quaero Capital Funds (Lux) - Cullen ESG US Value

Management report (continued)

Our strong stock selection made Information Technology the largest contributor to relative performance for the quarter. The sector underperformed as high multiple Growth stocks continued to lag. Oracle (+34.5%) outperformed on strong cloud demand, driven by both Cloud Infrastructure and Cloud Applications growth. Cisco (+20.2%) benefitted from strong demand for enterprise software and networking equipment, while supply chain issues that have challenged the company throughout the pandemic have normalized. Arrow Electronics (+13.4%) also benefited from elevated demand for electronic components and associated design, engineering and supply chain services. Our overweight allocation and stock selection within Industrials also contributed to relative performance. Boeing (57.3%) significantly outperformed after announcing USD 2.9B of free cash flow (FCF) during the quarter, well above consensus expectations of USD 1B, mainly driven by a ~USD 1.5B tax refund, Defense advances and accrued liabilities. Management also reiterated its positive 2022 FCF outlook and announced a 2023 FCF guidance range of USD 3B - USD 5B. Additionally, Boeing announced United Airlines' order of 100 787 widebody aircrafts with the option to purchase an additional 100, representing the largest widebody order from a US airline and came in conjunction with an additional 100 MAX firm commitments from the airline. Raytheon Technologies (+24.0%) outperformed, driven by a recovery in its aerospace businesses as well as several notable international orders for its Patriot missile defense and Tomahawk missile systems. Our underweight allocation and strong stock selection within Communication Services aided relative performance. Communication Services was the 2nd worst performing sector as leading media and entertainment stocks underperformed on disappointing earnings. Shares of Comcast (+20.3%) outperformed after the company reported strong broadband subscriber gains, growth in its NBCUniversal Studios division as well as a recovery at its theme parks. Verizon (+5.6%) also rebounded in the quarter on strong wireless service revenue, as well as the addition of 342k and 61k fixed wireless service and FIOS subscribers, respectively. Furthermore, the company launched a cost cutting program that is expected to generate USD 2-3 billion in savings by 2025. Our underweight allocation within Real Estate also aided performance. Real Estate underperformed during the quarter as the deteriorating economic backdrop has created uncertainty in real estate markets, specifically higher interest rates and rapid policy tightening.

Our underweight allocation within Materials detracted from relative performance. Materials was the third best performing sector in the quarter, driven by rallying commodities prices, including copper, gold and other metals. Our underweight allocation and stock selection within Energy detracted from relative performance. Energy was the best-performing sector during the quarter, as OPEC+ upended global markets by cutting daily oil production by two million barrels, roughly twice consensus expectations. Although ConocoPhillips (+16.4%) was up significantly in the quarter, it ended up trailing the sector's performance and therefore was a slight relative detractor. Our underweight allocation and stock selection within Consumer Discretionary also detracted from performance. Lowe's (+6.7%) lagged on concerns of a slowing housing market. However, the company reported strong comparable sales growth, driven by strength in both their DIY and pro sales channels. Furthermore, Lowe's ecommerce sales continue to accelerate, growing 12% from last year.

Market Outlook:

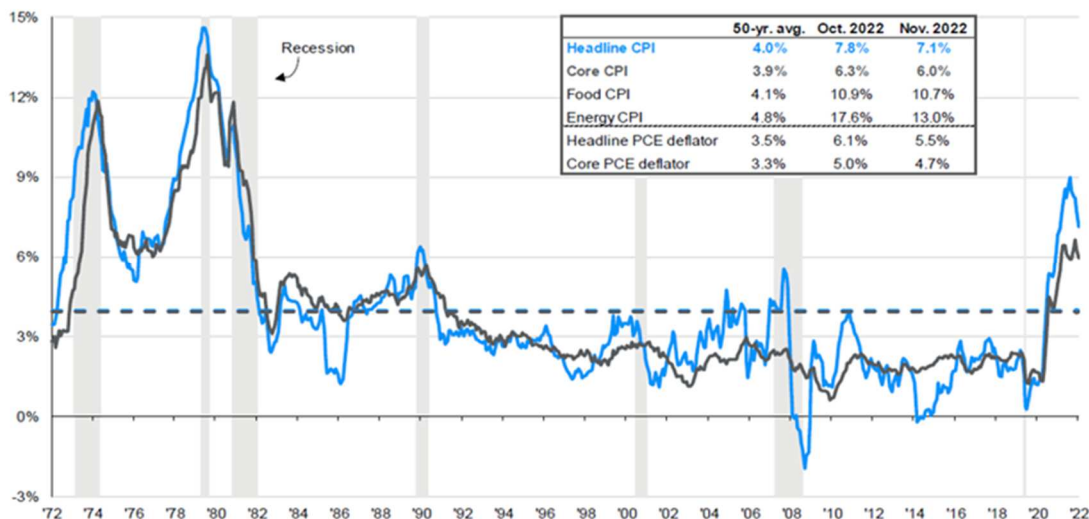
Global inflation appears to have peaked and is decisively falling as one of the most widely watched economic releases, US monthly CPI, showed year-over-year headline inflation declining from a decades-high reading of 9.0% in June to 7.1% in November (Figure 2). The less volatile core CPI measure peaked in September at 6.6% and has since declined to 6.0% in November. The combination of decelerating economic growth, more stable commodity prices and a moderation in wage and shelter inflation point to headline and core inflation moving closer to the Fed's target. This has brought considerable relief to financial markets as Fed futures predict lower peak rates and interest rate cuts considerably earlier than the Fed's current communicated plans.

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Quaero Capital Funds (Lux) - Cullen ESG US Value

Management report (continued)

Figure 2: US CPI Y/Y Change



Source: JPMorgan, Guide to the Markets, 12/31/2022.

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Meanwhile, the effects of the fastest and most aggressive global central bank tightening cycle in decades is impacting global growth and corporate earnings. The effects of monetary tightening typically work with a lag but are already evident in broadening economic weakness, drawing increasing concerns of an eventual recession. Economic and financial market data indicate an increasing likelihood of a recession:

- Currently, 84% of Treasury yield curves are inverted. The US 10Y-2Y Treasury Spread is the most negative in 40 years; an inverted yield curve has historically preceded recessions.
- A variety of leading economic indicators are flashing red: 75% of the world has a manufacturing PMI in contractionary territory (including the US), the USES Business Cycle Indicator (combination of hard and soft economic data) turning severely negative, and housing gauges weakening.
- Money supply (M2) year-over-year growth fell to zero in November 2022, the lowest level since 1995.
- Positively, the unemployment rate, a lagging indicator, remains near cycle lows; however, the consumer personal savings rate has reached a 15-year low, indicating a weaker spending environment ahead.

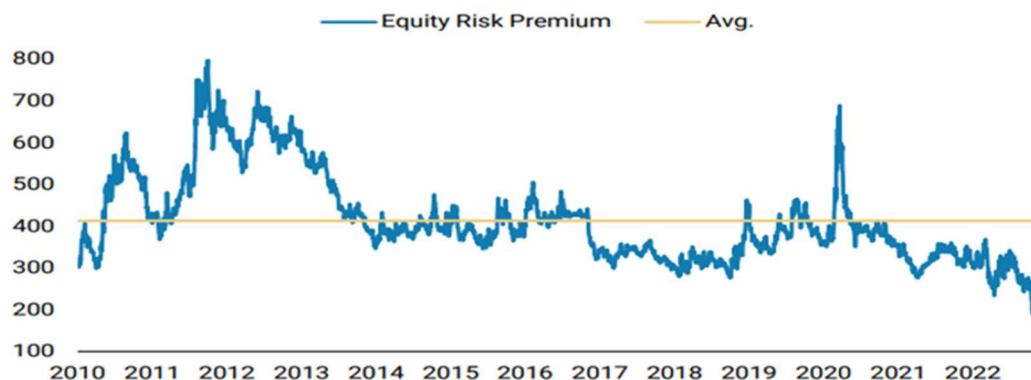
The US equity bear market, a full year in length, has been driven by a significant decline in valuation multiples as a result of higher inflation/interest rates and fears of an economic slowdown. The Price/Earnings multiple on the market fell from 21.4x (January 2022) to 16.7x (December 2022), a 22% decline. However, the spike in interest rates led to a drop in the Equity Risk Premium - the excess compensation needed to take on more risk - to below its long-term historical average (Figure 3), indicating a lower equity market return profile. The current equity risk premium is materially below levels typically observed at bear market lows suggesting the market has yet to price in a meaningful earnings downturn.

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Quaero Capital Funds (Lux) - Cullen ESG US Value

Management report (continued)

Figure 3: S&P 500 Equity Risk Premium



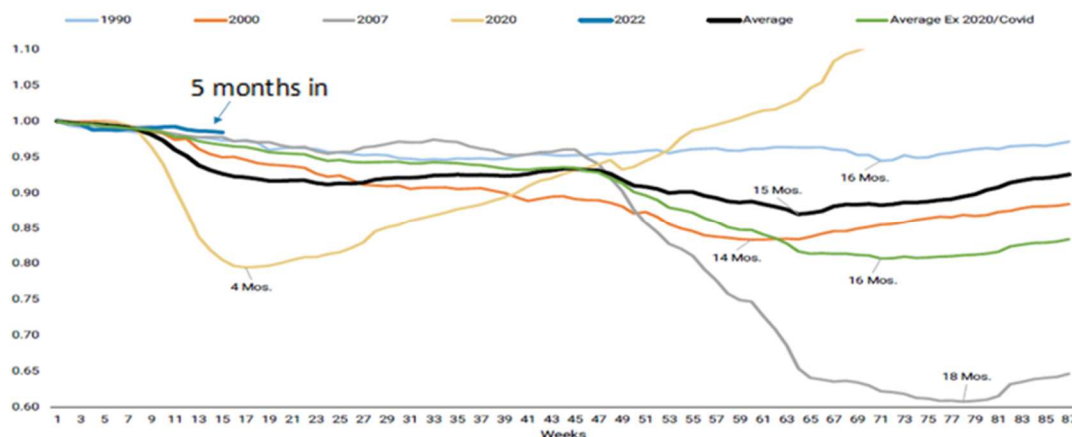
Source: Morgan Stanley, Weekly Warmup, 12/19/2022.

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The second leg of bear markets is driven by a decline in corporate earnings. Currently, consensus earnings expectations for the S&P 500 are for a 4% increase in EPS in 2023, a level which is likely to be revised lower in the coming months. In recessions, the S&P 500 EPS declines by an average 15% (magnitude) for on average 15 months (duration) (Figure 4). In this cycle, earnings have declined for 5 months; therefore, we are likely in the early innings of an earnings downturn.

Figure 4: Forward EPS Declines Around Prior Earnings Recessions

Source: Morgan Stanley, Weekly Warmup, 10/17/2022.



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Despite all these concerns, there is reason for optimism. Equity bear markets typically bottom before fundamentals improve - past bear markets have typically troughed approximately two quarters before EPS bottoms. On the one hand, markets could be supported by weaker growth and the several rate cuts being discounted into Fed futures as a result of higher recession probabilities and a shift in focus back to growth in a pre-election year. On the other hand, a soft landing could counterintuitively be a more bearish outcome as it would serve to maintain a more restrictive monetary policy.

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Quaero Capital Funds (Lux) - Cullen ESG US Value

Management report (continued)

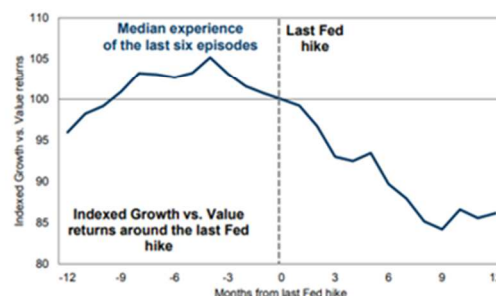
Looking ahead, the Fed expects to pause its rate hike cycle as inflation declines to more acceptable levels. Historically, after the peak in Consumer Price Index (CPI) (Figure 5) and after a Fed pause (Figure 6), Growth has surprisingly underperformed Value over the subsequent year.

Figure 5: Growth vs. Value Returns

Following Peaks in Core CPI

CPI peak	Growth vs. Value returns in 1/3/6/12m from core CPI peak				Core CPI peak (YoY)
	1m	3m	6m	12m	
Jun-80	(2)%	2 %	4 %	4 %	14 %
Sep-81	4	(0)	(7)	(7)	12
Aug-84	(4)	(7)	(9)	(9)	5
Feb-91	(2)	(2)	(3)	(3)	6
Dec-01	(5)	(11)	(15)	(15)	3
Sep-06	(0)	(2)	(3)	(3)	3
Apr-12	1	2	(3)	(3)	2
Aug-16	(1)	(7)	(7)	(7)	2
Median	(1)%	(2)%	(5)%	(5)%	4 %

Figure 6: Growth vs. Value Performance Around Last Fed hike



Source: Goldman Sachs Research, US Thematic Views, 9/6/2022.

The recent market leadership of Value stocks has a number of long-term secular tailwinds for sustained outperformance. First, while near-term inflation may subside, the underpinnings of several inflationary trends will continue to build, benefitting Value stocks:

- Globalization, a driver of deflation over decades, is no longer providing downward pressure on pricing for manufactured goods as import prices from China are no longer falling at the same magnitude as in the deflationary era. In addition, reshoring and corporations' drive to increase manufacturing base diversification is inflationary in nature.
- Demographic trends, highlighted by the global support ratio (number of workers to number of consumers) declining, are turning increasingly inflationary as output will potentially decline relative to spending over the coming years.
- The unmitigated rise of global sovereign debt over the past several years coupled with rising rates may increase investor preference towards hard assets.

Next, money supply growth is a key factor in financial conditions and liquidity as well as investor risk appetite. The Fed's quantitative tightening actions are leading to a decline in money supply (M2) which is reversing the impact of quantitative easing; since 2009, the Fed's balance sheet expansion has a near perfect correlation with the rise of large cap technology stocks. In addition, investors willing to pay up for Growth stocks on the view that they provide better relative growth in downturns would be surprised to find that three of the top ten industries with the highest correlation with composite PMI levels (cyclicality) are in the Technology and Communication Services sectors (Source: Morgan Stanley Research). Furthermore, the opportunity for Value to outperform Growth given the abnormal length and magnitude of Growth's recent decade of outperformance rests on the improving valuation of Value stocks or mean reversion of Technology stock performance (Figure 7). The weight of the largest four stocks in the S&P 500 peaked at 22% of the index in 2021 and is currently 18%, still far above the long-term historical average weight (Figure 8). Despite the bearish headlines in 2022, flows into Domestic ETF and mutual funds were over USD 100B for the full year (Strategas, 4Q 2022 Quarterly Review in Charts, 1/3/2023).

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Quaero Capital Funds (Lux) - Cullen ESG US Value

Management report (continued)

Figure 7: 10-Year Annualized Monthly Returns from Technology Stocks



Figure 8: Weight of Largest 4 Stocks in the S&P 500

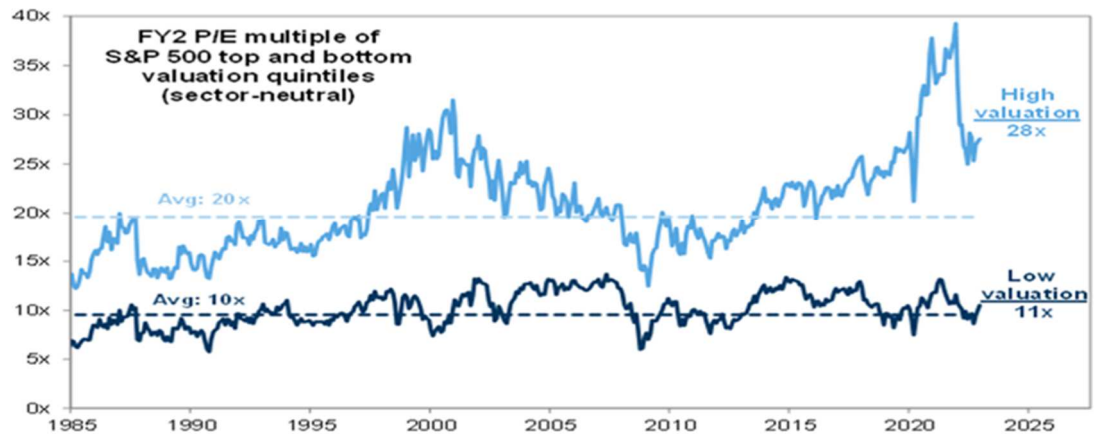


Source: BofA/ML, The Flow Show, 10/27/2022; Goldman Sachs Research, 2023 US Equity Outlook, 11/21/2022.

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Value stocks still represent an attractive investment from a valuation perspective. Despite the recent relative outperformance of Value stocks, the valuation spread between Growth and Value stocks in the S&P 500 is still historically wide (Figure 9).

Figure 9: Valuation Between Growth and Value Stocks



Source: Goldman Sachs Research, 12/31/2022.

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The current valuation of our portfolio remains attractive - the strategy trades at 13.5x 2023 earnings versus 16.9x for the Russell 1000 Value and 18.2x for the S&P 500 (Q4).

Past performance is not an indicator of current or future returns.

Quaero Capital Funds (Lux) - Global Convertible Bonds

Management report

Key points

Our Global Convertible strategy suffered in December closing the month with an average portfolio delta at 42.05%. The average gamma continued to increase to 0.788 which improved the convexity profile on the way up. Our weighted average credit rating remains investment grade at BBB (including our internal shadow ratings). The modified duration is at 1.563 which is particularly important in the general context of rising interest rates. Our ESG MSCI equivalent rating stands at AAA. We continue to position our strategy in order to capture the maximum participation in the upside and to be as resilient as possible on the downside.

Portfolio Review

From a geographical perspective, the U.S. region makes up 47.5% of the portfolio, Europe at 25.8%, Asia Ex-Japan at 12.9% and Japan at 10.5%. Those weights are gross numbers and are not delta adjusted.

On the regional performance, Japan and Asia were the two main positive contributors to the performance whereas Europe and US contributed negatively. On a sector perspective, Communication Services, Financials and Health Care were the best performers whereas Information Technology, Utilities and Energy were the main laggards.

Portfolio Positioning

The goal of the Quaero Capital Funds (Lux) - Global Convertible Bonds strategy is to build a "Brick of Convexity" by investing only in pure "vanilla" convertible bonds. The anchor parameters we implemented at the portfolio level for our strategy play a crucial role in delivering the natural convexity of the vanilla convertible bond.

The Quaero Capital Funds (Lux) - Global Convertible Bonds strategy will continue to optimize the convexity of the portfolio to benefit our investors, specifically in a more volatile and uncertain world. Our disciplined investment process and our portfolio anchors allow the strategy to achieve its goal and to act as a "Brick of Convexity" through a global allocation for our investors.

Convertible Bond market review

The Convertible Bond primary market continued to be active in December. 11 new CB deals for a total notional of more than USD 4 billion were issued during the month. The US region, alone, issued all 11 new deals. We had a bunch of repeat issuers like Marriott Vacations Worldwide Corp (Lodging), NextEra energy Inc (Integrated Electric Utilities), Chefs' Warehouse Inc (Food & Beverage), Herbalife Nutrition Ltd (Packaged Food) and Novavax Inc (Biotech) as well as new corporates like Axon Enterprise Inc (Defence), Lantheus Holdings Inc (Medical Equipment), Chart industries Inc (Fabricated Metal) and Uniti Group Inc (infrastructure REIT).

Convertible Bond 2022 review and 2023 outlook

2022 was the worst year since 2008 for the Convertible Bond asset class. None of the pillars of the asset class helped. We experienced a sharp rise in interest rates to fight global inflation which marked the end of a lengthy interest rate bull market. Corporates credit spreads widened significantly, and equity markets all closed on a negative performance for the year. Even equity volatility, despite having changed regime, was not very supportive with most volatility trading between 20 and 30 level with some spike in Europe in March due to the war in Ukraine.

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Quaero Capital Funds (Lux) - Global Convertible Bonds

Management report (continued)

What could we expect for 2023?

Let's analyse what could be a source of optimism for the asset class:

- 1) With interest rate hikes, we could expect the primary market activity to return to normality in 2023. Historically, corporates prefer to issue convertible bonds rather than classic straight bonds due to the perks of a lower coupon payment. We already noted that since last November, new convertible bond deals are issued at a discount to fair value which represents a reliable source of alpha for investors. After a disappointing 2022 year for the primary market and a significant maturity wall in 2023, corporates will be encouraged to use the convertible bond asset class to access capital. This should represent opportunities for investors to consider those new issuances as a replacement for holdings that have become too bond-like after the 2022 slump.
- 2) With corporates credit spreads having widened during 2022, coupons and yields have turned positive, improving the asset class prospects. Thus, buying convertible bonds with positive yields allows investors to be paid to wait for better times and in the case of an improvement in the corporate financial situation, expect a tightening of its credit spreads which will contribute to the performance of the investment.
- 3) As earnings revisions are expected in 2023 in a recession environment, being invested in convertible bonds allows investors to be exposed to the equity market with a low risk and volatility budget. After 2022, the convertible universe delta has significantly repriced and should provide some protection against potential equity shocks. Having a discounted convertible bond universe represents a compelling investment opportunity and the convexity of the asset class should play its role in a global allocation.
- 4) Additionally, we noted a resurgence in M&A activity amongst issuers of convertible bonds, and this could provide not only interesting support on the downside but also a source of performance for investors.
- 5) Finally, since September 2022, we noted a growing interest from institutional investors regarding the asset class and we could expect 2023 to be the year of a return of inflows to the asset class.

To sum up, investing in convertible bonds represents for investors an opportunity to be exposed to the global equity market with a lower risk budget than a direct equity investment, an opportunity to get some positive yield coming from the coupon payment, an opportunity to benefit from credit spread tightening and an opportunity to add convexity and diversification into portfolios.

Quaero Capital Funds (Lux) - Global Convertible Bonds

Management report (continued)

US FOMC meeting, ECB hawkish comments, BOJ Yield Curve policy adjustment and the end of zero Covid China policy

After two consecutive months of positive equity market performance, investors entered the last month of 2022 with some optimism. This followed the highly anticipated remarks from J. Powell who confirmed that the central bank would moderate the pace of its interest-rate hike path. It also followed mixed economic data showing a slowdown in hiring activity and higher Q3 GDP revisions. Investors reacted to the dovish elements of the speech, but Powell emphasized the difficulty in forecasting inflation by saying "*the truth is that the path ahead for inflation remains highly uncertain*" and reiterated that rate hikes would continue until inflation came down to their 2% policy goal, which could keep rates elevated into 2024. In our opinion, the market reaction to Powell's comments has become more reactionary and even if there is some element of selective hearing by the market, the speech likely raises the level of uncertainty going forward.

On the economic front, consumer spending came in line with expectations, offering investors further signs that inflation seems to be slowing. Bonds continued to march higher, sending yields lower across the curve with the benchmark 10Y dropping to 3.51%. Elsewhere, attention quickly turned to the highly anticipated November jobs report on the first Friday of December, from which investors will attempt to extrapolate any clues into which direction the Fed may go with its interest rate hike path.

But the publication of non-farm payroll numbers, put a dampening effect on sentiment (payrolls coming in much stronger than expected) and equity markets finished the first week of December in the red.

At the same time, in China, the government began the process of lifting Covid restrictions after an almost three-year tumultuous period of lockdown restrictions. Hopes that further reopening of the Chinese economy after authorities eased Covid testing requirements across major cities and Beijing appeared to be engineering a gradual shift away from its strict Covid Zero policy amid elevated cases and public protests, increased some risk-on sentiment amongst Asian investors. On the economic front, after months of economic stagnation, the Chinese politburo announced that it will seek a turnaround in the economy for next year and significantly boost market confidence. Senior Chinese officials were debating an economic growth target of around 5% for 2023.

But for western economies, December's rocky start for stocks continued. Losses were broad based, though growth sectors particularly underperformed given the concerns over an impending economic downturn. Despite the Fed blackout ahead of the last meeting of 2022, markets continued to play the game of what the Fed might or might not do even though it has been well communicated at this stage (Powell will likely hike by 50bps next week and raise the 2023 terminal rate forecast from 4.6% to something closer to 5%). Perhaps 2023 will be about discounting the implications of higher rates rather than the speed of the hikes or the potential for cuts?

The 2022 end game is near, but it feels like we have two scenarios at play for 2023. Firstly, if a recession comes and the Federal Reserve Bank ("Fed") is forced to cut rates, earnings could have some downside risk, but eventually lower interest rates provide a cushion to the multiple. Secondly, if a recession is avoided, the Fed might keep rates higher for longer, which will weigh on multiples.

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Quaero Capital Funds (Lux) - Global Convertible Bonds

Management report (continued)

Entering the second half of December, the last major week of the year for macro risk is a big one. The publication of the US customer price index ("CPI") numbers and the Federal Open Market Committee ("FOMC") rate decision as well as the European Central Bank ("ECB") and Bank of England ("BOE") meetings will focus all investors' attention. Both the Fed and ECB are expected to deliver a 50-bps hike, but investors will be focusing on the language used for indications of 2023's potential rate directions.

Surprisingly, the inflation data publication was softer than expected fuelling the peak inflation narrative as well as the expectation of a slowing in the Fed's aggressive hiking path. However, the risk remains that Chair Powell does not endorse the market's dovish view of likely Fed policy, pushing against the cuts priced in 2023.

In a widely expected move, the Fed raised the benchmark interest rate by 50bps, however, the FOMC dot plot struck a more hawkish tone, indicating a terminal rate of 5.1% in 2023. With the terminal rate now much higher than the previous rate of 4.625%, cuts do not seem to be on the horizon until 2024 which may continue to be an overhang on risk assets. The Fed Funds rate is now only 80 bps below the core CPI run rate (5.3%). That spread was -580 bps in February 2022 which tells us that we can consider that the Fed has caught up. Historically, hiking cycles have ended only when the Fed Funds rate is above the core CPI run rate. So, the major step change is a shift from upside-surprises in inflation/rates to downside surprises in earnings. In those conditions, the main risk seems to be that the market is expecting inflation to fall but is also expecting that earnings will continue to grow! Investors should pay attention to this for the first part of 2023.

In Europe, the ECB and BoE followed the Fed and hiked 50bps. Lagarde's decidedly hawkish tone and the Bank's decision to shrink its balance sheet from March really spooked the market. Lagarde reinforced the hawkish message by indicating that the ECB needs to deliver more on rate hikes than the markets price, as current expectations of ECB policy rate are inconsistent with the achievement of the inflation target over the horizon. The ECB will need to raise rates significantly more creating a strong hint of another 50bps in February and maybe more to come with inflation above 2% even in 2025.

In the aftermath of the Central bank's decisions, equity markets got whacked.

The last days of December were characterized by lower volume and stocks were on track to finish the month in negative territory, putting a dampener on hopes for a year-end rally.

The last surprise came from Japan and the BOJ after the central bank decided to raise upper band limit on yield target to about 0.5%. This decision pushed Japan equities lower and the Yen higher as well as a steepening of the Japanese yield curve. Is Japan now worried about Inflation?

Market Review

December contrasted with the two previous months and all equity markets, except one, ended in the red. The worst performance for the month was the NASDAQ (down 9.01%) followed by Japan (Nikkei down 6.55%) and Europe (Eurostoxx down 4.27%) following Central bank decisions. Only the HSI Index closed up 6.39% for the month helped by the swift covid policy change.

Past performance is not an indicator of current or future returns.

Quaero Capital Funds (Lux) - Global Convertible Bonds

Management report (continued)

2022 was a brutal year for global equities and bonds with financial markets suffering their worst year in more than a decade. In the US, the Nasdaq ended down 32.38% and the S&P down 18.11%. Asia and Japan closed down 12.70% and 7.70% respectively whereas Europe finished down 9.49%.

Surprisingly, volatility indices did not follow the bearish equity moves in December. Some volatility indices closed near their year lows like in the US, Japan, and Europe where equity volatility stayed around the 19-21 zone. The China volatility index stayed elevated (above 28.5) but closed below its yearly average thanks to the year-end rebound.

Corporate credit spreads widened in December after Central bank decisions, with Investment Grade and High Yield credit spreads closing at 82bps and 484bps respectively. The Barclays HY Global aggregate index as well as the Barclays Investment Grade aggregate index had a very difficult year as they closed 2022 down 12.71% and 16.25% respectively. We note that the Investment grade index underperformed the HY index, highlighting the correction of the past zero to negative interest rate policy after the Covid crisis.

Indeed, the world of "free money" and low interest rate policy is over! On the treasuries side, 2022 was a real pivot year. The US 10Y Treasury yield more than doubled to end at 3.877% from 1.512% at the end of last year. Japan 10Y treasuries came from 0.065% to finish at 0.413% and European 10Y treasury yields moved from -0.182% to 2.565%. Even the China 10Y treasury yield increased marginally from 2.772% to 2.835% despite several lockdown and an economic recession. Have we seen the peak in rates yet before the most expected global recession?

On the commodities side, oil prices were flat in December closing at USD 80.26 per barrel and natural gas prices were down significantly (-35.43%) due to an exceptional warmer winter. Gold and Silver prices were up 3.14% and 7.93% respectively.

2022 review and 2023 outlook

Looking back at 2022, it was a tough year for all asset classes. The year was loaded with negative news around the world, from the war in Ukraine to rising interest rates across almost all central banks to combat rampant inflation. In the United States, we saw the technology sector sell off sharply in response to rising interest rates, with the tech-heavy Nasdaq index off more than 30% this year. The sector that provided the main beam of light in a somewhat dimly lit year, was energy, up more than 25% this year - helped in part by the boost in demand following the post Covid-19 reopening around the world and a lack of supply following the war between Russia and Ukraine.

Looking to 2023, things are expected to get off to a rocky start - at least initially in the United States and Europe, with many commentators pointing to what we deem as the "most visible" recession ever. This is somewhat of a knock-on effect following the rampant inflation that hit markets in 2022 and the subsequent rise in inflation rates (or borrowing costs) seen around the world. There are glimmers of hope, perhaps in a second half with a recovery in the Western Hemisphere and even more so, in the first half of the year in the Eastern part of the world, as China prepares itself for a grand reopening. This, of course, has its own complexities as the country navigates a property crisis and rising Covid-19 infection rates.

Past performance is not an indicator of current or future returns.

Quaero Capital Funds (Lux) - Global Convertible Bonds

Management report (continued)

In relation to our position, we continue to favour the United States as the main convertible bond market in the world, although as a global sub-fund - we also have the opportunity to add tactical exposure to the likes of Japan and China and indirectly to emerging markets through quality names in Europe and the United States. Additionally, we remain defensively positioned compared to a traditional equity portfolio, given the hybrid nature of convertible bonds that provides us bond like protection on the downside and equity like participation on the upside.

We view the weakness in 2022 in the United States as an opportunity that should not be missed, with some profitable technology companies down more than 60%, offering attractive buying opportunities. While we agree with the consensus that there may be some weakness in the first half of the year, we think there is a strong likelihood of a subsequent and strong recovery going into the second half of the year. That said, we remain selective and believe that enhanced due diligence and careful stock picking will remain key to a successful 2023. Elsewhere, in the first quarter of the year, we believe that China may offer some tactical reopening opportunities as the country begins to reopen following an almost three-year lockdown period although we remain cautious given the potential for a stop-start reopening. In Japan, we continue to like the undervalued, highly profitable companies, across a wide variety of sectors. Finally, in Europe, we remain cautious given the energy crisis caused by the Russia/Ukraine war and the subsequent rampant inflation and borrowing costs.

Quaero Capital Funds (Lux) - Taiko Japan

Management report

Japanese markets ended the year on a sluggish note, the wind taken out of the sails by a slight shift in Yield Curve Control ("YCC") policy mid-month, signalling to some a shift towards tightening. We expect further changes in YCC policy over 2023. The Topix Total Return Index fell 4.57% in December. Maintaining our focus on best-in-class companies and those with a robust cash flow outlook continued to benefit the sub-fund's performance. The Class Z JPY of the sub-fund outperformed, falling 3.4%.

Daiei Kankyo (9336 JP), the environmental-related waste treatment and resource recycling company, was the best performer over the month, rising 41.04% and contributing 48 bps of sub-fund performance. Next best performance came from Otsuka Corp (4768 JP), the system integration and consulting company, which rose 0.72% and contributed 2 bps of performance. The largest negative contributor for the month came from Kureha (4023 JP), the functional resin and chemical product manufacturer. OA and telecommunication engineering plastic company, Enplas (6961 JP), was the second largest negative contributor. These stocks detracted 68 bps and 56 bps, respectively, from the sub-fund's performance.

Review of Major Events in 2022

- Shareholder total returns, dividends, and buybacks reached new highs which was a testament to the ongoing cost-cutting and emphasis on profitability and cashflow improvements.
- Activism and PE related deals reached new highs. Japan still has many companies offering attractive valuations. We saw accelerated transition of wealth from corporate balance sheets to shareholders.
- Public opinion swings allowed the government to pursue a nuclear restart policy.
- Japanese manufacturers started reshoring production and contemplating US production sites over being based in China.
- Large corporates embarked on a cycle of secular wage growth, which were the first significant wage increases in 3 decades.
- Kuroda and the Bank of Japan ("BOJ") made the first tentative step towards monetary policy normalisation.

We have covered these points in more detail in our recent December 2022 Japanese Trip report (link below) but it is important to highlight that many of the observations noted above have a structural multi-year characteristic which, in total, should provide incremental growth to shareholders.

The most striking part of our visit to Tokyo this month surrounded the discussion over wage growth which was the first subject managements raised in many meetings. Over the previous 6 months, we had spoken to over 70 large corporates who were all raising the same issue. In some cases, the proposed increases will be significant especially for 2023 graduates who will benefit from around 10% higher starting salaries. Labour retention - especially amongst mid-career staff - has become a pressing issue. Manufacturing reshoring places further pressure on labour availability as these new plants require enhanced domestic supply chains and consequent increase in workforce. I was startled to read in the newspaper that the Japanese Trade Union Association ("RENGO") publicly requested a 5% rise in the 2023 annual Shunto spring wage round. Three observations follow: younger consumers should become more material to the consumption story because of confidence in future wage growth; industry consolidation will accelerate at the expense of small companies; and finally, the BOJ are facing more sustained inflation factors which will become more apparent in the coming year.

Past performance is not an indicator of current or future returns.

Quaero Capital Funds (Lux) - Taiko Japan

Management report (continued)

Our Outlook for 2023

- Further yen appreciation will follow further monetary policy changes.
- The domestic economy is likely to be supported by large scale capex and normalised auto production with a progressive full reopening of the economy and higher tourism.
- The stronger yen and the nuclear restart will lower cost-push inflation.
- Expect many but not all corporates to offset wage growth through cost-cutting.
- Corporate managements will maintain laser like focus on margins and cashflow and sustain shareholder returns.
- Japan will accelerate their enhanced defence spending plans.

Implications for the stock market

We do not expect the yen appreciation - more likely in the second half of 2023 - and the pathway to monetary policy normalisation to benefit all companies. Clear distinctions will arise between those with sustainable selling price control and the weaker companies. The latter will be pressured into discounts as input costs visibly decline. The financials, especially banks, remain likely beneficiaries of monetary tightening and our visit to the Chiba Bank - which we already owned - underlined the buoyant prospects for those banks with a fully functioning fintech model. For manufacturers, the lower domestic energy costs and the stronger yen will materially lower input costs although on a global basis the impact will be diluted, given lower yen revenues. Within many domestic industries, expect a slight overall recovery as the economy fully reopens and this will be more than offset by the acceleration in industry consolidation. During our Japan trip it was noticeable even in central Tokyo how many small retailers had been shuttered.

We remain hopeful that we can persuade more companies to adopt our 2 tier dividend proposals. Given potential annual dividend yields of close to 10% in some cases, the stock market reaction should be very positive. Again, this clearly suits our preferred investments that have very strong and sustainable cash flow generation.

The private equity activity shows no sign of abating and indeed is welcomed by corporate Japan as they are providing a pool of capital to purchase non-core assets. Full scale purchases such as Toshiba will prove a rarity as opposed to the norm. The more direct balance sheet asset stripping by activists will slow as opportunities become more limited but constructive pressure exerted in the boardrooms over strategy and returns will remain a constant feature.

Having conducted over 200 corporate meetings in 2022, we do not sense managements are in any way relaxing their focus on further operational return improvements and in that sense some yen appreciation will only further sharpen their focus. Over the coming years, we believe that the most striking improvement will emerge from higher labour productivity - driven in part by the current heavy technology based initiatives - commonly referred to as the DX strategy.

In a troubled world, certain attributes such as non-leveraged, cash rich balance sheets afford Japanese companies options which are the envy of many companies in the Western World. This applies to the potential it has for investment and shareholder return decisions. Valuations for the most part remain low relative to other developed markets.

My favourite anecdote of such value in 2022 relates to a meeting with a domestic company, where we are shareholders. The president asked the first question, "Why Kimber-san are you buying our shares?"

Past performance is not an indicator of current or future returns.

Quaero Capital Funds (Lux) - Taiko Japan

Management report (continued)

"Well," I replied, "You have 3 businesses with growth and consolidation prospects where you are the industry leader and generate high returns, your cashflow yield is over 10%, the balance sheet has high net cash levels and EV/EBITDA multiple is 2Xs! "

This is not a total guarantee to make money but such cases have a favourable absolute risk/reward profile. Whilst at the more extreme end of low valuations, this holding in the sub-fund symbolises those companies we seek out for our portfolio and underscores our underlying optimism over future returns.

Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 1)

Management report

The launch

The day has finally come, and having run a paper portfolio since April 2022, we transitioned to investing hard cash into the market. With only ten days of performance to comment on, there isn't much to say beyond the fact we have started steadily - the sub-fund (measured in euros) performing exactly in line with the benchmark index, the MSCI Europe SMID cap index, up 0.4%.

At the stock level, a 22% rise in the biggest holding, Borr Drilling, offset negative returns from shipping (Euronav and Hafnia) and technology names (Siltronic and Soitec).

Outlook

So how do we see the market and how are we positioned? 2022 closed the year with the main European bourses down 10% (Euro Stoxx 50 -8.6%) in rough terms with small and mid cap indices about 10% behind (MSCI Europe SMID cap -20.7%). The point is that we have seen risk aversion sweep through markets in 2022 as we witnessed a surge in inflation, macro political risks emerge in Europe around the Ukraine conflict and a weakening in the macro cycle. Commodities, especially in the energy complex, spiked up in response to the proposed sanctions on Russia.

Whilst it has been hard on owners of small and mid cap assets, we see the current pullback and period of relative underperformance versus large indices as an opportunity to add to the space. Keeping a longer-term perspective, history tells us that such periods tend to provide a good entry point into small and mid caps and we believe higher equity volatility will provide further opportunities for the active investor.

Shape of the sub-fund

From a geographical perspective, the sub-fund is underweight Switzerland and the UK and overweight France and Germany.

At the sector level, the key positioning is the underweight in real estate, financials and consumer discretionary. Whilst employment remains more robust than we would have anticipated, the lagged effect of rising interest rates and goods inflation look set to crimp consumer discretionary spend and so we remain cautious here. Our largest overweight position is in the energy space where we see cheap valuations attached to low expectations - we would see capacity to surprise on the upside in a number of these companies. Additionally, we remain overweight in technology and in industrials where we anticipate a pick-up in the capex cycle due to more near shoring of production and due to wage inflation.

The "RoRo" market

Our focus will remain on bottom-up stock picking but we remain opportunistic at looking to invest in parts of the market that have strong thematic drivers and areas that can benefit from the direction of the macro.

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Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 1)

Management report (continued)

One part of the market where we see strengthening fundamentals is the roll on, roll off ("RoRo") shipping segment. Hoegh AutoLiners is a Norwegian company that has been involved in transporting cars, trucks and "high and heavy" equipment (mining machinery etc) since the 1960s. As the world slowly opens up post the COVID pandemic, deep sea shipments are forecast to grow thanks to gradual easing of supply chain disruptions, unrealized upside demand potential and the need for inventory rebuilding. Additionally, with the centre of EV production switching automotive production from Europe to Asia (China is the centre of battery technology for EVs) we see demand for RoRo capacity as likely to strengthen in the coming years above and beyond the macro cycle. With rates increasing over the last few quarters, the cashflow looks set to emerge in the form of significantly increased dividends given the strong balance sheet and limited new building ambitions. With new builds unlikely to come before 2026, the operating environment looks set fair for a while yet. We see upside to rates and estimates in the coming quarters.

Quaero Capital Funds (Lux) - Net Zero Emission (note 1)

Management report

While still up since the October inception (5.5%), the fund corrected during December along with the market after the November rebound. It fell -4.7% vs -4.2 for the MSCI World.

Investors focused once again on the macro environment and especially the central banker's narrative, trying to identify the timing of the "pivot", the Chinese's "re-opening" and the pace of the current economic slowdown.

Within this context, the more "growth-oriented" exposures, namely the technology and the ingredients, were impacted most.

Focus on Tesla

Individually, the worst contributor was Tesla, which corrected by more than 35% during the month, and by 65% year-to-date. We see multiple factors behind this collapse:

Firstly, the impact of rising rates on a long-duration stock like Tesla which has brought its PE to 22.7x currently vs 18.55x for the S&P 500 Index;

Secondly, the risk that as CEO of Twitter, Elon Musk could now be "distracted" and less involved in Tesla. We do not share this view, highlighting that over the last decade he has been able to run two different companies in two different sectors which are in fact two of the most difficult industries of all: aerospace and automotive!

Thirdly, the fact that Elon Musk has sold more than USD 39bn of Tesla stock since the company's price peaked, including a USD 3.6bn sale during the month to finance the acquisition of Twitter. Along with other shareholders, we would appreciate more transparency on this funding.

Finally, after very strong growth over the last two years, the EV market seems to be decelerating on raw materials inflation and the protracted Chinese lockdown. We acknowledge that a market slowdown is probable over the next few quarters due to high inflation and weaker consumption, but see Tesla as best-placed to face any softness in macro conditions due to its competitive cost structure, superior margins and the inherent flexibility of its organization. Behind this slowdown we still think EV adoption will accelerate with regulatory support (IRA in the US) and cost improvements, and that Tesla will maintain its leading position. We added to our position.

Other portfolio changes

During the month, we started a new position in ON Semiconductors (ON), a US manufacturer of discrete, analog chips and sensors. Unlike most peers, ON has internal capacity to manufacture most of its own chips, especially the Silicon Carbide chips - strategically important to EV customers - following the acquisition of Fairchild Semiconductor in 2016 and GT Advanced Technology in 2021. ON secured more than USD 5bn in long term supply agreements with OEMs. Thanks to the acquisition of GlobalFoundries facility in New York in 2019, the company should benefit from the US Chips Act.

We participated in Voltalia's capital increase, a French independent power producer. With more than 2.5 GW of renewable installed base and a roadmap to achieve 5 GW of capacity in 2027, we appreciate the track record of the management team and share their view of an acceleration of solar installations, namely in Europe in the current energy crisis environment.

Past performance is not an indicator of current or future returns.

Quaero Capital Funds (Lux) - Net Zero Emission (note 1)

Management report (continued)

Finally, we attended the Corbion's Capital Market Day and were impressed by the company's ambition to achieve a 10-15% Ebitda CAGR over 2023-2025 implying a 2025e Ebitda of EUR 250m, a 20% higher absolute Ebitda vs their original 2020 CMD ambition. The company has been affected this year by a sustained Polylactic Acid (PLA) slowdown, but we see this correction as temporary and are still convinced by the huge growth prospects of the PLA which has a 75% lower carbon footprint vs traditional plastic and 2-3x lower land requirement vs other bioplastics. Ultimately, Corbion expects an 800kt market by 2030 (vs global polymer market of 400mt) and +15% CAGR in revenue from their joint venture with Total Energies. We were also encouraged by the fact that their Algae Omega-3 product moved to break-even in June 2022, as planned. As a reminder the product is a substitute for fish oil in the aquaculture industry where penetration is expected to increase given the growth of the industry but structural long-term shortage of wild fish oil. We increased our position.

March 2023



Audit report

To the Shareholders of
Quaero Capital Funds (Lux)

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Quaero Capital Funds (Lux) (the “Fund”) and of each of its sub-funds as at 31 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.

What we have audited

The Fund’s financial statements comprise:

- the statement of net assets as at 31 December 2022;
- the statement of operations and changes in net assets for the year then ended;
- the statement of investments and other net assets as at 31 December 2022; 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.

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R.C.S. Luxembourg B 65 477 - TVA LU25482518*



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 and each of its sub-funds' 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 close any of its sub-funds 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 or any of its sub-funds' 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 or any of its sub-funds 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, 12 April 2023

Electronically signed by:
Frédéric Botteman

A handwritten signature in blue ink, appearing to read 'Botteman', is written over a horizontal line.

Frédéric Botteman

Quaero Capital Funds (Lux)

Statement of net assets as at December 31, 2022

	Combined	Quaero Capital Funds (Lux) - Argonaut	Quaero Capital Funds (Lux) - World Opportunities
	EUR	EUR	USD
ASSETS			
Investments in securities at acquisition cost (note 2.g)	783,580,461.21	292,985,166.13	22,072,434.75
Net unrealised gain/loss on investments	-213,841.87	-14,065,163.96	874,109.83
Investments in securities at market value (note 2.c)	783,366,619.34	278,920,002.17	22,946,544.58
Cash at banks (note 2.c)	18,778,460.88	6,815,524.54	1,274,311.69
Bank deposits (note 2.c)	11,870,577.66	0.00	0.00
Dividend and interest receivable, net	664,333.96	13,744.21	66,852.62
Formation expenses (note 2.d)	7,867.24	0.00	0.00
Net unrealised gain on futures contracts (notes 2.j, 10)	101,309.84	0.00	0.00
Net unrealised gain on forward foreign exchange contracts (notes 2.i, 9)	654,149.76	0.00	53,851.02
	815,443,318.68	285,749,270.92	24,341,559.91
LIABILITIES			
Bank overdraft (note 2.c)	461,326.05	0.00	0.00
Investment management and advisory fees payable (note 4)	768,505.03	334,946.26	32,160.59
Performance fees payable (note 5)	775.07	771.68	0.00
"Taxe d'abonnement" payable (note 3)	62,326.09	23,690.64	3,076.15
Net unrealised loss on forward foreign exchange contracts (notes 2.i, 9)	480,262.40	280,986.30	0.00
Other fees payable (note 6)	566,555.02	189,145.60	27,408.75
	2,339,749.66	829,540.48	62,645.49
TOTAL NET ASSETS AS AT DECEMBER 31, 2022	813,103,569.02	284,919,730.44	24,278,914.42
TOTAL NET ASSETS AS AT DECEMBER 31, 2021	957,128,217.23	352,037,742.93	42,827,879.01
TOTAL NET ASSETS AS AT DECEMBER 31, 2020	747,114,391.46	217,816,710.74	30,595,257.98

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

Quaero Capital Funds (Lux)

Statement of net assets as at December 31, 2022 (continued)

Quaero Capital Funds (Lux) - Bamboo	Quaero Capital Funds (Lux) - International Equities	Quaero Capital Funds (Lux) - Global Balanced (note 1)	Quaero Capital Funds (Lux) - Infrastructure Securities	Quaero Capital Funds (Lux) - Yield Opportunities
USD	EUR	EUR	EUR	EUR
22,696,065.22	17,791,305.03	19,690,466.40	50,592,376.29	31,349,661.35
-442,879.24	2,694,660.38	1,223,052.35	428,670.20	-3,241,612.65
22,253,185.98	20,485,965.41	20,913,518.75	51,021,046.49	28,108,048.70
351,867.82	680,656.08	797,371.36	462,818.56	2,301,425.31
0.00	5,519,257.77	2,305,537.15	0.00	2,752,740.27
1,681.41	203.73	2,579.17	23,690.14	365,865.67
0.00	0.00	0.00	0.00	0.00
0.00	42,113.64	59,196.20	0.00	0.00
13,013.93	0.00	0.00	0.00	0.00
22,619,749.14	26,728,196.63	24,078,202.63	51,507,555.19	33,528,079.95
131,782.14	0.00	0.00	0.00	38,545.38
24,011.56	34,241.04	34,183.85	51,940.54	23,083.48
0.00	0.00	0.00	0.00	3.39
1,511.04	3,359.90	3,029.26	2,306.70	2,635.73
0.00	9,688.58	3,813.62	4,613.18	50,045.44
16,041.66	16,884.77	18,696.82	36,971.73	26,099.84
173,346.40	64,174.29	59,723.55	95,832.15	140,413.26
22,446,402.74	26,664,022.34	24,018,479.08	51,411,723.04	33,387,666.69
57,041,526.34	30,499,204.56	16,532,734.57	53,471,967.76	40,436,937.93
58,109,381.40	27,863,513.52	19,900,342.66	45,478,680.92	40,099,231.39

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

Quaero Capital Funds (Lux)

Statement of net assets as at December 31, 2022 (continued)

	Quaero Capital Funds (Lux) - Accessible Clean Energy	Quaero Capital Funds (Lux) - New Europe	Quaero Capital Funds (Lux) - China
	USD	EUR	USD
ASSETS			
Investments in securities at acquisition cost (note 2.g)	112,093,270.37	26,208,964.74	62,481,292.37
Net unrealised gain/loss on investments	25,638,766.96	-6,163,727.18	-9,009,933.34
Investments in securities at market value (note 2.c)	137,732,037.33	20,045,237.56	53,471,359.03
Cash at banks (note 2.c)	854,858.96	655,100.96	373,459.56
Bank deposits (note 2.c)	0.00	0.00	0.00
Dividend and interest receivable, net	42,581.08	0.00	25,780.00
Formation expenses (note 2.d)	0.00	0.00	0.00
Net unrealised gain on futures contracts (notes 2.j, 10)	0.00	0.00	0.00
Net unrealised gain on forward foreign exchange contracts (notes 2.i, 9)	71,879.91	0.00	94,481.97
	138,701,357.28	20,700,338.52	53,965,080.56
LIABILITIES			
Bank overdraft (note 2.c)	35,254.34	485.97	283,657.68
Investment management and advisory fees payable (note 4)	121,469.03	16,812.01	37,268.10
Performance fees payable (note 5)	0.00	0.00	0.00
"Taxe d'abonnement" payable (note 3)	11,170.27	1,273.35	1,884.18
Net unrealised loss on forward foreign exchange contracts (notes 2.i, 9)	0.00	612.59	0.00
Other fees payable (note 6)	97,268.02	12,959.32	33,917.51
	265,161.66	32,143.24	356,727.47
TOTAL NET ASSETS AS AT DECEMBER 31, 2022	138,436,195.62	20,668,195.28	53,608,353.09
TOTAL NET ASSETS AS AT DECEMBER 31, 2021	155,142,903.14	27,044,624.64	91,324,384.05
TOTAL NET ASSETS AS AT DECEMBER 31, 2020	145,991,339.07	31,969,420.45	42,813,888.38

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

Quaero Capital Funds (Lux)

Statement of net assets as at December 31, 2022 (continued)

Quaero Capital Funds (Lux) - Cullen ESG US Value	Quaero Capital Funds (Lux) - Global Convertible Bonds	Quaero Capital Funds (Lux) - Taiko Japan	Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 1)	Quaero Capital Funds (Lux) - Net Zero Emission (note 1)
USD	EUR	JPY	EUR	USD
37,683,528.22	72,651,816.06	1,942,239,537.00	4,539,479.98	14,032,282.46
1,834,541.54	-1,892,592.26	363,013,403.00	37,638.82	515,850.33
39,518,069.76	70,759,223.80	2,305,252,940.00	4,577,118.80	14,548,132.79
23,403.08	2,192,415.64	106,537,908.40	661,000.04	810,074.68
1,380,000.00	0.00	0.00	0.00	0.00
68,061.20	49,266.72	1,699,163.00	0.00	5,204.47
3,867.29	0.00	226,380.00	0.00	2,813.31
0.00	0.00	0.00	0.00	0.00
20,225.78	379,403.33	0.00	0.00	39,770.61
41,013,627.11	73,380,309.49	2,413,716,391.40	5,238,118.84	15,405,995.86
0.00	0.00	0.00	0.00	0.00
24,911.24	32,661.05	574,784.02	2,528.22	9,944.70
0.00	0.00	0.00	0.00	0.00
4,136.93	1,934.31	301,476.26	114.26	1,531.30
0.00	0.00	18,324,024.59	377.56	0.00
29,895.92	50,432.76	1,651,728.81	1,741.20	10,939.04
58,944.09	85,028.12	20,852,013.68	4,761.24	22,415.04
40,954,683.02	73,295,281.37	2,392,864,377.72	5,233,357.60	15,383,580.82
21,837,668.14	87,799,892.05	2,215,144,886.30	-	-
15,025,943.92	69,802,885.24	1,524,821,914.04	-	-

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

Quaero Capital Funds (Lux)

Statement of operations and changes in net assets for the year/period ended December 31, 2022

	Combined	Quaero Capital Funds (Lux) - Argonaut	Quaero Capital Funds (Lux) - World Opportunities
	EUR	EUR	USD
NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD	957,128,217.23	352,037,742.93	42,827,879.01
INCOME			
Dividends, net (note 2.h)	15,011,873.95	8,614,257.10	396,783.49
Interest on bonds, net (note 2.h)	1,221,642.37	0.00	0.00
Bank interest	91,312.14	0.00	0.00
Income on subscriptions	1,352.30	0.00	0.00
	16,326,180.76	8,614,257.10	396,783.49
EXPENSES			
Amortization of formation expenses (note 2.d)	3,539.62	0.00	0.00
Investment management and advisory fees (note 4)	9,388,702.21	4,234,871.54	446,528.87
Performance fees (note 5)	775.07	771.68	0.00
Depository fees, bank charges and interest	388,009.10	122,150.32	13,401.45
Professional fees, audit fees and other expenses	3,604,127.76	1,198,211.57	129,325.57
Administration fees	493,183.10	174,848.07	22,099.20
"Taxe d'abonnement" (note 3)	231,379.17	96,519.05	12,359.52
Transaction fees (note 2.m)	1,082,759.24	233,183.22	17,085.88
	15,192,475.27	6,060,555.45	640,800.49
NET INVESTMENT INCOME/LOSS	1,133,705.49	2,553,701.65	-244,017.00
Net realised gain/loss on sales of investments (note 2.e)	16,952,501.80	37,315,048.40	-3,234,337.70
Net realised gain/loss on foreign exchange	-1,689,262.13	-681,432.59	409,605.07
Net realised gain/loss on forward foreign exchange contracts (notes 2f, 9)	-11,802,566.21	326,601.68	-1,972,812.56
Net realised gain on future contracts (notes 2j, 10)	279,871.51	0.00	0.00
NET REALISED GAIN/LOSS	4,874,250.46	39,513,919.14	-5,041,562.19
Change in net unrealised appreciation/depreciation:			
- on investments	-169,202,586.67	-81,162,617.81	-7,443,837.00
- on forward foreign exchange contracts	-600,711.54	-334,742.01	-195,217.95
- on future contracts	104,995.02	0.00	0.00
INCREASE/DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS	-164,824,052.73	-41,983,440.68	-12,680,617.14
Subscription/Redemption of shares concerning merger	0.00	0.00	0.00
Proceeds from subscriptions of shares	218,271,989.53	25,258,951.33	758,812.94
Cost of shares redeemed	-209,430,291.19	-48,227,656.09	-5,877,030.29
Dividend distributed (note 13)	-611,359.64	0.00	0.00
Revaluation difference*	-7,466,056.35	-2,165,867.05	-750,130.10
Revaluation difference on the net assets at the beginning of the year**	20,035,122.17		
NET ASSETS AT THE END OF THE YEAR/PERIOD	813,103,569.02	284,919,730.44	24,278,914.42

* The difference mentioned above is the result of fluctuations in the exchange rates used to convert the different items related to share classes denominated in a currency other than the currency of the sub-funds into the currency of the related sub-funds between December 31, 2021 and December 31, 2022.

** The difference mentioned above results from the conversion of the net assets at the beginning of the year (for the sub-funds denominated in currencies other than Euro) at exchange rates applicable on December 31, 2021 and exchange rates applicable on December 31, 2022.

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

Quaero Capital Funds (Lux)

Statement of operations and changes in net assets for the year/period ended December 31, 2022 (continued)

Quaero Capital Funds (Lux) - Bamboo	Quaero Capital Funds (Lux) - International Equities	Quaero Capital Funds (Lux) - Global Balanced (note 1)	Quaero Capital Funds (Lux) - Global Conservative (note 1)	Quaero Capital Funds (Lux) - Infrastructure Securities
USD	EUR	EUR	EUR	EUR
57,041,526.34	30,499,204.56	16,532,734.57	8,635,037.85	53,471,967.76
492,089.45	57,064.60	22,659.20	8,563.33	981,484.57
0.00	0.00	4,929.14	1,596.64	0.00
10,557.64	8,887.70	6,756.07	27.35	0.00
0.00	681.12	547.24	123.94	0.00
502,647.09	66,633.42	34,891.65	10,311.26	981,484.57
0.00	0.00	0.00	0.00	0.00
373,427.53	395,330.79	367,677.72	64,153.06	540,291.10
0.00	0.00	0.00	0.00	0.00
14,086.04	14,143.81	12,492.55	2,420.39	25,228.05
165,195.79	112,616.20	107,708.65	21,084.68	216,998.50
19,279.02	14,856.27	12,930.73	2,170.53	25,897.35
7,123.20	6,187.74	5,299.14	914.70	8,461.08
149,440.67	9,009.79	12,960.79	2,317.72	130,897.79
728,552.25	552,144.60	519,069.58	93,061.08	947,773.87
-225,905.16	-485,511.18	-484,177.93	-82,749.82	33,710.70
-2,426,212.52	1,889,216.40	50,442.35	422,040.51	3,990,957.95
-72,373.09	-646,756.01	-549,556.87	45,491.36	-50,955.67
-1,681,092.31	377,758.18	429,573.41	-218,675.17	-738,452.85
0.00	3,825.71	169,753.87	106,291.93	0.00
-4,405,583.08	1,138,533.10	-383,965.17	272,398.81	3,235,260.13
-13,345,655.59	-5,528,066.96	-1,874,815.42	-1,036,905.29	-8,113,501.98
-133,471.14	-45,661.94	-19,404.59	-5,654.17	50,363.39
0.00	62,478.46	53,236.00	-10,719.44	0.00
-17,884,709.81	-4,372,717.34	-2,224,949.18	-780,880.09	-4,827,878.46
0.00	0.00	7,854,157.76	-7,854,157.76	0.00
4,641,306.97	2,683,754.56	10,980,968.81	0.00	16,320,424.68
-19,894,970.51	-2,424,042.59	-9,193,250.13	0.00	-13,924,366.80
0.00	0.00	0.00	0.00	-1,911.45
-1,456,750.25	277,823.15	68,817.25	0.00	373,487.31
22,446,402.74	26,664,022.34	24,018,479.08	-	51,411,723.04

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

Quaero Capital Funds (Lux)

Statement of operations and changes in net assets for the year/period ended December 31, 2022 (continued)

	Quaero Capital Funds (Lux) - Yield Opportunities	Quaero Capital Funds (Lux) - Accessible Clean Energy	Quaero Capital Funds (Lux) - New Europe
	EUR	USD	EUR
NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD	40,436,937.93	155,142,903.14	27,044,624.64
INCOME			
Dividends, net (note 2.h)	370,434.52	1,989,662.83	966,887.34
Interest on bonds, net (note 2.h)	1,005,789.18	0.00	0.00
Bank interest	32,339.29	0.00	1,391.40
Income on subscriptions	0.00	0.00	0.00
	1,408,562.99	1,989,662.83	968,278.74
EXPENSES			
Amortization of formation expenses (note 2.d)	0.00	0.00	534.57
Investment management and advisory fees (note 4)	294,009.18	1,463,959.99	193,487.78
Performance fees (note 5)	3.39	0.00	0.00
Depository fees, bank charges and interest	29,598.88	66,191.61	17,065.21
Professional fees, audit fees and other expenses	171,285.62	613,780.80	117,183.37
Administration fees	23,901.81	84,615.58	10,363.03
"Taxe d'abonnement" (note 3)	10,907.19	46,196.14	4,723.50
Transaction fees (note 2.m)	37,048.08	126,780.34	107,774.24
	566,754.15	2,401,524.46	451,131.70
NET INVESTMENT INCOME/LOSS	841,808.84	-411,861.63	517,147.04
Net realised gain/loss on sales of investments (note 2.e)	2,110,001.29	-1,701,273.77	3,058,686.71
Net realised gain/loss on foreign exchange	-207,775.86	-132,717.59	103,816.19
Net realised gain/loss on forward foreign exchange contracts (notes 2f, 9)	476,783.51	-3,230,078.51	19,942.88
Net realised gain on future contracts (notes 2j, 10)	0.00	0.00	0.00
NET REALISED GAIN/LOSS	3,220,817.78	-5,475,931.50	3,699,592.82
Change in net unrealised appreciation/depreciation:			
- on investments	-5,707,532.75	-24,480,332.52	-9,438,162.82
- on forward foreign exchange contracts	-48,306.56	-153,710.03	799.50
- on future contracts	0.00	0.00	0.00
INCREASE/DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS	-2,535,021.53	-30,109,974.05	-5,737,770.50
Subscription/Redemption of shares concerning merger	0.00	0.00	0.00
Proceeds from subscriptions of shares	2,535,369.07	91,284,575.15	199,002.56
Cost of shares redeemed	-6,424,700.92	-75,884,511.73	-859,168.07
Dividend distributed (note 13)	-609,448.19	0.00	0.00
Revaluation difference*	-15,469.67	-1,996,796.89	21,506.65
NET ASSETS AT THE END OF THE YEAR/PERIOD	33,387,666.69	138,436,195.62	20,668,195.28

* The difference mentioned above is the result of fluctuations in the exchange rates used to convert the different items related to share classes denominated in a currency other than the currency of the sub-funds into the currency of the related sub-funds between December 31, 2021 and December 31, 2022.

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

Quaero Capital Funds (Lux)

Statement of operations and changes in net assets for the year/period ended December 31, 2022 (continued)

Quaero Capital Funds (Lux) - China	Quaero Capital Funds (Lux) - Cullen ESG US Value	Quaero Capital Funds (Lux) - Global Convertible Bonds	Quaero Capital Funds (Lux) - Taiko Japan	Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 1)
USD	USD	EUR	JPY	EUR
91,324,384.05	21,837,668.14	87,799,892.05	2,215,144,886.30	-
441,999.89	589,239.18	0.00	45,184,823.04	0.00
0.00	0.00	209,327.41	0.00	0.00
14,005.84	20,165.33	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
456,005.73	609,404.51	209,327.41	45,184,823.04	0.00
0.00	2,600.61	0.00	80,028.62	0.00
471,434.16	245,805.95	418,541.37	6,602,290.43	2,528.22
0.00	0.00	0.00	0.00	0.00
25,465.34	13,338.20	33,518.97	890,294.85	72.85
250,636.00	170,132.11	318,083.61	11,231,181.86	1,646.12
40,611.22	19,214.75	41,223.95	1,509,286.99	136.37
7,501.58	12,986.43	8,178.12	1,112,792.82	114.26
232,170.21	14,902.17	3,892.31	440,189.81	12,570.40
1,027,818.51	478,980.22	823,438.33	21,866,065.38	17,068.22
-571,812.78	130,424.29	-614,110.92	23,318,757.66	-17,068.22
-23,402,287.95	-484,403.08	-1,087,467.83	-87,161,545.00	-5,287.62
-762,230.50	-311,722.96	866,845.71	-5,908,212.43	6,373.63
-3,681,515.48	689,140.01	-4,760,359.66	139,766,345.47	-3,161.35
0.00	0.00	0.00	0.00	0.00
-28,417,846.71	23,438.26	-5,595,092.70	70,015,345.70	-19,143.56
-2,629,363.74	-2,586,258.54	-9,952,134.38	55,537,370.00	37,638.82
-286,846.30	14,793.73	656,888.35	-26,047,035.81	-377.56
0.00	0.00	0.00	0.00	0.00
-31,334,056.75	-2,548,026.55	-14,890,338.73	99,505,679.89	18,117.70
0.00	0.00	0.00	0.00	0.00
8,577,390.75	35,792,810.52	7,002,935.02	267,237,999.45	5,215,239.90
-11,925,069.20	-14,069,923.87	-6,617,206.97	-303,049,854.10	0.00
0.00	0.00	0.00	0.00	0.00
-3,034,295.76	-57,845.22	0.00	114,025,666.18	0.00
53,608,353.09	40,954,683.02	73,295,281.37	2,392,864,377.72	5,233,357.60

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

Quaero Capital Funds (Lux)

Statement of operations and changes in net assets for the year/period ended December 31, 2022 (continued)

Quaero Capital Funds
(Lux) - Net Zero
Emission (note 1)

USD

NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD	-
INCOME	
Dividends, net (note 2.h)	6,660.85
Interest on bonds, net (note 2.h)	0.00
Bank interest	0.00
Income on subscriptions	0.00
	6,660.85
EXPENSES	
Amortization of formation expenses (note 2.d)	0.00
Investment management and advisory fees (note 4)	20,150.56
Performance fees (note 5)	0.00
Depository fees, bank charges and interest	919.15
Professional fees, audit fees and other expenses	15,188.08
Administration fees	2,162.53
"Taxe d'abonnement" (note 3)	1,531.30
Transaction fees (note 2.m)	25,240.95
	65,192.57
NET INVESTMENT INCOME/LOSS	-58,531.72
Net realised gain/loss on sales of investments (note 2.e)	-952,745.97
Net realised gain/loss on foreign exchange	300,214.93
Net realised gain/loss on forward foreign exchange contracts (notes 2f, 9)	585,832.52
Net realised gain on future contracts (notes 2j, 10)	0.00
NET REALISED GAIN/LOSS	-125,230.24
Change in net unrealised appreciation/depreciation:	
- on investments	515,850.33
- on forward foreign exchange contracts	39,770.61
- on future contracts	0.00
INCREASE/DECREASE IN NET ASSETS AS A RESULT OF OPERATIONS	430,390.70
Subscription/Redemption of shares concerning merger	0.00
Proceeds from subscriptions of shares	14,953,190.12
Cost of shares redeemed	0.00
Dividend distributed (note 13)	0.00
Revaluation difference*	0.00
NET ASSETS AT THE END OF THE YEAR/PERIOD	15,383,580.82

* The difference mentioned above is the result of fluctuations in the exchange rates used to convert the different items related to share classes denominated in a currency other than the currency of the sub-funds into the currency of the related sub-funds between December 31, 2021 and December 31, 2022.

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

Quaero Capital Funds (Lux)

Number of shares outstanding and net asset value per share

Sub-fund Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
		31.12.2022	31.12.2022	31.12.2021	31.12.2020
Quaero Capital Funds (Lux) - Argonaut					
A (ACC) EUR	EUR	171,488.32	421.61	483.48	390.72
A (ACC) CHF	CHF	46,677.75	284.08	326.57	263.98
A (ACC) GBP	GBP	25,488.88	369.72	419.00	338.05
A (ACC) SEK	SEK	3,205.86	356.50	409.63	329.97
A (ACC) USD	USD	24,147.84	315.93	353.24	282.64
A1 (ACC) EUR	EUR	153,343.16	123.25	141.28	115.14
B (ACC) EUR	EUR	346,150.57	303.72	347.36	280.32
D (ACC) EUR	EUR	2,785.92	280.89	323.72	262.27
H (ACC) EUR	EUR	29,250.55	824.58	945.59	764.26
X (ACC) GBP	GBP	107,942.89	254.56	288.22	229.05
S (ACC) EUR	EUR	1.97	466.43	526.18	412.92
Z (ACC) EUR	EUR	113.80	12,400.50	13,982.89	10,970.24
Quaero Capital Funds (Lux) - World Opportunities					
A (ACC) EUR	EUR	22,977.41	103.89	152.00	140.86
A (ACC) CHF	CHF	149,668.40	100.93	147.73	137.18
A (ACC) USD	USD	38,096.81	119.56	168.22	154.26
D (ACC) EUR	EUR	2,670.74	153.63	225.89	208.84
D (ACC) USD	USD	2,400.00	170.94	241.71	220.85
Z (ACC) USD	USD	-	-	15,220.20	13,604.42
Quaero Capital Funds (Lux) - Bamboo					
A (ACC) USD	USD	26,548.63	127.34	189.18	173.98
A (ACC) EUR	EUR	32,771.81	109.00	166.49	155.79
B (ACC) USD	USD	57,598.71	130.26	192.86	176.92
C (ACC) USD	USD	40,289.27	115.03	169.97	155.60
C (ACC) EUR	EUR	10,491.09	94.16	143.05	132.53
X (ACC) USD	USD	15,114.66	136.43	201.15	183.80
Quaero Capital Funds (Lux) - International Equities					
A (ACC) EUR	EUR	117,155.58	170.40	198.71	176.53
A (ACC) CHF	CHF	44,868.34	139.87	164.06	146.19
A (ACC) USD	USD	3,360.00	109.51	124.81	109.95
Quaero Capital Funds (Lux) - Global Balanced (note 1)					
A (ACC) EUR	EUR	173,558.80	130.81	147.41	137.92
A (ACC) CHF	CHF	11,231.26	115.65	131.09	123.03
Quaero Capital Funds (Lux) - Global Conservative (note 1)					
A (ACC) EUR	EUR	-	-	125.62	122.32
Quaero Capital Funds (Lux) - Infrastructure Securities					
A (ACC) EUR	EUR	39,941.77	168.52	186.24	178.86
A (ACC) CHF	CHF	5,634.82	158.92	176.49	170.11
A (ACC) USD	USD	7,545.78	189.14	204.59	194.95
A1 (DIST) CHF	CHF	17,311.19	141.09	156.64	150.91
C (ACC) EUR	EUR	278,613.29	138.10	151.81	145.00
A (DIST) USD	USD	1,000.00	100.62	110.96	-
C (ACC) CHF	CHF	3,608.00	108.74	120.11	115.14
C (ACC) USD	USD	3,000.00	99.67	107.23	-
D (ACC) EUR	EUR	7,420.00	96.17	-	-
Quaero Capital Funds (Lux) - Yield Opportunities					
A (ACC) EUR	EUR	10,534.77	126.75	136.33	127.11
A (ACC) CHF	CHF	4,606.27	95.93	103.79	96.99
A (ACC) USD	USD	7,011.07	115.82	122.81	113.77
D1 (ACC) EUR	EUR	125,771.66	114.62	123.41	115.16
D1 (ACC) CHF	CHF	8,745.04	92.38	100.04	93.59
C (DIST) EUR	EUR	35,938.80	93.72	104.29	99.92
C (DIST) CHF	CHF	36,601.16	88.51	99.07	95.16

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

Quaero Capital Funds (Lux)

Number of shares outstanding and net asset value per share (continued)

Sub-fund Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
		31.12.2022	31.12.2022	31.12.2021	31.12.2020
Quaero Capital Funds (Lux) - Yield Opportunities (continued)					
C (DIST) GBP	GBP	64,157.14	98.60	108.32	103.30
C (DIST) USD	USD	18,834.94	103.71	113.75	108.17
Quaero Capital Funds (Lux) - Accessible Clean Energy					
A (ACC) CHF	CHF	20,712.12	124.65	158.95	185.34
A (ACC) USD	USD	38,699.51	175.14	213.93	244.73
A (ACC) EUR	EUR	19,896.16	144.70	184.53	215.92
B (ACC) USD	USD	29,867.36	181.99	221.65	252.41
B (ACC) EUR	EUR	44,061.00	144.78	184.09	213.93
C (ACC) EUR	EUR	100,454.06	141.51	179.56	208.10
C (ACC) USD	USD	35,765.24	221.16	268.67	305.06
C (ACC) EUR (non hedged)	EUR	207,591.05	191.92	218.83	231.71
C (ACC) GBP	GBP	2,471.80	86.88	108.76	-
D (ACC) EUR	EUR	342.00	87.74	-	-
X (ACC) USD	USD	215,086.75	221.58	-	-
Quaero Capital Funds (Lux) - New Europe					
A (ACC) EUR	EUR	18,018.19	102.80	131.92	119.81
A (ACC) CHF	CHF	-	-	124.15	113.00
A (ACC) USD	USD	1,987.48	113.85	141.29	127.31
C (ACC) EUR	EUR	125,131.00	105.66	134.87	121.91
Z (ACC) EUR	EUR	501.39	10,734.71	13,508.43	11,953.08
Quaero Capital Funds (Lux) - China					
C (ACC) USD	USD	286,909.82	62.08	93.94	116.52
C (ACC) CHF	CHF	104,268.61	58.99	92.38	116.26
C (ACC) EUR	EUR	381,090.71	59.37	92.50	116.30
D1 (ACC) EUR	EUR	34,480.00	57.97	91.12	114.96
D1 (ACC) CHF	CHF	52,373.00	46.04	72.75	-
D1 (ACC) USD	USD	4,390.92	59.70	91.14	113.49
Quaero Capital Funds (Lux) - Cullen ESG US Value					
A1 (ACC) USD	USD	73,430.75	131.78	143.46	116.17
A1 (ACC) EUR	EUR	3,743.70	118.71	133.50	109.14
C (ACC) GBP	GBP	511.35	89.89	99.45	-
D (ACC) USD	USD	50,252.07	131.59	143.31	116.09
X (ACC) EUR	EUR	119,799.44	106.49	-	-
X (ACC) USD	USD	50,783.47	133.91	145.10	116.95
X (ACC) GBP	GBP	33,565.82	92.12	101.74	-
Quaero Capital Funds (Lux) - Global Convertible Bonds					
A1 (ACC) EUR	EUR	3,098.46	99.91	120.08	116.16
C (ACC) EUR	EUR	405,390.80	102.31	122.65	118.15
C (DIST) EUR	EUR	300,000.00	102.31	122.65	118.15
D (ACC) EUR	EUR	9,860.00	83.20	101.03	-
Quaero Capital Funds (Lux) - Taiko Japan					
Z (ACC) EUR	EUR	22,279.36	135.37	130.23	112.96
Z (ACC) USD	USD	34,401.51	139.91	131.67	113.25
Z (ACC) JPY	JPY	46,185.51	13,719.00	13,129.00	11,316.00
Z (ACC) GBP (non hedged)	GBP	22,285.71	116.65	113.60	108.20
Z (ACC) GBP	GBP	13,082.77	138.16	131.02	113.06
Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 1)					
D1 (ACC) EUR	EUR	21,600.00	100.36	-	-
D1 (ACC) CHF	CHF	20,200.00	100.30	-	-
X (ACC) EUR	EUR	6,500.00	100.40	-	-
X (ACC) CHF	CHF	1,500.00	100.34	-	-

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

Quaero Capital Funds (Lux)

Number of shares outstanding and net asset value per share (continued)

Sub-fund Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
		31.12.2022	31.12.2022	31.12.2021	31.12.2020
Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 1) (continued)					
X (ACC) USD	USD	2,187.26	101.81	-	-
Quaero Capital Funds (Lux) - Net Zero Emission (note 1)					
X (ACC) EUR	EUR	136,565.18	105.55	-	-

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

Quaero Capital Funds (Lux) - Argonaut

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>AUSTRIA</i>				
ROSENBAUER INTERNATIONAL	EUR	43,920.00	1,321,992.00	0.46
ZUMTOBEL	EUR	753,700.00	5,132,697.00	1.80
			6,454,689.00	2.26
<i>FINLAND</i>				
RAPALA VMC	EUR	1,675,763.00	8,378,815.00	2.94
			8,378,815.00	2.94
<i>FRANCE</i>				
ASSYSTEM	EUR	45,207.00	1,835,404.20	0.64
BENETEAU	EUR	469,347.00	6,636,566.58	2.33
BIGBEN INTERACTIVE	EUR	828,096.00	5,274,971.52	1.85
CATERING INTERNATIONAL SERVICES	EUR	269,002.00	2,603,939.36	0.91
CEGEDIM	EUR	420,815.00	6,127,066.40	2.15
CNIM GROUP *	EUR	66,198.00	0.00	0.00
DAMARTEX	EUR	438,567.00	5,789,084.40	2.03
EXAIL TECHNOLOGIES	EUR	619,401.00	12,375,631.98	4.34
EXEL INDUSTRIES	EUR	6,000.00	326,400.00	0.11
GUERBET	EUR	202,901.00	3,441,200.96	1.21
HF COMPANY	EUR	310,292.00	1,694,194.32	0.59
HIGH CO	EUR	552,796.00	2,625,781.00	0.92
JACQUET METAL	EUR	238,040.00	3,980,028.80	1.40
LACROIX GROUP	EUR	174,712.00	4,699,752.80	1.65
LINEDATA SERVICES	EUR	35,473.00	1,635,305.30	0.57
NRJ GROUP	EUR	156,888.00	1,063,700.64	0.37
PEUGEOT INVEST SA	EUR	14,920.00	1,327,880.00	0.47
PRODWAYS GROUP	EUR	609,219.00	2,016,514.89	0.71
QUADIANT	EUR	646,106.00	8,896,879.62	3.12
SOGECLAIR	EUR	41,571.00	827,262.90	0.29
VIEL	EUR	1,957,260.00	11,547,834.00	4.05
VISIATIV	EUR	50,633.00	1,367,091.00	0.48
			86,092,490.67	30.19
<i>GERMANY</i>				
A S CREATION TAPETEN	EUR	82,820.00	815,777.00	0.29
AURELIUS EQUITY OPPORTUNITIES	EUR	225,905.00	4,138,579.60	1.45
BERTRANDT	EUR	41,000.00	1,637,950.00	0.57
CENTROTHERM PHOTOVOLTAICS	EUR	102,400.00	532,480.00	0.19
CHERRY	EUR	173,100.00	1,312,098.00	0.46
DR. HOENLE	EUR	35,220.00	676,224.00	0.24

* Fair valued investment by the BOD of the Fund
The accompanying notes form an integral part of these financial statements.

Quaero Capital Funds (Lux) - Argonaut

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
HORNBACH HOLDING	EUR	28,030.00	2,165,317.50	0.76
KOENIG & BAUER	EUR	269,410.00	4,385,994.80	1.54
MISTER SPEX	EUR	81,800.00	329,245.00	0.12
			15,993,665.90	5.62
<i>GREECE</i>				
SARANTIS	EUR	442,628.00	2,872,655.72	1.01
			2,872,655.72	1.01
<i>ITALY</i>				
CELLULARLINE	EUR	1,578,929.00	4,689,419.13	1.65
EMAK	EUR	4,074,082.00	4,750,379.61	1.67
PIQUADRO	EUR	2,842,872.00	5,515,171.68	1.94
SABAF	EUR	390,709.00	6,517,026.12	2.29
SAFILO GROUP -POST RAGGRUPPAMENTO-	EUR	8,388,204.00	12,766,846.49	4.48
			34,238,843.03	12.03
<i>LIECHTENSTEIN</i>				
VP BANK 'A'	CHF	10,000.00	889,185.96	0.31
			889,185.96	0.31
<i>LUXEMBOURG</i>				
D'AMICO INTERNATIONAL SHIPPING	EUR	9,331,533.00	3,480,661.81	1.22
EXCEET GROUP	EUR	1,020,158.00	5,304,821.60	1.86
			8,785,483.41	3.08
<i>NETHERLANDS</i>				
HEIJMANS SHS CERT.	EUR	1,004,183.00	10,162,331.96	3.57
			10,162,331.96	3.57
<i>NORWAY</i>				
NORSKE SKOG	NOK	142,100.00	908,949.50	0.32
STRONGPOINT	NOK	1,641,821.00	3,435,594.33	1.21
			4,344,543.83	1.53
<i>SPAIN</i>				
ALANTRA PARTNERS	EUR	219,721.00	2,647,638.05	0.93
LABORATORIO REIG JOFRE	EUR	2,366,988.00	5,183,703.72	1.82
			7,831,341.77	2.75
<i>SWEDEN</i>				
ITAB SHOP CONCEPT	SEK	1,651,790.00	1,633,933.41	0.57
PRICER 'B'	SEK	6,436,594.00	9,469,482.64	3.32
STUDSVIK	SEK	335,000.00	3,325,835.14	1.17
			14,429,251.19	5.06

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

Quaero Capital Funds (Lux) - Argonaut

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>SWITZERLAND</i>				
CICOR TECHNOLOGIES	CHF	51,391.00	2,232,762.05	0.78
HOCHDORF HOLDING	CHF	24,634.00	528,894.29	0.19
IMPLENIA	CHF	235,915.00	9,090,929.64	3.19
PHOENIX MECANO	CHF	16,384.00	5,459,010.35	1.92
RIETER HOLDING	CHF	47,815.00	5,084,538.49	1.78
STARRAG GROUP HOLDING	CHF	50,384.00	2,602,321.20	0.91
TORNOS HOLDING NOM.	CHF	623,544.00	3,612,112.05	1.27
TRADITION FINANCIERE CIE	CHF	44,203.00	4,678,063.54	1.64
U-BLOX HOLDING	CHF	88,214.00	9,845,033.32	3.46
			43,133,664.93	15.14
<i>UNITED KINGDOM</i>				
CAMELLIA PLC	GBP	143,148.00	7,679,898.10	2.70
FIH GROUP	GBP	1,016,191.00	2,863,377.27	1.00
HEADLAM GROUP	GBP	98,160.00	334,121.72	0.12
TANFIELD GROUP	GBP	12,202,789.00	448,373.48	0.16
			11,325,770.57	3.98
TOTAL I.			254,932,732.94	89.47
II. OTHER TRANSFERABLE SECURITIES				
SHARES				
<i>CYPRUS</i>				
HELESI *	GBP	1,015,200.00	0.00	0.00
			0.00	0.00
<i>GUERNSEY</i>				
LUMX GROUP *	CHF	87.00	88,108.40	0.03
			88,108.40	0.03
TOTAL II.			88,108.40	0.03
III. UNITS OF INVESTMENT FUNDS				
<i>FRANCE</i>				
AMUNDI SERENITE PEA IC EUR -ACC-	EUR	1,689.13	18,516,867.41	6.50
			18,516,867.41	6.50
<i>LUXEMBOURG</i>				
QUAERO CAPITAL FUND (LUX) - NEW EUROPE Z EUR -ACC.- **	EUR	501.39	5,382,293.42	1.89
			5,382,293.42	1.89
TOTAL III.			23,899,160.83	8.39

* Fair valued investment by the BOD of the Fund

** Refer to note 12

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

Quaero Capital Funds (Lux) - Argonaut

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

Description	Market value (note 2)	% of net assets
TOTAL INVESTMENTS	278,920,002.17	97.89
CASH AT BANKS	6,815,524.54	2.39
OTHER NET LIABILITIES	-815,796.27	-0.28
TOTAL NET ASSETS	284,919,730.44	100.00

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

Quaero Capital Funds (Lux) - Argonaut

Geographical and industrial classification of investments as at December 31, 2022

Geographical classification

(in % of net assets)

France	36.69
Switzerland	15.14
Italy	12.03
Germany	5.62
Sweden	5.06
Luxembourg	4.97
United Kingdom	3.98
Netherlands	3.57
Finland	2.94
Spain	2.75
Austria	2.26
Norway	1.53
Greece	1.01
Liechtenstein	0.31
Guernsey	0.03
Cyprus	0.00
	97.89

Industrial classification

(in % of net assets)

Construction of machines and appliances	14.15
Holding and finance companies	12.50
Electronics and electrical equipment	12.14
Units of investment funds	8.39
Construction and building materials	6.76
Gastronomy	5.27
Internet, software and IT services	4.77
Photography and optics	4.60
Textiles and clothing	3.97
Retail and supermarkets	3.61
Communications	3.46
Food and soft drinks	2.92
Computer and office equipment	1.95
Mortgage and funding institutions	1.86
Stainless steel	1.65
Real Estate Shares	1.45
Miscellaneous trade	1.40
Transport and freight	1.22
Pharmaceuticals and cosmetics	1.21
Environmental services & recycling	1.17
Automobiles	1.14
Chemicals	1.01
Utilities	0.57
Miscellaneous investment goods	0.41
Banks and credit institutions	0.31
	97.89

Quaero Capital Funds (Lux) - World Opportunities

Statement of investments and other net assets as at December 31, 2022 (expressed in USD)

Description	Currency	Quantity	Market value (note 2)	% of net assets
I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>CANADA</i>				
CAMECO	USD	34,130.00	773,727.10	3.19
			773,727.10	3.19
<i>FRANCE</i>				
AIR LIQUIDE	EUR	6,677.00	943,486.14	3.89
LVMH MOET HENNESSY LOUIS VUITTON	EUR	1,450.00	1,052,153.75	4.33
TOTAL ENERGIES	EUR	21,470.00	1,343,897.74	5.54
			3,339,537.63	13.76
<i>GERMANY</i>				
VOLKSWAGEN PFD	EUR	3,710.00	460,964.70	1.90
			460,964.70	1.90
<i>IRELAND</i>				
ACCENTURE 'A'	USD	1,890.00	504,327.60	2.08
			504,327.60	2.08
<i>SWITZERLAND</i>				
COMPAGNIE FINANCIERE RICHEMONT	CHF	7,440.00	964,176.39	3.97
FORBO HOLDING	CHF	380.00	446,865.54	1.84
SIKA	CHF	2,500.00	599,059.66	2.47
SONOVA HOLDING NOMINAL	CHF	2,739.00	649,224.71	2.67
STRAUMANN HOLDING	CHF	5,600.00	639,169.91	2.63
ZURICH INSURANCE GROUP NOMINAL	CHF	1,050.00	501,961.74	2.07
			3,800,457.95	15.65
<i>UNITED STATES</i>				
ADVANCED MICRO DEVICES	USD	9,390.00	608,190.30	2.51
ALPHABET 'A'	USD	7,270.00	641,432.10	2.64
APPLE	USD	5,310.00	689,928.30	2.84
BERKSHIRE HATHAWAY 'B'	USD	1,810.00	559,109.00	2.30
CHIPOTLE MEXICAN GRILL	USD	350.00	485,621.50	2.00
COCA-COLA	USD	13,720.00	872,729.20	3.59
GOLDMAN SACHS GROUP	USD	1,770.00	607,782.60	2.50
INTUIT	USD	1,630.00	634,428.60	2.61
MASTERCARD 'A'	USD	3,610.00	1,255,305.30	5.17
MICROSOFT	USD	3,180.00	762,627.60	3.14
MODERNA	USD	8,500.00	1,526,770.00	6.29
NIKE 'B'	USD	6,820.00	798,008.20	3.29
NVIDIA	USD	4,180.00	610,865.20	2.52

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

Quaero Capital Funds (Lux) - World Opportunities

Statement of investments and other net assets as at December 31, 2022 (expressed in USD) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
TESLA	USD	2,910.00	358,453.80	1.48
WALMART	USD	6,900.00	978,351.00	4.03
WALT DISNEY	USD	6,910.00	600,340.80	2.47
			11,989,943.50	49.38
TOTAL I.			20,868,958.48	85.96
II. UNITS OF INVESTMENT FUNDS				
<i>LUXEMBOURG</i>				
AGIF - CHINA A - SHARES AT USD -ACC.-	USD	84,390.00	1,032,933.60	4.25
VONTOBEL - SUSTAINABLE E/M LEADERS I	USD	7,250.00	1,044,652.50	4.30
			2,077,586.10	8.55
TOTAL II.			2,077,586.10	8.55
TOTAL INVESTMENTS			22,946,544.58	94.51
CASH AT BANKS			1,274,311.69	5.25
OTHER NET ASSETS			58,058.15	0.24
TOTAL NET ASSETS			24,278,914.42	100.00

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

Quaero Capital Funds (Lux) - World Opportunities

Geographical and industrial classification of investments as at December 31, 2022

Geographical classification

(in % of net assets)	
United States	49.38
Switzerland	15.65
France	13.76
Luxembourg	8.55
Canada	3.19
Ireland	2.08
Germany	1.90
	94.51

Industrial classification

(in % of net assets)	
Pharmaceuticals and cosmetics	8.92
Oil and gas	8.73
Computer and office equipment	8.59
Units of investment funds	8.55
Electronics and electrical equipment	7.70
Banks and credit institutions	7.67
Textiles and clothing	7.62
Chemicals	6.36
Food and soft drinks	5.59
Retail and supermarkets	4.03
Watch-making	3.97
Automobiles	3.38
Internet, software and IT services	2.64
Leisure	2.47
Holding and finance companies	2.30
Miscellaneous	2.08
Insurance	2.07
Construction and building materials	1.84
	94.51

Quaero Capital Funds (Lux) - Bamboo

Statement of investments and other net assets as at December 31, 2022 (expressed in USD)

Description	Currency	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>AUSTRALIA</i>				
EVOLUTION MINING	AUD	590,755.00	1,193,848.38	5.32
TREASURY WINE ESTATES	AUD	68,677.00	633,862.33	2.82
			1,827,710.71	8.14
<i>CANADA</i>				
TECK RESSOURCES 'B'	USD	24,301.00	919,063.82	4.09
			919,063.82	4.09
<i>CAYMAN ISLANDS</i>				
BILIBILI 'Z' REG S	HKD	33,757.00	807,923.08	3.60
FUTU HOLDINGS -ADR SPONS.-	USD	8,318.00	338,126.70	1.51
HUAZHU GROUP S	HKD	226,400.00	976,092.08	4.35
INNOVENT BIOLOGICS 144A/S	HKD	289,500.00	1,242,575.18	5.54
JD.COM 'A' -S-	HKD	40,050.00	1,129,923.74	5.03
KUAISHOU TECHNOLOGY 'B' 144A/S	HKD	53,900.00	490,661.69	2.19
MEITUAN 'B' 144A/S	HKD	72,500.00	1,622,782.11	7.23
PINDUODUO 'A' ADR -SPONS.-	USD	13,089.00	1,067,407.95	4.76
TRIP COM GROUP	HKD	50,550.00	1,772,011.56	7.89
WUXI BIOLOGICS	HKD	253,500.00	1,943,888.80	8.66
			11,391,392.89	50.76
<i>CHINA</i>				
CHINA TOURISM GROUP DUTY FREE 'A'	CNY	36,100.00	1,121,840.38	5.00
			1,121,840.38	5.00
<i>HONG KONG</i>				
HONG KONG EXCHANGES AND CLEARING	HKD	20,200.00	872,706.55	3.89
			872,706.55	3.89
<i>INDIA</i>				
APL APOLLO TUBES	INR	41,941.00	553,603.07	2.47
BAJAJ FINANCE	INR	6,900.00	548,397.07	2.44
HDFC BANK ADR -SPONS.-	USD	10,880.00	744,300.80	3.32
LEMON TREE HOTELS	INR	539,381.00	558,418.87	2.49
			2,404,719.81	10.72
<i>INDONESIA</i>				
MITRA ADIPERKASA	IDR	7,908,600.00	734,070.15	3.27
			734,070.15	3.27
<i>MALAYSIA</i>				
GREATECH TECHNOLOGY	MYR	934,000.00	1,026,233.81	4.57
			1,026,233.81	4.57

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

Quaero Capital Funds (Lux) - Bamboo

Statement of investments and other net assets as at December 31, 2022 (expressed in USD) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>SINGAPORE</i>				
WILMAR INTERNATIONAL	SGD	211,100.00	656,342.82	2.92
			656,342.82	2.92
<i>SOUTH KOREA</i>				
LG ENERGY SOLUTION	KRW	1,326.00	458,888.81	2.04
SATREC INITIATIVE	KRW	2.00	47.68	0.00
			458,936.49	2.04
<i>TAIWAN</i>				
CHAILEASE HOLDING COMPANY	TWD	119,000.00	840,168.55	3.74
			840,168.55	3.74
TOTAL INVESTMENTS			22,253,185.98	99.14
CASH AT BANKS			351,867.82	1.57
BANK OVERDRAFT			-131,782.14	-0.59
OTHER NET LIABILITIES			-26,868.92	-0.12
TOTAL NET ASSETS			22,446,402.74	100.00

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

Quaero Capital Funds (Lux) - Bamboo

Geographical and industrial classification of investments as at December 31, 2022

Geographical classification

(in % of net assets)

Cayman Islands	50.76
India	10.72
Australia	8.14
China	5.00
Malaysia	4.57
Canada	4.09
Hong Kong	3.89
Taiwan	3.74
Indonesia	3.27
Singapore	2.92
South Korea	2.04
	99.14

Industrial classification

(in % of net assets)

Gastronomy	14.73
Internet, software and IT services	14.45
Banks and credit institutions	9.65
Miscellaneous	8.74
Biotechnology	8.66
Pharmaceuticals and cosmetics	8.46
Publishing and graphic arts	8.36
Precious metals and stones	5.32
Construction of machines and appliances	4.57
Metals and minings	4.09
Retail and supermarkets	3.27
Tobacco and alcohol	2.82
Mining and steelworks	2.47
Electronics and electrical equipment	2.04
Holding and finance companies	1.51
Automobiles	0.00
	99.14

Quaero Capital Funds (Lux) - International Equities

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
CERTIFICATES				
<i>JERSEY</i>				
GOLD COMMODITY (ETFs) CERT. PERP	USD	53,379.00	964,047.71	3.62
			964,047.71	3.62
TOTAL I.			964,047.71	3.62
II. UNITS OF INVESTMENT FUNDS				
<i>GERMANY</i>				
FIRST PRIVATE EUROPA AKTIEN ULM B	EUR	16,051.93	1,127,647.89	4.23
			1,127,647.89	4.23
<i>IRELAND</i>				
AXA ROS. PAC. EX-JAPAN SMALL CAP A	USD	6,564.95	588,738.18	2.21
BRANDES IF - US VALUE FUND I USD	USD	79,827.76	1,619,368.08	6.06
COMGEST GROWTH - ASIA EX-JAPAN I USD -ACC-	USD	17,644.90	348,185.98	1.31
FEDERATED HIF - US SMID EQUITY F USD -ACC-	USD	124,333.37	520,691.34	1.95
INVESCO MARKETS - BLOOMBERG COMMODITY ETF A USD	USD	24,500.00	549,083.35	2.06
JO HAMBRO CMUF - CONTINENTAL EUROPE A EUR	EUR	265,030.62	1,136,451.31	4.26
LINSELL TGF - JAPANESE EQUITY B INST. JPY	JPY	263,987.53	413,586.68	1.55
VANGUARD IS - US OPPORTUNITIES INVESTOR USD	USD	824.09	1,025,461.90	3.85
			6,201,566.82	23.25
<i>LUXEMBOURG</i>				
ABERDEEN SS I - NORTH AMERICAN SMALLER CIES I USD	USD	17,891.28	520,205.71	1.95
AURIS - GRAVITY US EQUITY I USD -ACC.-	USD	394.44	369,442.23	1.39
AURIS - X ALLIANCEBER. GLOBAL EQUITIES I USD -ACC.-	USD	287.88	222,140.44	0.83
CIF - JAPAN EQUITY (LUX) Z JPY -ACC.-	JPY	43,367.20	726,798.50	2.73
DIGITAL FUNDS - STARS CONTINENTAL EUROPE -ACC.- EUR	EUR	1,911.85	732,641.01	2.75
DWS INVEST - LATIN AMERICAN EQUITIES FC EUR	EUR	2,556.49	439,844.85	1.65
FIDELITY FUNDS - ASIA PACIFIC OPPORTUNITIES Y USD -ACC-	USD	41,600.23	807,642.54	3.03
GS FS - EUROPE CORE EQUITY PTF I EUR -ACC.-	EUR	55,611.17	1,183,405.72	4.44
GS FS - US CORE EQUITY PTF I USD SNAP -ACC.-	USD	64,585.47	1,181,872.89	4.43
JPMF - ASIA PACIFIC EQUITY JPM I USD	USD	5,908.72	769,448.64	2.89
JPMIF - US SELECT EQUITY C USD -ACC.-	USD	2,235.48	1,123,134.35	4.21
JUPITER GLOBAL FS - EUROPEAN GROWTH D EUR	EUR	39,957.05	791,948.74	2.97
QUAERO CAPITAL FUND (LUX) - ARGONAUT Z EUR -ACC.- **	EUR	74.83	927,988.48	3.48
SWISSCANTO (LU) EQ - S&M CAPS JAPAN DT JPY	JPY	1,702.01	300,193.03	1.13
T. ROWE PFS - US LARGE CAP GROWTH EQUITY I USD	USD	10,744.56	627,608.76	2.35
T. ROWE PRICE - CONTINENTAL EUROPEAN EQUITY I EUR -ACC-	EUR	46,898.52	963,295.50	3.61
			11,687,611.39	43.84

** Refer to note 12

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

Quaero Capital Funds (Lux) - International Equities

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>UNITED KINGDOM</i>				
FRANKLIN TEMPLETON - UK MID CAP W GBP -ACC.-	GBP	77,607.02	210,892.65	0.79
LAZARD INVESTMENT - UK OMEGA C GBP	GBP	88,088.93	294,198.95	1.10
			505,091.60	1.89
TOTAL II.			19,521,917.70	73.21
TOTAL INVESTMENTS			20,485,965.41	76.83
CASH AT BANKS			680,656.08	2.55
BANK DEPOSITS			5,519,257.77	20.70
OTHER NET LIABILITIES			-21,856.92	-0.08
TOTAL NET ASSETS			26,664,022.34	100.00

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

Quaero Capital Funds (Lux) - International Equities

Geographical and industrial classification of investments as at December 31, 2022

Geographical classification

(in % of net assets)

Luxembourg	43.84
Ireland	23.25
Germany	4.23
Jersey	3.62
United Kingdom	1.89
	<hr/>
	76.83

Industrial classification

(in % of net assets)

Units of investment funds	73.21
Certificates	3.62
	<hr/>
	76.83

Quaero Capital Funds (Lux) - Global Balanced (note 1)

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

Description	Currency	Quantity/Nominal	Market value (note 2)	% of net assets
I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
CERTIFICATES				
<i>JERSEY</i>				
GOLD COMMODITY (ETFS) CERT. PERP	USD	44,574.00	805,025.62	3.36
			805,025.62	3.36
TOTAL CERTIFICATES			805,025.62	3.36
BONDS				
<i>UNITED STATES</i>				
2.125% US TREASURY 17/24 SN -SR-	USD	300,000.00	270,489.19	1.13
			270,489.19	1.13
TOTAL BONDS			270,489.19	1.13
TOTAL I.			1,075,514.81	4.49
II. UNITS OF INVESTMENT FUNDS				
<i>FRANCE</i>				
LAZARD CONVERTIBLE GLOBAL IC H-EUR	EUR	169.00	292,368.51	1.22
			292,368.51	1.22
<i>GERMANY</i>				
BAYERNINVEST RENTEN EURO. - FONDS EUR	EUR	918.00	776,205.72	3.23
DWS GLOBAL HYBRID BOND TFC EUR -ACC-	EUR	1,454.70	145,295.14	0.60
FIRST PRIVATE EUROPA AKTIEN ULM B	EUR	8,358.02	587,150.82	2.44
			1,508,651.68	6.27
<i>IRELAND</i>				
AXA ROS. PAC. EX-JAPAN SMALL CAP A	USD	3,418.28	306,547.91	1.28
BARINGS UF - U.S. H/Y BOND A USD -ACC-	USD	1,946.66	255,577.75	1.06
BRANDES IF - US VALUE FUND I USD	USD	41,565.22	843,182.79	3.52
COMGEST GROWTH - ASIA EX-JAPAN I USD -ACC-	USD	9,187.46	181,295.67	0.75
FEDERATED HIF - US SMID EQUITY F USD -ACC-	USD	64,738.69	271,116.86	1.13
GAVEKAL - CHINA FIXED INCOME A EUR -ACC-	EUR	1,714.65	302,189.56	1.26
INVESCO MARKETS - BLOOMBERG COMMODITY ETF A USD	USD	28,193.00	631,849.25	2.63
JO HAMBRO CMUF - CONTINENTAL EUROPE A EUR	EUR	137,997.82	591,734.65	2.46
LINSELL TGF - JAPANESE EQUITY B INST. JPY	JPY	137,454.70	215,348.93	0.90
MUZINICH - ENHANCEDYIELD S/T A -ACC- HDG	EUR	1,138.21	183,479.13	0.76
MUZINICH - EUROPEYIELD H HEDGED EUR -ACC-	EUR	1,386.79	178,326.94	0.74
PIMCO GIS - MORTGAGE OPPORTUNITIES INSTITUTIONAL USD	USD	12,475.24	125,541.33	0.52
VANGUARD IS - US OPPORTUNITIES INVESTOR USD	USD	429.09	533,943.98	2.22
			4,620,134.75	19.23

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

Quaero Capital Funds (Lux) - Global Balanced (note 1)

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>LUXEMBOURG</i>				
ABERDEEN SS I - NORTH AMERICAN SMALLER CIES I USD	USD	9,315.75	270,863.99	1.13
AURIS - DIVERSIFIED BETA I EUR -ACC.-	EUR	44.80	520,211.36	2.17
AURIS - EURO RENDEMENT I EUR -ACC.-	EUR	27.81	306,233.18	1.27
AURIS - GRAVITY US EQUITY I USD -ACC.-	USD	205.38	192,363.52	0.80
AURIS - X ALLIANCEBER. GLOBAL EQUITIES I USD -ACC.-	USD	149.89	115,665.49	0.48
AXA WF - GLOBAL INFL. SHORT DURAT. BDS F EUR H	EUR	6,091.08	615,076.96	2.56
AXIOM LUX - SHORT DURATION BD C EUR	EUR	439.37	501,772.46	2.09
BLACKROCK SF - AMERICAS DIV. EQUITY A/R I2 EUR HDG	EUR	2,654.73	290,533.65	1.21
CIF - CAPITAL GROUP US CORPORATE BOND FUND (LUX) Z USD	USD	27,826.42	282,892.11	1.18
CIF - JAPAN EQUITY (LUX) Z JPY -ACC.-	JPY	22,580.71	378,434.03	1.58
CIFS CG EMERGING MARKET LOCAL CURRENCY DEBT (LUX) Z EUR	EUR	33,582.23	330,113.29	1.37
DIGITAL FUNDS - STARS CONTINENTAL EUROPE -ACC.- EUR	EUR	995.48	381,476.15	1.59
DWS INVEST - EURO HIGH YIELD CORPORATE TFC -ACC.-	EUR	1,682.40	168,744.24	0.70
DWS INVEST - LATIN AMERICAN EQUITIES FC EUR	EUR	1,331.13	229,021.19	0.95
EXANE 1 - INTEGRALE A EUR -ACC.- *	EUR	26.73	0.00	0.00
EXANE 1 - OVERDRIVE EUR -ACC-	EUR	13.63	209,843.51	0.87
FIDELITY FUNDS - ASIA PACIFIC OPPORTUNITIES Y USD -ACC-	USD	21,660.67	420,528.42	1.75
GS FS - EUROPE CORE EQUITY PTF I EUR -ACC.-	EUR	28,955.98	616,183.17	2.57
GS FS - US CORE EQUITY PTF I USD SNAP -ACC.-	USD	33,628.77	615,385.04	2.56
GS FS - US MORTGAGE BACKED SECURITIES PORTFOLIO I USD	USD	33,000.87	313,233.77	1.30
HELIUM - SELECTION A EUR -ACC-	EUR	196.35	305,928.06	1.27
JPMF - ASIA PACIFIC EQUITY JPM I USD	USD	3,076.59	400,641.37	1.67
JPMIF - US SELECT EQUITY C USD -ACC.-	USD	1,163.98	584,800.68	2.43
JUPITER GLOBAL FS - EUROPEAN GROWTH D EUR	EUR	20,805.09	412,356.87	1.72
LO FUNDS - TERRENEUVE N EUR SYST. NAV HEDGED -ACC.-	EUR	17,545.15	190,770.18	0.79
LUXEMBOURG SF - ARCANO LOW VOLATILITY EUR. INC. VE-AP	EUR	2,736.58	288,627.41	1.20
MORGAN STANLEY IF - US DEBT HIGH YIELD BOND Z USD	USD	9,225.00	296,133.56	1.23
NB - EURO BOND R EUR -INC-	EUR	335.27	861,855.12	3.60
NN (L) - EURO SUSTAINABLE CREDIT I EUR -ACC.-	EUR	57.29	284,860.75	1.19
NN (L) - US CREDIT I USD -ACC.-	USD	35.78	316,638.00	1.32
NORDEA 1 - ALPHA 15 MA FUND BI EUR	EUR	3,186.51	319,156.18	1.33
QUAERO CAPITAL FUND (LUX) - ARGONAUT Z EUR -ACC.- **	EUR	38.97	483,190.90	2.01
RAM (LUX) SF - LONG/SHORT EUROPEAN EQUITIES I	EUR	1,878.41	289,819.26	1.21
SISF - EURO CORPORATE BOND C -CAP.-	EUR	16,660.27	375,832.37	1.56
SWISSCANTO (LU) EQ - S&M CAPS JAPAN DT JPY	JPY	886.21	156,306.40	0.65
T. ROWE PFS - US LARGE CAP GROWTH EQUITY I USD	USD	5,594.54	326,787.29	1.36
T. ROWE PRICE - CONTINENTAL EUROPEAN EQUITY I EUR -ACC-	EUR	24,419.41	501,574.78	2.09
			13,153,854.71	54.76
<i>UNITED KINGDOM</i>				
FRANKLIN TEMPLETON - UK MID CAP W GBP -ACC.-	GBP	40,408.91	109,808.92	0.46
LAZARD INVESTMENT - UK OMEGA C GBP	GBP	45,866.70	153,185.37	0.64
			262,994.29	1.10
TOTAL II.			19,838,003.94	82.58

* Fair valued investment by the BOD of the Fund

** Refer to note 12

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

Quaero Capital Funds (Lux) - Global Balanced (note 1)

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

Description	Market value (note 2)	% of net assets
TOTAL INVESTMENTS	20,913,518.75	87.07
CASH AT BANKS	797,371.36	3.32
BANK DEPOSITS	2,305,537.15	9.60
OTHER NET ASSETS	2,051.82	0.01
TOTAL NET ASSETS	24,018,479.08	100.00

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

Quaero Capital Funds (Lux) - Global Balanced (note 1)

Geographical and industrial classification of investments as at December 31, 2022

Geographical classification

(in % of net assets)

Luxembourg	54.76
Ireland	19.23
Germany	6.27
Jersey	3.36
France	1.22
United States	1.13
United Kingdom	1.10
	87.07

Industrial classification

(in % of net assets)

Units of investment funds	82.58
Certificates	3.36
Bonds issued by countries or cities	1.13
	87.07

Quaero Capital Funds (Lux) - Infrastructure Securities

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>AUSTRALIA</i>				
NEXTDC	AUD	175,000.00	1,011,902.45	1.97
			1,011,902.45	1.97
<i>CANADA</i>				
CANADIAN NATIONAL RAILWAY	CAD	14,700.00	1,635,016.25	3.18
CANADIAN PACIFIC RAILWAY	CAD	19,750.00	1,378,745.47	2.68
ENBRIDGE	CAD	28,100.00	1,028,340.24	2.00
HYDRO ONE	CAD	81,000.00	2,031,623.60	3.95
			6,073,725.56	11.81
<i>FRANCE</i>				
EIFFAGE	EUR	27,847.00	2,559,696.24	4.98
ENGIE	EUR	178,926.00	2,395,461.29	4.66
NEOEN	EUR	30,139.00	1,133,527.79	2.20
VEOLIA ENVIRONNEMENT	EUR	83,300.00	1,999,200.00	3.89
VINCI	EUR	30,100.00	2,808,029.00	5.46
			10,895,914.32	21.19
<i>GERMANY</i>				
DEUTSCHE TELEKOM REG.	EUR	49,172.00	916,467.74	1.78
R.W.E.	EUR	65,000.00	2,703,350.00	5.26
			3,619,817.74	7.04
<i>GREECE</i>				
TERNA ENERGY	EUR	72,000.00	1,467,360.00	2.85
			1,467,360.00	2.85
<i>ITALY</i>				
INFRASTRUTTURE WIRELESS ITALIANE	EUR	302,000.00	2,843,028.00	5.53
TELECOM ITALIA	EUR	2,250,000.00	486,675.00	0.95
			3,329,703.00	6.48
<i>MEXICO</i>				
GRUPO AEROPORTUARIO 'B' -ADR SPONS.-	USD	11,500.00	666,347.89	1.30
GRUPO AEROPORTUARIO 'B' -ADR SPONS.-	USD	4,330.00	945,276.55	1.84
			1,611,624.44	3.14
<i>NEW ZEALAND</i>				
INFRATIL	NZD	452,099.00	2,317,446.67	4.51
			2,317,446.67	4.51

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

Quaero Capital Funds (Lux) - Infrastructure Securities

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>SPAIN</i>				
CELLNEX TELECOM	EUR	71,850.00	2,221,602.00	4.32
CORP.ACCIONA ENERGIAS RENOVABLES	EUR	39,111.00	1,413,471.54	2.75
SOLARIA ENERGIA Y MEDIO AMBIENTE	EUR	74,164.00	1,269,687.68	2.47
			<hr/>	
			4,904,761.22	9.54
<i>UNITED STATES</i>				
AMERICAN TOWER	USD	7,700.00	1,528,528.00	2.97
CENTERPOINT ENERGY	USD	76,700.00	2,155,289.11	4.19
CHENIERE ENERGY	USD	7,520.00	1,056,639.83	2.06
CONSTELLATION ENERGY CORP	USD	11,000.00	888,554.43	1.73
EXELON	USD	30,000.00	1,215,178.83	2.36
NEXTERA ENERGY	USD	15,400.00	1,206,314.93	2.35
REPUBLIC SERVICES	USD	7,200.00	870,206.34	1.69
SBA COMMUNICATIONS 'A'	USD	8,200.00	2,153,704.66	4.19
SEMPRA ENERGY	USD	15,350.00	2,222,710.97	4.32
WASTE MANAGEMENT	USD	6,465.00	950,319.88	1.85
WILLIAMS COMPANIES	USD	50,000.00	1,541,344.11	3.00
			<hr/>	
			15,788,791.09	30.71
TOTAL INVESTMENTS			51,021,046.49	99.24
CASH AT BANKS			462,818.56	0.90
OTHER NET LIABILITIES			-72,142.01	-0.14
TOTAL NET ASSETS			51,411,723.04	100.00

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

Quaero Capital Funds (Lux) - Infrastructure Securities

Geographical and industrial classification of investments as at December 31, 2022

Geographical classification

(in % of net assets)

United States	30.71
France	21.19
Canada	11.81
Spain	9.54
Germany	7.04
Italy	6.48
New Zealand	4.51
Mexico	3.14
Greece	2.85
Australia	1.97
	99.24

Industrial classification

(in % of net assets)

Public utilities	32.69
Communications	12.58
Construction and building materials	10.44
Holding and finance companies	9.21
Transport and freight	9.00
Environmental conservation and waste management	7.43
Oil and gas	5.00
Real Estate Shares	4.19
Biotechnology	2.47
Utilities	2.20
Oil	2.06
Internet, software and IT services	1.97
	99.24

Quaero Capital Funds (Lux) - Yield Opportunities

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>BRAZIL</i>				
PETROBRAS PETROLEO ADR -SPONS.-	USD	31,000.00	309,346.36	0.93
			309,346.36	0.93
<i>CANADA</i>				
AGNICO EAGLE MINES	USD	7,500.00	365,354.77	1.09
CAMECO	USD	20,000.00	424,830.04	1.27
LUNDIN MINING CORPORATION	CAD	30,000.00	172,398.29	0.52
WHEATON PRECIOUS METALS	USD	9,000.00	329,557.17	0.99
			1,292,140.27	3.87
<i>CURACAO</i>				
SCHLUMBERGER	USD	11,000.00	551,004.75	1.65
			551,004.75	1.65
<i>FRANCE</i>				
SEB	EUR	4,600.00	359,950.00	1.08
TELEPERFORMANCE	EUR	1,600.00	356,320.00	1.07
VALEO	EUR	25,300.00	422,510.00	1.27
			1,138,780.00	3.42
<i>HONG KONG</i>				
AIA GROUP REG. -S-	HKD	60,000.00	625,221.61	1.87
			625,221.61	1.87
<i>JAPAN</i>				
HITACHI	JPY	7,600.00	361,114.75	1.08
			361,114.75	1.08
<i>LUXEMBOURG</i>				
SAMSONITE INTERNATIONAL	HKD	200,000.00	493,406.45	1.48
			493,406.45	1.48
<i>RUSSIA</i>				
GAZPROM ADR -SPONS.- ***	USD	44,000.00	0.00	0.00
			0.00	0.00
<i>SWEDEN</i>				
SAAB 'B'	SEK	9,400.00	347,167.76	1.04
			347,167.76	1.04

*** Fair valued investment by the BOD of the Fund (note 1.c)
The accompanying notes form an integral part of these financial statements.

Quaero Capital Funds (Lux) - Yield Opportunities

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

Description	Currency	Quantity/Nominal	Market value (note 2)	% of net assets	
<i>UNITED STATES</i>					
HALLIBURTON	USD	11,400.00	420,323.13	1.26	
NEWMONT CORP	USD	7,700.00	340,538.66	1.02	
			760,861.79	2.28	
TOTAL SHARES			5,879,043.74	17.62	
BONDS					
<i>BRAZIL</i>					
8.50%	BRAZIL (DUAL) -12/24-	BRL	6,000,000.00	1,018,888.84	3.05
10.25%	BRAZIL (DUAL) -07/28-	BRL	6,000,000.00	986,279.07	2.95
			2,005,167.91	6.00	
<i>BRITISH VIRGIN ISLANDS</i>					
6.75%	GREENLAND GLOBAL INVESTMENT 19/23 -SR-	USD	1,500,000.00	558,800.53	1.67
			558,800.53	1.67	
<i>CHINA</i>					
3.03%	CHINA 19/24 -SR-	CNY	9,000,000.00	1,221,977.88	3.66
3.39%	CHINA 15/25 -SR-	CNY	7,500,000.00	1,028,632.37	3.08
3.48%	CHINA 12/27 -SR-S	CNY	10,000,000.00	1,384,930.16	4.15
3.80%	AGRICULTURAL BANK OF CHINA (HONG KONG) 20/30 -SR-	CNY	12,000,000.00	1,669,225.34	5.00
4.15%	CHINA 16/31 -SR-	CNY	12,000,000.00	1,764,345.27	5.28
4.30%	CHINA DEVELOPMENT BANK 12/32 -SR-	CNY	10,000,000.00	1,446,472.72	4.33
			8,515,583.74	25.50	
<i>LUXEMBOURG</i>					
4.25%	GAZ CAPITAL -LPN- 17/24 -SR-S ***	GBP	400,000.00	324,537.80	0.97
5.625%	SUB SES 16/PERP -JR-S	EUR	1,400,000.00	1,368,355.52	4.10
			1,692,893.32	5.07	
<i>MEXICO</i>					
5.50%	PEMEX PROJECT FUNDING MASTER 05/25 -SR-	EUR	1,500,000.00	1,518,106.80	4.55
			1,518,106.80	4.55	
<i>RUSSIA</i>					
FRN	RUSSIA 14/25 S9006 ***	RUB	100,000,000.00	0.00	0.00
			0.00	0.00	
<i>SINGAPORE</i>					
3.70%	SUB. DBP GROUP HOLDINGS 21/31	CNY	10,000,000.00	1,315,854.02	3.94
			1,315,854.02	3.94	

*** Fair valued investment by the BOD of the Fund (note 1.c)
The accompanying notes form an integral part of these financial statements.

Quaero Capital Funds (Lux) - Yield Opportunities

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

Description	Currency	Nominal	Market value (note 2)	% of net assets
<i>UNITED STATES</i>				
0.00% UNITED STATES 12/42 -SR-	USD	5,400,000.00	2,222,921.66	6.66
0.00% UNITED STATES 18/48	USD	6,300,000.00	2,145,609.64	6.43
0.00% UNITED STATES -PRIN- 15/05/39	USD	4,500,000.00	2,254,067.34	6.75
			6,622,598.64	19.84
TOTAL BONDS			22,229,004.96	66.57
TOTAL INVESTMENTS			28,108,048.70	84.19
CASH AT BANKS			2,301,425.31	6.89
BANK DEPOSITS			2,752,740.27	8.24
BANK OVERDRAFT			-38,545.38	-0.12
OTHER NET ASSETS			263,997.79	0.80
TOTAL NET ASSETS			33,387,666.69	100.00

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

Quaero Capital Funds (Lux) - Yield Opportunities

Geographical and industrial classification of investments as at December 31, 2022

Geographical classification

(in % of net assets)

China	25.50
United States	22.12
Brazil	6.93
Luxembourg	6.55
Mexico	4.55
Singapore	3.94
Canada	3.87
France	3.42
Hong Kong	1.87
British Virgin Islands	1.67
Curacao	1.65
Japan	1.08
Sweden	1.04
Russia	0.00
	84.19

Industrial classification

(in % of net assets)

Bonds issued by companies	37.65
Bonds issued by countries or cities	28.92
Energy equipment & services	2.91
Metals and minings	2.01
Insurance	1.87
Precious metals and stones	1.61
Textiles and clothing	1.48
Oil and gas	1.27
Automobiles	1.27
Miscellaneous consumer goods	1.08
Electronics and electrical equipment	1.08
Food and soft drinks	1.07
Construction of machines and appliances	1.04
Oil	0.93
	84.19

Quaero Capital Funds (Lux) - Accessible Clean Energy

Statement of investments and other net assets as at December 31, 2022 (expressed in USD)

Description	Currency	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>AUSTRALIA</i>				
LYNAS RARE EARTHS	AUD	442,000.00	2,352,975.63	1.70
			2,352,975.63	1.70
<i>BELGIUM</i>				
ELIA SYSTEM OPERATOR	EUR	42,060.00	5,961,197.45	4.31
UMICORE	EUR	14,060.00	514,989.96	0.37
			6,476,187.41	4.68
<i>CANADA</i>				
BORALEX A	CAD	122,196.00	3,609,200.79	2.61
CANADIAN SOLAR	USD	59,529.00	1,839,446.10	1.33
LI-CYCLE HOLDING	USD	90,192.00	429,313.92	0.31
NEO PERFORMANCE MATERIALS	CAD	50,400.00	357,090.86	0.26
			6,235,051.67	4.51
<i>CHILE</i>				
QUIMICA Y MINERA CHILE ADR -SPONS.-	USD	60,767.00	4,851,637.28	3.50
			4,851,637.28	3.50
<i>DENMARK</i>				
ORSTED	DKK	37,215.00	3,371,747.21	2.44
			3,371,747.21	2.44
<i>FINLAND</i>				
NESTE	EUR	11,400.00	523,409.28	0.38
			523,409.28	0.38
<i>FRANCE</i>				
LEGRAND	EUR	18,058.00	1,441,961.01	1.04
LHYFE -IPO-	EUR	52,000.00	480,049.05	0.35
MERSEN	EUR	10,221.00	411,790.67	0.30
NEOEN	EUR	44,340.00	1,779,775.34	1.29
SCHNEIDER ELECTRIC S.A.	EUR	32,325.00	4,509,690.49	3.26
			8,623,266.56	6.24
<i>GERMANY</i>				
WACKER CHEMIE	EUR	44,231.00	5,636,340.85	4.07
			5,636,340.85	4.07
<i>IRELAND</i>				
LINDE	USD	12,028.00	3,923,293.04	2.83
			3,923,293.04	2.83

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

Quaero Capital Funds (Lux) - Accessible Clean Energy

Statement of investments and other net assets as at December 31, 2022 (expressed in USD) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>ITALY</i>				
ENEL	EUR	327,000.00	1,755,423.47	1.27
ERG	EUR	78,995.00	2,441,542.70	1.76
PRYSMIAN	EUR	64,692.00	2,393,014.33	1.73
SNAM	EUR	424,225.00	2,049,617.96	1.48
			8,639,598.46	6.24
<i>NETHERLANDS</i>				
AMG ADVANCED METALLURGICAL	EUR	34,459.00	1,265,107.05	0.91
ASML HOLDING	EUR	2,843.00	1,528,625.80	1.10
STMICROELECTRONICS	EUR	41,665.00	1,467,187.72	1.06
			4,260,920.57	3.07
<i>NORWAY</i>				
AKER CARBON CAPTURE	NOK	1,352,963.00	1,587,681.70	1.15
			1,587,681.70	1.15
<i>PORTUGAL</i>				
GREENVOLT - ENERGIAS RENOVAVEI -IPO-	EUR	73,874.00	614,967.81	0.44
			614,967.81	0.44
<i>SPAIN</i>				
CORP.ACCIONA ENERGIAS RENOVABLES	EUR	84,645.00	3,264,792.78	2.36
EDP RENOVAVEIS	EUR	304,855.00	6,695,836.74	4.84
GREENERGY RENOVABLES	EUR	37,428.00	1,107,276.31	0.80
IBERDROLA	EUR	481,481.00	5,616,496.33	4.06
SOLARIA ENERGIA Y MEDIO AMBIENTE	EUR	143,392.00	2,619,961.12	1.89
			19,304,363.28	13.95
<i>UNITED KINGDOM</i>				
DRAX GROUP	GBP	726,417.00	6,142,863.28	4.44
			6,142,863.28	4.44
<i>UNITED STATES</i>				
AES	USD	59,350.00	1,706,906.00	1.23
AIR PRODUCTS & CHEMICALS	USD	12,592.00	3,881,609.92	2.80
ALBEMARLE	USD	29,984.00	6,502,330.24	4.70
AMERESCO 'A'	USD	60,110.00	3,434,685.40	2.48
BLOOM ENERGY	USD	123,637.00	2,363,939.44	1.71
ENPHASE ENERGY	USD	40,797.00	10,809,573.12	7.80
FIRST SOLAR	USD	39,210.00	5,873,265.90	4.24
HANNON ARMSTRONG SUSTAINABLE INFRASTRUCTURE	USD	74,337.00	2,154,286.26	1.56
NEXTERA ENERGY	USD	66,610.00	5,568,596.00	4.02
PLUG POWER	USD	147,385.00	1,823,152.45	1.32
SOLAREEDGE TECHNOLOGIES	USD	30,721.00	8,702,337.67	6.28
SUNRUN	USD	98,545.00	2,367,050.90	1.71
			55,187,733.30	39.85

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

Quaero Capital Funds (Lux) - Accessible Clean Energy

Statement of investments and other net assets as at December 31, 2022 (expressed in USD) (continued)

Description	Market value (note 2)	% of net assets
TOTAL INVESTMENTS	137,732,037.33	99.49
CASH AT BANKS	854,858.96	0.62
BANK OVERDRAFT	-35,254.34	-0.03
OTHER NET LIABILITIES	-115,446.33	-0.08
TOTAL NET ASSETS	138,436,195.62	100.00

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

Quaero Capital Funds (Lux) - Accessible Clean Energy

Geographical and industrial classification of investments as at December 31, 2022

Geographical classification

(in % of net assets)

United States	39.85
Spain	13.95
Italy	6.24
France	6.24
Belgium	4.68
Canada	4.51
United Kingdom	4.44
Germany	4.07
Chile	3.50
Netherlands	3.07
Ireland	2.83
Denmark	2.44
Australia	1.70
Norway	1.15
Portugal	0.44
Finland	0.38
	99.49

Industrial classification

(in % of net assets)

Public utilities	41.84
Chemicals	15.07
Electronics and electrical equipment	14.36
Environmental services & recycling	4.84
Construction of machines and appliances	4.24
Divers - Industry	2.83
Energy equipment & services	2.44
Oil	2.14
Biotechnology	1.89
Holding and finance companies	1.87
Communications	1.73
Mortgage and funding institutions	1.71
Precious metals and stones	1.70
Stainless steel	1.54
Utilities	1.29
	99.49

Quaero Capital Funds (Lux) - New Europe

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
I. TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>AUSTRIA</i>				
ERSTE GROUP BANK	EUR	45,000.00	1,345,500.00	6.51
			1,345,500.00	6.51
<i>BELGIUM</i>				
CENERGY HOLDINGS	EUR	292,500.00	883,350.00	4.27
VIOHALCO	EUR	200,000.00	801,000.00	3.88
			1,684,350.00	8.15
<i>BERMUDA</i>				
SUMMIT ASCENT	HKD	13,064,000.00	258,775.48	1.25
			258,775.48	1.25
<i>BULGARIA</i>				
AGRIA GROUP HOLDING	BGN	37,996.00	503,156.68	2.43
			503,156.68	2.43
<i>CANADA</i>				
GABRIEL RESOURCES	CAD	1,037,000.00	215,134.81	1.04
			215,134.81	1.04
<i>CYPRUS</i>				
HEADHUNTER GROUP ADR -SPONS.- ***	USD	120,021.00	0.00	0.00
SOFTLINE HLD GDR -SPONS.- -S- ***	USD	221,287.00	0.00	0.00
TCS GROUP HOLDING 'A' GDR -SPONS.- ***	USD	10,000.00	0.00	0.00
			0.00	0.00
<i>GREECE</i>				
ATTICA HOLDINGS	EUR	268,037.00	621,845.84	3.01
GEK TERNA HOLDING REAL ESTATE & CONSTRUCTION	EUR	80,000.00	872,000.00	4.22
MOTOR OIL (HELLAS) CORINTH REFINERIES SA	EUR	40,000.00	872,800.00	4.22
MYTILINEOS HOLDINGS	EUR	77,832.00	1,579,989.60	7.65
NEUROSOFT	EUR	125,000.00	75,000.00	0.36
PERFORMANCE TEC	EUR	171,347.00	594,574.09	2.88
			4,616,209.53	22.34
<i>GUERNSEY</i>				
RAVEN PROPERTY GROUP ***	GBP	2,817,701.00	0.00	0.00
			0.00	0.00
<i>HUNGARY</i>				
MOL 'A'	HUF	265,000.00	1,721,890.67	8.34
			1,721,890.67	8.34

*** Fair valued investment by the BOD of the Fund (note 1.c)
The accompanying notes form an integral part of these financial statements.

Quaero Capital Funds (Lux) - New Europe

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>ICELAND</i>				
ARION BANKI	ISK	911,333.00	902,301.07	4.37
			902,301.07	4.37
<i>JERSEY</i>				
WIZZ AIR HOLDINGS PLC	GBP	20,000.00	429,313.15	2.08
			429,313.15	2.08
<i>LUXEMBOURG</i>				
INPOST	EUR	120,000.00	945,360.00	4.57
			945,360.00	4.57
<i>NETHERLANDS</i>				
YANDEX 'A' ***	USD	50,000.00	0.00	0.00
			0.00	0.00
<i>POLAND</i>				
GRUPA AZOTY	PLN	53,607.00	452,104.81	2.19
INCUVO	PLN	437,447.00	293,424.10	1.42
PKN ORLEN	PLN	60,000.00	823,374.35	3.98
PLAYWAY	PLN	7,255.00	480,440.56	2.32
TEN SQUARE GAMES SPOLKA	PLN	9,700.00	262,328.81	1.27
VIGO PHOTONIC	PLN	4,902.00	473,317.21	2.29
WITTCHEN	PLN	263,959.00	1,544,996.90	7.48
			4,329,986.74	20.95
<i>RUSSIA</i>				
ALROSA ***	RUB	919,460.00	0.00	0.00
			0.00	0.00
<i>SLOVENIA</i>				
NOVA LJUBLJANSKA BANKA	EUR	11,400.00	711,360.00	3.44
NOVA LJUBLJANSKA BANKA GDR -SPONS.-	EUR	20,000.00	253,000.00	1.22
			964,360.00	4.66
<i>UNITED KINGDOM</i>				
CENTRAL ASIA METALS	GBP	150,000.00	419,281.94	2.03
			419,281.94	2.03
<i>UNITED STATES</i>				
HUUUGE	PLN	95,000.00	442,405.63	2.14
UIPATH 'A'	USD	48,703.00	580,009.32	2.81
			1,022,414.95	4.95
TOTAL I.			19,358,035.02	93.67

*** Fair valued investment by the BOD of the Fund (note 1.c)
The accompanying notes form an integral part of these financial statements.

Quaero Capital Funds (Lux) - New Europe

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
II. OTHER TRANSFERABLE SECURITIES				
SHARES				
<i>NETHERLANDS</i>				
VIMETCO N.V. *	EUR	325,898.00	0.00	0.00
			0.00	0.00
TOTAL II.			0.00	0.00
III. UNITS OF INVESTMENT FUNDS				
<i>ROMANIA</i>				
FONDUL PROPRIETATEA RON	RON	1,666,748.00	687,202.54	3.32
			687,202.54	3.32
TOTAL III.			687,202.54	3.32
TOTAL INVESTMENTS			20,045,237.56	96.99
CASH AT BANKS			655,100.96	3.17
BANK OVERDRAFT			-485.97	0.00
OTHER NET LIABILITIES			-31,657.27	-0.16
TOTAL NET ASSETS			20,668,195.28	100.00

* Fair valued investment by the BOD of the Fund
The accompanying notes form an integral part of these financial statements.

Quaero Capital Funds (Lux) - New Europe

Geographical and industrial classification of investments as at December 31, 2022

Geographical classification

(in % of net assets)

Greece	22.34
Poland	20.95
Hungary	8.34
Belgium	8.15
Austria	6.51
United States	4.95
Slovenia	4.66
Luxembourg	4.57
Iceland	4.37
Romania	3.32
Bulgaria	2.43
Jersey	2.08
United Kingdom	2.03
Bermuda	1.25
Canada	1.04
Russia	0.00
Cyprus	0.00
Guernsey	0.00
Netherlands	0.00
	96.99

Industrial classification

(in % of net assets)

Oil	16.54
Banks and credit institutions	15.54
Internet, software and IT services	10.88
Holding and finance companies	8.84
Mining and steelworks	8.69
Textiles and clothing	7.48
Transport and freight	5.09
Real Estate Shares	4.22
Stainless steel	3.88
Units of investment funds	3.32
Agriculture and fisheries	2.43
Computer and office equipment	2.32
Electronics and electrical equipment	2.29
Chemicals	2.19
Precious metals and stones	2.03
Construction of machines and appliances	1.25
Metals and minings	0.00
Utilities	0.00
	96.99

Quaero Capital Funds (Lux) - China

Statement of investments and other net assets as at December 31, 2022 (expressed in USD)

Description	Currency	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>CAYMAN ISLANDS</i>				
AK MEDICAL HOLDINGS	HKD	1,436,000.00	1,801,218.63	3.36
BEIGENE	HKD	137,400.00	2,362,482.21	4.41
BILIBILI 'Z' REG S	HKD	81,130.00	1,941,724.66	3.62
COUNTRY GARDEN SERVICES HOLDINGS	HKD	437,000.00	1,088,446.27	2.03
DIGITECH 'A' ADR	USD	161,125.00	3,280,505.00	6.12
FUTU HOLDINGS -ADR SPONS.-	USD	39,704.00	1,613,967.60	3.01
HUAZHU GROUP S	HKD	661,600.00	2,852,396.30	5.32
INNOVENT BIOLOGICS 144A/S	HKD	571,000.00	2,450,813.22	4.57
JD.COM 'A' -S-	HKD	83,300.00	2,350,128.53	4.38
KE HOLDINGS 'A'	HKD	440,200.00	2,086,801.12	3.89
KUAISHOU TECHNOLOGY 'B' 144A/S	HKD	121,500.00	1,106,037.01	2.06
MEITUAN 'B' 144A/S	HKD	167,700.00	3,753,662.89	7.00
NETEASE ADR-SPONS.-	USD	26,690.00	1,938,494.70	3.62
PINDUODUO 'A' ADR -SPONS.-	USD	28,381.00	2,314,470.55	4.32
TRIP COM GROUP	HKD	97,450.00	3,416,073.73	6.37
WUXI BIOLOGICS	HKD	522,000.00	4,002,800.60	7.48
YADEA GROUP HOLDINGS 144A/S	HKD	1,142,000.00	1,910,902.72	3.56
			40,270,925.74	75.12
<i>CHINA</i>				
CHINA TOURISM GROUP DUTY FREE 'A'	CNY	69,737.00	2,167,140.79	4.04
CONTEMPORARY AMPEREX TECHNOLOGY 'A'	CNY	14,100.00	797,967.76	1.49
JIANGSU HENGLI HYDRAULIC 'A'	CNY	215,000.00	1,953,087.12	3.64
JIANGSU HENGRUI PHARMA. 'A'	CNY	304,500.00	1,687,703.33	3.15
JIANGXI COPPER 'H'	HKD	1,042,000.00	1,537,975.78	2.87
MILKYWAY CHEMICAL SUPPLY CHAIN SERVICE 'A'	CNY	68,738.00	1,153,529.39	2.15
SHANGHAI MICROPORT MEDBOT 'H' 144A/S	HKD	265,500.00	1,081,735.16	2.02
SHENZHEN MINDRAY BIO-MEDICAL 'A'	CNY	35,600.00	1,618,101.09	3.02
STARPOWER SEMICONDUCTOR 'A'	CNY	25,400.00	1,203,192.87	2.24
			13,200,433.29	24.62
TOTAL INVESTMENTS			53,471,359.03	99.74
CASH AT BANKS			373,459.56	0.70
BANK OVERDRAFT			-283,657.68	-0.53
OTHER NET ASSETS			47,192.18	0.09
TOTAL NET ASSETS			53,608,353.09	100.00

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

Quaero Capital Funds (Lux) - China

Geographical and industrial classification of investments as at December 31, 2022

Geographical classification

(in % of net assets)

Cayman Islands	75.12
China	24.62
	99.74

Industrial classification

(in % of net assets)

Pharmaceuticals and cosmetics	20.53
Internet, software and IT services	17.06
Gastronomy	11.69
Holding and finance companies	9.13
Publishing and graphic arts	7.94
Biotechnology	7.48
Real Estate Shares	5.92
Construction of machines and appliances	5.13
Miscellaneous	4.04
Automobiles	3.56
Stainless steel	2.87
Electronics and electrical equipment	2.24
Transport and freight	2.15
	99.74

Quaero Capital Funds (Lux) - Cullen ESG US Value

Statement of investments and other net assets as at December 31, 2022 (expressed in USD)

Description	Currency	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>BERMUDA</i>				
AXALTA COATING SYSTEMS	USD	39,453.00	1,004,867.91	2.45
			1,004,867.91	2.45
<i>IRELAND</i>				
EATON CORPORATION -NPV-	USD	7,473.00	1,172,887.35	2.86
JOHNSON CONTROLS INTERNATIONAL	USD	23,289.00	1,490,496.00	3.64
MEDTRONIC	USD	11,587.00	900,541.64	2.20
			3,563,924.99	8.70
<i>SWITZERLAND</i>				
CHUBB	USD	6,083.00	1,341,909.80	3.28
			1,341,909.80	3.28
<i>UNITED STATES</i>				
AMERICAN EXPRESS	USD	8,690.00	1,283,947.50	3.14
APPLIED MATERIALS	USD	10,428.00	1,015,478.64	2.48
BORGWARNER	USD	29,894.00	1,203,233.50	2.94
BOSTON PROPERTIES	USD	10,081.00	681,273.98	1.66
BRISTOL MYERS SQUIBB CO	USD	15,990.00	1,150,480.50	2.81
CIGNA	USD	4,760.00	1,577,178.40	3.85
CISCO SYSTEMS	USD	19,150.00	912,306.00	2.23
CONAGRA BRANDS	USD	33,717.00	1,304,847.90	3.19
CONOCOPHILLIPS	USD	13,209.00	1,558,662.00	3.81
CSX	USD	33,196.00	1,028,412.08	2.51
DUPONT DE NEMOURS	USD	15,119.00	1,037,616.97	2.53
GENUINE PARTS	USD	7,300.00	1,266,623.00	3.09
INTEL	USD	21,474.00	567,557.82	1.39
JM SMUCKER CO	USD	9,038.00	1,432,161.48	3.50
JOHNSON & JOHNSON	USD	7,473.00	1,320,105.45	3.22
JP MORGAN CHASE & CO	USD	11,123.00	1,491,594.30	3.64
MERCK & CO	USD	14,773.00	1,639,064.35	4.00
MONDELEZ INTERNATIONAL 'A'	USD	18,229.00	1,214,962.85	2.97
MORGAN STANLEY	USD	13,904.00	1,182,118.08	2.89
ORACLE	USD	14,252.00	1,164,958.48	2.84
PNC FINANCIAL SERVICES GROUP	USD	6,778.00	1,070,517.32	2.61
QUALCOMM	USD	7,242.00	796,185.48	1.94
RALPH LAUREN 'A'	USD	9,907.00	1,046,872.69	2.56
SEMPRA ENERGY	USD	6,177.00	954,593.58	2.33
SIMON PROPERTY GROUP	USD	8,147.00	957,109.56	2.34
TARGET	USD	5,562.00	828,960.48	2.02
TRAVELERS COMPANIES	USD	4,715.00	884,015.35	2.16
UNITED PARCEL SERVICE 'B'	USD	6,604.00	1,148,039.36	2.80
VERIZON COMMUNICATIONS	USD	24,553.00	967,388.20	2.36
WALT DISNEY	USD	10,602.00	921,101.76	2.25
			33,607,367.06	82.06

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

Quaero Capital Funds (Lux) - Cullen ESG US Value

Statement of investments and other net assets as at December 31, 2022 (expressed in USD) (continued)

Description	Market value (note 2)	% of net assets
TOTAL INVESTMENTS	39,518,069.76	96.49
CASH AT BANKS	23,403.08	0.06
BANK DEPOSITS	1,380,000.00	3.37
OTHER NET ASSETS	33,210.18	0.08
TOTAL NET ASSETS	40,954,683.02	100.00

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

Quaero Capital Funds (Lux) - Cullen ESG US Value

Geographical and industrial classification of investments as at December 31, 2022

Geographical classification

(in % of net assets)	
United States	82.06
Ireland	8.70
Switzerland	3.28
Bermuda	2.45
	96.49

Industrial classification

(in % of net assets)	
Pharmaceuticals and cosmetics	12.23
Holding and finance companies	9.35
Miscellaneous consumer goods	6.83
Banks and credit institutions	6.78
Food and soft drinks	6.47
Automobiles	6.03
Computer and office equipment	5.07
Construction of machines and appliances	4.93
Communications	4.30
Real Estate Shares	4.00
Oil and gas	3.81
Utilities	3.28
Miscellaneous	2.86
Packaging	2.80
Textiles and clothing	2.56
Chemicals	2.53
Transport and freight	2.51
Public utilities	2.33
Leisure	2.25
Insurance	2.16
Retail and supermarkets	2.02
Electronics and electrical equipment	1.39
	96.49

Quaero Capital Funds (Lux) - Global Convertible Bonds

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

Description	Currency	Nominal	Market value (note 2)	% of net assets	
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET					
BONDS					
<i>AUSTRALIA</i>					
3.50%	CV DEXUS FINANCE 22/27 -SR-S	AUD	700,000.00	457,123.93	0.62
			457,123.93	0.62	
<i>BELGIUM</i>					
0.00%	CV UMICORE 20/25 -SR-S	EUR	1,000,000.00	916,411.10	1.25
2.125%	CV GRP BRUXELLES LAMBERT 22/25 -SR-	EUR	500,000.00	510,881.25	0.70
			1,427,292.35	1.95	
<i>BRITISH VIRGIN ISLANDS</i>					
0.00%	CV ANLLIAN CAPITAL (ANTA) 20/25 -SR-S	EUR	600,000.00	705,957.24	0.96
0.00%	CV ARCHER-DANIELS MIDLAND 20/23 -SR-	USD	1,600,000.00	1,480,478.46	2.02
			2,186,435.70	2.98	
<i>CAYMAN ISLANDS</i>					
0.00%	CV ZHONGSHENG 20/25 -SR-	HKD	6,000,000.00	816,761.92	1.11
			816,761.92	1.11	
<i>FRANCE</i>					
0.00%	CV ARCHER OBLIGATIONS (KERING) 17/23 -SR-S	EUR	500,000.00	588,822.35	0.80
0.00%	CV CARREFOUR 18/24 -SR-	USD	1,400,000.00	1,254,241.81	1.71
0.00%	CV EDENRED 19/24 -SR-S	EUR	12,000.00	741,789.36	1.01
0.00%	CV SCHNEIDER ELECTRIC 20/26 -SR-	EUR	5,000.00	920,253.45	1.26
0.00%	CV VEOLIA ENVIRONNEMENT 19/25 -SR-S	EUR	22,000.00	673,856.48	0.92
0.875%	CV SAFRAN 20/27 -SR-	EUR	10,000.00	1,316,554.40	1.80
			5,495,517.85	7.50	
<i>GERMANY</i>					
0.05%	CV DEUTSCHE POST 17/25 -SR-	EUR	1,000,000.00	955,113.40	1.30
0.05%	CV MTU AERO ENGINES 19/27 -SR-	EUR	1,000,000.00	913,364.00	1.25
			1,868,477.40	2.55	
<i>HONG KONG</i>					
2.50%	CV LENOVO GROUP 22/29 -SR-	USD	600,000.00	548,684.75	0.75
			548,684.75	0.75	
<i>ISRAEL</i>					
0.00%	CV NICE 21/25 -SR-	USD	1,300,000.00	1,146,880.91	1.56
			1,146,880.91	1.56	
<i>ITALY</i>					
0.00%	CV PIRELLI 20/25 -SR-	EUR	800,000.00	753,508.96	1.03
			753,508.96	1.03	

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

Quaero Capital Funds (Lux) - Global Convertible Bonds

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

Description	Currency	Nominal	Market value (note 2)	% of net assets	
<i>JAPAN</i>					
0.00%	CV CYBERAGENT 18/25 -SR-	JPY	60,000,000.00	445,667.20	0.61
0.00%	CV DMG MORI 21/24 -SR-	JPY	110,000,000.00	789,445.45	1.08
0.00%	CV KOEI 21/24 -SR-	JPY	120,000,000.00	914,285.15	1.25
0.00%	CV NIPPON STEEL SUMITOMO METAL 21/26 -SR-S	JPY	150,000,000.00	1,155,370.21	1.58
0.00%	CV ROHM COMPANY 19/24 -SR-S	JPY	140,000,000.00	1,034,713.79	1.41
0.00%	CV SBI HOLDINGS 20/25 -SR-	JPY	150,000,000.00	1,106,226.39	1.51
0.00%	CV SENKO HOLDINGS 21/25 -SR-	JPY	100,000,000.00	715,439.41	0.98
0.00%	CV TAKASHIMAYA 18/28 -SR-	JPY	80,000,000.00	615,923.90	0.84
0.00%	MENICON 21/25 -SR-	JPY	120,000,000.00	890,598.30	1.22
			<hr/>	<hr/>	
			7,667,669.80	10.48	
<i>LUXEMBOURG</i>					
2.00%	CV LAGFIN 20/25 -SR-S	EUR	1,000,000.00	1,086,318.70	1.48
			<hr/>	<hr/>	
			1,086,318.70	1.48	
<i>NETHERLANDS</i>					
0.00%	CV AMERICA MOVIL 21/24 -SR-S	EUR	1,500,000.00	1,517,558.10	2.07
0.00%	CV STMICROELECTRONICS 20/27 -SR-	USD	800,000.00	772,239.30	1.05
			<hr/>	<hr/>	
			2,289,797.40	3.12	
<i>SINGAPORE</i>					
0.00%	CV SGX TREASURY I 21/24 -SR-	EUR	1,600,000.00	1,558,364.16	2.13
			<hr/>	<hr/>	
			1,558,364.16	2.13	
<i>SOUTH KOREA</i>					
0.00%	CV KAKAO 20/23 -SR-	USD	1,100,000.00	999,168.06	1.36
			<hr/>	<hr/>	
			999,168.06	1.36	
<i>SPAIN</i>					
1.50%	CV AMADEUS IT GROUP 20/25 -SR-	EUR	1,000,000.00	1,115,870.30	1.52
			<hr/>	<hr/>	
			1,115,870.30	1.52	
<i>SWEDEN</i>					
0.00%	CV GEELY SWEDEN (VOLVO) 19/24 -SR-	EUR	900,000.00	1,084,292.46	1.48
0.00%	CV SELENA OIL & GAS 20/25 -SR-	EUR	800,000.00	757,785.44	1.03
			<hr/>	<hr/>	
			1,842,077.90	2.51	
<i>SWITZERLAND</i>					
0.15%	CV SIKA 18/25 -SR-S	CHF	1,040,000.00	1,330,009.41	1.81
			<hr/>	<hr/>	
			1,330,009.41	1.81	
<i>TAIWAN</i>					
0.00%	CV HON HAI PRECISION 21/26 -SR-S	USD	1,000,000.00	796,431.52	1.09
			<hr/>	<hr/>	
			796,431.52	1.09	

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

Quaero Capital Funds (Lux) - Global Convertible Bonds

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

Description	Currency	Nominal	Market value (note 2)	% of net assets	
<i>UNITED STATES</i>					
0.00%	CV AIRBNB 21/26 -SR-	USD	1,300,000.00	1,009,130.77	1.38
0.00%	CV ALARM. COM 22/26 -SR-	USD	1,000,000.00	771,200.42	1.05
0.00%	CV BOX 22/26 -SR-	USD	700,000.00	860,464.73	1.17
0.00%	CV CABLE ONE 22/26 -SR-	USD	1,100,000.00	815,104.24	1.11
0.00%	CV DROPBOX 21/28 -SR-	USD	1,400,000.00	1,176,604.11	1.61
0.00%	CV ENPHASE ENERGY 21/26 -SR-	USD	1,000,000.00	1,059,239.13	1.45
0.00%	CV FORD MOTOR 22/26 -SR-	USD	1,300,000.00	1,153,276.09	1.57
0.00%	CV HAEMONETICS 21/26 -SR-	USD	900,000.00	702,454.99	0.96
0.00%	CV ILLUMINA 18/23 -SR-	USD	2,000,000.00	1,814,566.98	2.49
0.00%	CV JP MORGAN 21/24 -SR-	EUR	1,600,000.00	1,703,423.52	2.33
0.00%	CV LUMENTUM HOLDINGS 20/26	USD	1,000,000.00	808,459.44	1.10
0.00%	CV MARRIOTT VAC. 21/26 -SR-	USD	750,000.00	686,863.53	0.94
0.00%	CV NEXTERA ENERGY 21/24 -SR- 144A	USD	1,600,000.00	1,412,101.18	1.93
0.00%	CV ON SEMICONDUCTOR 21/27 -SR-	USD	400,000.00	493,982.74	0.67
0.00%	CV SOLAREEDGE TECHNOLOGIES 20/25 -SR-	USD	800,000.00	933,341.37	1.27
0.125%	CV BENTLEY 21/26 -SR-	USD	1,200,000.00	1,028,219.06	1.40
0.125%	CV DATADOG 20/25 -SR-	USD	700,000.00	718,029.45	0.98
0.125%	CV ETSY 19/26 -SR-	USD	300,000.00	434,317.68	0.59
0.125%	CV SQUARE 20/25 -SR-	USD	800,000.00	714,947.77	0.98
0.25%	CV HALOZYME 22/27 -SR-	USD	500,000.00	456,708.08	0.62
0.25%	CV JPM CHASE FINANCE 18/23 -SR- 144A	USD	1,500,000.00	1,432,985.09	1.96
0.25%	CV MP MATERIALS 21/26 -SR-	USD	1,200,000.00	992,340.39	1.35
0.25%	CV PARSONS 20/25 -SR-	USD	800,000.00	854,801.97	1.17
0.25%	CV TYLER TECH. 21/26 -SR-	USD	1,100,000.00	963,540.96	1.31
0.25%	CV VERINT SYSTEM 21/26 -SR-	USD	1,100,000.00	894,082.41	1.22
0.375%	CV AKAMAI TECHNOLOGIES 19/27 -SR-	USD	1,200,000.00	1,092,022.49	1.49
0.375%	CV CHEESECAKE 21/26 -SR-	USD	1,300,000.00	1,007,504.75	1.37
0.375%	CV HUBSPOT 20/25 -SR-	USD	1,000,000.00	1,161,097.89	1.58
0.375%	CV PALO ALTO 20/25 -SR- 144A	USD	700,000.00	969,346.78	1.32
0.50%	CV LIBERTY MEDIA 20/50 -SR- 144A	USD	1,000,000.00	936,933.89	1.28
0.75%	CV BOOKING 21/25 -SR-	USD	500,000.00	629,557.08	0.86
0.75%	CV ENVESTNET 22/25	USD	800,000.00	680,252.78	0.93
1.00%	CV MIDDLEBY 20/25 -SR-	USD	700,000.00	772,588.57	1.05
1.00%	CV PROGRESS SOFTWARE 21/26 -SR-	USD	500,000.00	479,848.67	0.65
1.25%	CV SOUTHWEST AIRLINES 20/25 -SR-	USD	1,150,000.00	1,303,065.17	1.78
2.25%	CV LIBERTY MEDIA 22/27 -SR-	USD	1,000,000.00	902,933.25	1.23
2.50%	CV NTL VISION 20/25 -SR-	USD	200,000.00	258,476.06	0.35
2.75%	CV LIBERTY MEDIA 19/49 -SR- 144A	USD	900,000.00	756,892.63	1.03
2.75%	CV TOPGOLF CALL 20/26 -SR-	USD	250,000.00	306,047.55	0.42
				35,146,753.66	47.95
TOTAL BONDS			68,533,144.68	93.50	
STRUCTURED PRODUCTS					
<i>UNITED KINGDOM</i>					
BARC (MSFT) -ELN- 20/25	USD	1,000,000.00	1,210,137.84	1.65	
BARC (V) 20/25	USD	1,038,000.00	1,015,941.28	1.39	
			2,226,079.12	3.04	
TOTAL STRUCTURED PRODUCTS			2,226,079.12	3.04	

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

Quaero Capital Funds (Lux) - Global Convertible Bonds

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

Description	Market value (note 2)	% of net assets
TOTAL INVESTMENTS	70,759,223.80	96.54
CASH AT BANKS	2,192,415.64	2.99
OTHER NET ASSETS	343,641.93	0.47
TOTAL NET ASSETS	73,295,281.37	100.00

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

Quaero Capital Funds (Lux) - Global Convertible Bonds

Geographical and industrial classification of investments as at December 31, 2022

Geographical classification

(in % of net assets)

United States	47.95
Japan	10.48
France	7.50
Netherlands	3.12
United Kingdom	3.04
British Virgin Islands	2.98
Germany	2.55
Sweden	2.51
Singapore	2.13
Belgium	1.95
Switzerland	1.81
Israel	1.56
Spain	1.52
Luxembourg	1.48
South Korea	1.36
Cayman Islands	1.11
Taiwan	1.09
Italy	1.03
Hong Kong	0.75
Australia	0.62
	96.54

Industrial classification

(in % of net assets)

Bonds issued by companies	92.88
Structured products	3.04
Bonds issued by countries or cities	0.62
	96.54

Quaero Capital Funds (Lux) - Taiko Japan

Statement of investments and other net assets as at December 31, 2022 (expressed in JPY)

Description	Currency	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>JAPAN</i>				
AEON DELIGHT	JPY	26,600.00	80,598,000.00	3.37
BROADLEAF	JPY	159,400.00	69,976,600.00	2.92
CHIBA BANK	JPY	123,100.00	118,422,200.00	4.94
DAIEI KANKYO	JPY	20,000.00	38,080,000.00	1.59
DAIKIN INDUSTRIES	JPY	2,400.00	48,480,000.00	2.03
DAISEKI	JPY	20,020.00	90,890,800.00	3.80
DIGITAL HEARTS HOLDINGS	JPY	50,600.00	91,333,000.00	3.82
ENPLAS	JPY	20,000.00	77,200,000.00	3.23
HITACHI	JPY	13,800.00	92,335,800.00	3.86
JACCS	JPY	21,000.00	86,625,000.00	3.62
JAPAN POST HOLDINGS	JPY	96,600.00	107,177,700.00	4.48
KATAKURA INDUSTRIES CO	JPY	15,300.00	26,560,800.00	1.11
KEYENCE	JPY	1,000.00	51,420,000.00	2.15
KIRIN HOLDINGS	JPY	27,700.00	55,704,700.00	2.33
KUREHA	JPY	9,200.00	74,152,000.00	3.10
LIKE	JPY	27,000.00	56,187,000.00	2.35
MARUI GROUP	JPY	39,800.00	86,803,800.00	3.63
MURATA MANUFACTURING	JPY	8,430.00	55,536,840.00	2.32
NEC	JPY	17,700.00	82,039,500.00	3.43
NGK SPARK PLUG	JPY	29,200.00	71,218,800.00	2.98
NIPPON GAS	JPY	31,000.00	64,542,000.00	2.70
NIPPON TELEGRAPH & TELEPHONE	JPY	19,700.00	74,111,400.00	3.10
OTSUKA	JPY	14,300.00	59,416,500.00	2.48
PASONA GROUP	JPY	26,800.00	49,874,800.00	2.08
SECOM	JPY	12,600.00	95,041,800.00	3.97
SEVEN & I HOLDINGS	JPY	17,800.00	100,748,000.00	4.21
SUNWELS	JPY	5,600.00	42,336,000.00	1.77
TIS	JPY	18,900.00	65,772,000.00	2.75
TOKAI	JPY	47,100.00	90,620,400.00	3.79
TOKIO MARINE	JPY	42,000.00	118,755,000.00	4.95
TOPCON	JPY	26,300.00	40,265,300.00	1.68
YOSHIMURA FOOD HOLDINGS	JPY	66,400.00	43,027,200.00	1.80
			2,305,252,940.00	96.34
TOTAL INVESTMENTS			2,305,252,940.00	96.34
CASH AT BANKS			106,537,908.40	4.45
OTHER NET LIABILITIES			-18,926,470.68	-0.79
TOTAL NET ASSETS			2,392,864,377.72	100.00

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

Quaero Capital Funds (Lux) - Taiko Japan

Geographical and industrial classification of investments as at December 31, 2022

Geographical classification

(in % of net assets)	
Japan	96.34
	96.34

Industrial classification

(in % of net assets)	
Electronics and electrical equipment	18.51
Holding and finance companies	17.45
Utilities	11.23
Banks and credit institutions	8.56
Communications	6.02
Transport and freight	4.48
Internet, software and IT services	3.82
Environmental services & recycling	3.80
Retail and supermarkets	3.63
Computer and office equipment	3.43
Chemicals	3.10
Oil	2.70
Tobacco and alcohol	2.33
Construction of machines and appliances	2.03
Food and soft drinks	1.80
Healthcare & social services	1.77
Photography and optics	1.68
	96.34

Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 1)

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>AUSTRIA</i>				
ANDRITZ	EUR	1,850.00	99,067.50	1.89
			99,067.50	1.89
<i>BELGIUM</i>				
EURONAV	EUR	4,300.00	67,467.00	1.29
			67,467.00	1.29
<i>BERMUDA</i>				
BORR DRILLING 'S'	NOK	52,000.00	263,870.69	5.03
HAFNIA	NOK	18,500.00	88,686.12	1.69
			352,556.81	6.72
<i>FINLAND</i>				
KONECRANES	EUR	2,300.00	66,148.00	1.26
METSO OUTOTEC	EUR	15,594.00	149,889.53	2.86
			216,037.53	4.12
<i>FRANCE</i>				
BIC	EUR	1,633.00	104,430.35	2.00
ERAMET	EUR	925.00	77,561.25	1.48
LISI	EUR	4,000.00	77,840.00	1.49
MANITOU BF	EUR	2,800.00	69,440.00	1.33
SOITEC	EUR	720.00	110,052.00	2.10
SOPRA STERIA GROUP	EUR	1,220.00	172,264.00	3.29
TRIGANO	EUR	1,200.00	153,120.00	2.93
UBISOFT ENTERTAINMENT	EUR	3,900.00	102,999.00	1.97
			867,706.60	16.59
<i>GERMANY</i>				
CANCOM	EUR	3,100.00	84,816.00	1.62
DERMAPHARM HOLDING	EUR	2,912.00	109,258.24	2.09
DUERR	EUR	4,365.00	137,584.80	2.63
JUNGHEINRICH PFD NON-VOTING	EUR	4,400.00	116,952.00	2.23
KION GROUP	EUR	3,000.00	80,310.00	1.53
RHEINMETALL	EUR	470.00	87,443.50	1.67
SILTRONIC	EUR	800.00	54,520.00	1.04
			670,884.54	12.81
<i>GUERNSEY</i>				
BURFORD CAPITAL	GBP	4,500.00	33,829.97	0.65
TETRAGON FINANCIAL GROUP	USD	22,838.00	205,857.57	3.92
			239,687.54	4.57

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

Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 1)

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

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>IRELAND</i>				
SMURFIT KAPPA GROUP	GBP	3,350.00	115,954.56	2.22
			115,954.56	2.22
<i>ITALY</i>				
UNIPOL GRUPPO -POST RAGGRUPPAMENTO-	EUR	25,000.00	113,950.00	2.18
			113,950.00	2.18
<i>LUXEMBOURG</i>				
BEFESA	EUR	4,351.00	196,056.06	3.75
SUBSEA 7	NOK	14,600.00	156,991.74	3.00
			353,047.80	6.75
<i>NETHERLANDS</i>				
TECHNIP ENERGIES	EUR	13,500.00	198,045.00	3.78
			198,045.00	3.78
<i>NORWAY</i>				
HOEGH AUTO	NOK	19,874.00	122,682.71	2.34
			122,682.71	2.34
<i>PORTUGAL</i>				
SONAE SGPS	EUR	100,000.00	93,500.00	1.79
			93,500.00	1.79
<i>SPAIN</i>				
MEDIASET ESPANA COMUNICACION	EUR	14,000.00	46,396.00	0.89
			46,396.00	0.89
<i>SWEDEN</i>				
BUFAB	SEK	2,500.00	52,606.90	1.01
EMBRACER GROUP 'B'	SEK	24,924.00	105,992.20	2.03
			158,599.10	3.04
<i>SWITZERLAND</i>				
EFG INTERNATIONAL	CHF	7,000.00	62,597.48	1.20
			62,597.48	1.20
<i>UNITED KINGDOM</i>				
D S SMITH	GBP	25,000.00	90,590.82	1.73
ENERGEAN OIL & GAS	GBP	10,696.00	157,806.27	3.02
FUTURE	GBP	4,000.00	57,121.53	1.09
IP GROUP	GBP	120,000.00	75,403.12	1.44
JOHN WOOD GROUP	GBP	70,000.00	106,629.48	2.04
LEARNING TECHNOLOGIES GROUP	GBP	38,465.00	50,030.49	0.96
QINETIC GROUP	GBP	24,000.00	96,570.10	1.85
RATHBONE BROTHERS	GBP	3,200.00	73,396.88	1.40
ROLLS-ROYCE HOLDINGS	GBP	87,000.00	91,389.94	1.75
			798,938.63	15.28

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

Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 1)

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

Description	Market value (note 2)	% of net assets
TOTAL INVESTMENTS	4,577,118.80	87.46
CASH AT BANKS	661,000.04	12.63
OTHER NET LIABILITIES	-4,761.24	-0.09
TOTAL NET ASSETS	5,233,357.60	100.00

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

Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap (note 1)

Geographical and industrial classification of investments as at December 31, 2022

Geographical classification

(in % of net assets)	
France	16.59
United Kingdom	15.28
Germany	12.81
Luxembourg	6.75
Bermuda	6.72
Guernsey	4.57
Finland	4.12
Netherlands	3.78
Sweden	3.04
Norway	2.34
Ireland	2.22
Italy	2.18
Austria	1.89
Portugal	1.79
Belgium	1.29
Switzerland	1.20
Spain	0.89
	87.46

Industrial classification

(in % of net assets)	
Construction of machines and appliances	15.65
Holding and finance companies	10.99
Oil	8.06
Internet, software and IT services	6.58
Automobiles	5.27
Stainless steel	4.34
Miscellaneous	4.07
Environmental services & recycling	3.75
Computer and office equipment	3.29
Aeronautics and astronautics	3.24
Electronics and electrical equipment	3.14
Transport and freight	2.98
Gastronomy	2.93
Insurance	2.18
Pharmaceuticals and cosmetics	2.09
Miscellaneous consumer goods	2.00
Paper and forest products	1.79
Packaging	1.73
Banks and credit institutions	1.40
Publishing and graphic arts	1.09
Communications	0.89
	87.46

Quaero Capital Funds (Lux) - Net Zero Emission (note 1)

Statement of investments and other net assets as at December 31, 2022 (expressed in USD)

Description	Currency	Quantity	Market value (note 2)	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				
SHARES				
<i>AUSTRALIA</i>				
BRAMBLES	AUD	34,860.00	285,338.36	1.85
			285,338.36	1.85
<i>BELGIUM</i>				
ELIA SYSTEM OPERATOR	EUR	5,359.00	759,535.36	4.94
			759,535.36	4.94
<i>FRANCE</i>				
BUREAU VERITAS	EUR	15,882.00	417,141.09	2.71
DASSAULT SYSTEMES	EUR	14,973.00	535,247.90	3.48
MERSEN	EUR	3,878.00	156,239.53	1.02
SCHNEIDER ELECTRIC S.A.	EUR	2,603.00	363,146.92	2.36
VOLTALIA	EUR	10,646.00	193,834.76	1.26
			1,665,610.20	10.83
<i>GERMANY</i>				
SYMRISE	EUR	4,738.00	514,006.49	3.34
			514,006.49	3.34
<i>JAPAN</i>				
NIDEC	JPY	6,641.00	344,217.53	2.24
			344,217.53	2.24
<i>LUXEMBOURG</i>				
BEFESA	EUR	9,437.00	453,828.02	2.95
			453,828.02	2.95
<i>NETHERLANDS</i>				
AMG ADVANCED METALLURGICAL	EUR	7,929.00	291,100.55	1.89
ASML HOLDING	EUR	1,757.00	944,704.73	6.13
CNH INDUSTRIAL	EUR	49,251.00	786,607.24	5.11
CORBION	EUR	6,093.00	207,047.70	1.35
KONINKLIJKE DSM	EUR	5,052.00	616,276.68	4.01
			2,845,736.90	18.49
<i>SPAIN</i>				
CORP.ACCIONA ENERGIAS RENOVABLES	EUR	15,962.00	615,660.96	4.00
EDP RENOVAVEIS	EUR	31,543.00	692,810.61	4.50
SOLARIA ENERGIA Y MEDIO AMBIENTE	EUR	8,642.00	157,900.75	1.03
			1,466,372.32	9.53

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

Quaero Capital Funds (Lux) - Net Zero Emission (note 1)

Statement of investments and other net assets as at December 31, 2022 (expressed in USD) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>SWITZERLAND</i>				
GIVAUDAN	CHF	127.00	388,879.16	2.53
LEM HOLDING	CHF	81.00	157,062.26	1.02
VAT GROUP	CHF	802.00	219,137.05	1.42
			<hr/>	
			765,078.47	4.97
<i>UNITED KINGDOM</i>				
CERES POWER HOLDINGS	GBP	34,856.00	147,042.48	0.96
			<hr/>	
			147,042.48	0.96
<i>UNITED STATES</i>				
ANSYS	USD	3,540.00	855,228.60	5.56
DARLING INTERNATIONAL	USD	3,165.00	198,097.35	1.29
DEERE & CO	USD	1,606.00	688,588.56	4.48
ECOLAB	USD	2,706.00	393,885.36	2.56
ENPHASE ENERGY	USD	1,341.00	355,311.36	2.31
GRAPHIC PACKAGING HOLDING	USD	21,482.00	477,974.50	3.11
GROCERY OUTLET HOLDING	USD	16,558.00	483,328.02	3.14
ON SEMICONDUCTOR	USD	1,843.00	114,947.91	0.75
REPUBLIC SERVICES	USD	3,686.00	475,457.14	3.09
SPROUTS FARMERS MARKET	USD	3,937.00	127,440.69	0.83
TESLA	USD	4,323.00	532,507.14	3.46
THERMO FISHER SCIENTIFIC	USD	1,087.00	598,600.03	3.89
			<hr/>	
			5,301,366.66	34.47
TOTAL INVESTMENTS			14,548,132.79	94.57
CASH AT BANKS			810,074.68	5.27
OTHER NET ASSETS			25,373.35	0.16
TOTAL NET ASSETS			15,383,580.82	100.00

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

Quaero Capital Funds (Lux) - Net Zero Emission (note 1)

Geographical and industrial classification of investments as at December 31, 2022

Geographical classification

(in % of net assets)

United States	34.47
Netherlands	18.49
France	10.83
Spain	9.53
Switzerland	4.97
Belgium	4.94
Germany	3.34
Luxembourg	2.95
Japan	2.24
Australia	1.85
United Kingdom	0.96
	94.57

Industrial classification

(in % of net assets)

Electronics and electrical equipment	17.41
Public utilities	14.76
Internet, software and IT services	9.04
Holding and finance companies	7.67
Environmental services & recycling	7.45
Chemicals	7.35
Miscellaneous	5.11
Pharmaceuticals and cosmetics	5.09
Construction of machines and appliances	4.48
Automobiles	3.46
Environmental conservation and waste management	3.09
Aeronautics and astronautics	2.71
Stainless steel	1.89
Utilities	1.85
Food and soft drinks	1.35
Biotechnology	1.03
Retail and supermarkets	0.83
	94.57

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022

NOTE 1

GENERAL

Quaero Capital Funds (Lux) (the "SICAV") is an open-ended investment company organised under the laws of Luxembourg as a *Société d'Investissement à Capital Variable* ("SICAV"), incorporated under the form of a public limited liability company (*société anonyme*) on April 24, 2009, authorised under Part I of the Luxembourg Act dated December 17, 2010 as amended. It qualifies as a SICAV complying with the provisions of the law of December 17, 2010 (the "2010 Law") regarding Undertakings for Collective Investment.

The SICAV is registered in the Luxembourg Trade and Companies Register under Number B146030. Its original Articles have been published in the *"Mémorial C, Recueil Spécial des Sociétés et Associations du Grand-Duché de Luxembourg"* on May 18, 2009.

The SICAV has an umbrella structure consisting of one or several sub-funds. A separate portfolio of assets is maintained for each sub-fund and is invested in accordance with the investment objective and policy applicable to that sub-fund.

The SICAV was incorporated for an unlimited duration with an initial subscribed capital of EUR 31,000. The minimum share capital of the SICAV must at all times be EUR 1,250,000 which amount has to be attained within six months of the SICAV's authorisation to operate as a UCI. The SICAV's share capital is at all times equal to its net asset value ("NAV"). The SICAV's share capital is automatically adjusted when additional Shares are issued or outstanding Shares are redeemed, and no special announcements or publicity are necessary in relation thereto.

a) Sub-funds in activity

As at December 31, 2022, the SICAV comprises the following sub-funds:

- Quaero Capital Funds (Lux) - Argonaut;
- Quaero Capital Funds (Lux) - World Opportunities;
- Quaero Capital Funds (Lux) - Bamboo;
- Quaero Capital Funds (Lux) - International Equities;
- Quaero Capital Funds (Lux) - Global Balanced;
- Quaero Capital Funds (Lux) - Infrastructure Securities;
- Quaero Capital Funds (Lux) - Yield Opportunities;
- Quaero Capital Funds (Lux) - Accessible Clean Energy;
- Quaero Capital Funds (Lux) - New Europe;
- Quaero Capital Funds (Lux) - China;
- Quaero Capital Funds (Lux) - Cullen ESG US Value;
- Quaero Capital Funds (Lux) - Global Convertible Bonds;
- Quaero Capital Funds (Lux) - Taiko Japan;
- Quaero Capital Funds (Lux) - Net Zero Emission launched on October 21, 2022;
- Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap launched on December 16, 2022.

b) Share classes

Classes of shares offered to investors are presented in the annexes of the Prospectus of the SICAV.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

All the sub-funds constitute the SICAV. The net assets of each sub-fund are represented by shares which may be divided into different share classes. All the shares representing the assets of a sub-fund form a class of shares. Where classes of shares are issued, their specificities are detailed in the annexes of the Prospectus of the SICAV.

The Board of Directors of the SICAV may decide to create several share classes for each sub-fund, whose assets would be invested according to the specific investment policy of the relevant sub-fund, but where the share classes may differ by specific subscription and/or redemption fee structures, currency risk hedging policies, distribution policies and/or management or advisory fees or by any other particularities applicable to each class. Where applicable, this information is provided in the current Prospectus of the SICAV.

c) Significant events

The Board of Directors of the SICAV has decided to terminate the relation with SingAlliance (Switzerland) SA, the sub-investment manager of Quaero Capital Funds (Lux) - Yield Opportunities with effect on February 1, 2022, as per the termination agreement.

On February 25, 2022, the following sub-fund had more than 5 percent exposure to Russian or Belarusian securities:

- Quaero Capital Funds (Lux) - New Europe

On February 25, 2022, the following sub-fund had less than 5 percent exposure to Russian or Belarusian securities:

- Quaero Capital Funds (Lux) - Yield Opportunities

The Management Company continue to monitor existing exposures to Russia, and the effects of the Ukraine/Russia conflict.

In the context of daily/weekly Valuation Committee and Risk Committee meetings in particular, decisions are made considering the current situation; these decisions are subject to regular adjustments due to changes in the overall assessment.

Key considerations include, but are not limited to:

- Direct and indirect exposures, and spill-over effects likely to have a negative impact on sub-funds;
- Markets, and asset valuation;
- Portfolio Compliance considering capital restrictions and sanctions imposed as an outcome of the Russia/Ukraine conflict.

In light of the current situation in Ukraine/Russia, the Russian shares quoted on domestic stock exchange have been temporarily valued at zero due to the situation on markets, liquidity and sanctions amongst some considerations.

This may be subject to change as a result of the evolution of the current situation.

The Board of Directors of the SICAV is confident that the fund operations will continue as a going concern and is carefully following the current crisis.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

On July 8, 2022, the sub-fund Quaero Capital Funds (Lux) - Global Conservative merged into Quaero Capital Funds (Lux) - Global Balanced.

New Prospectus came into force in July 2022 and in September 2022

d) Co-management and pooling

To ensure effective management of the SICAV, the Board of Directors of the SICAV and the Management Company may decide to manage all or part of the assets of one or more sub-funds with those of other sub-funds in the SICAV (pooling technique) or, where applicable, to co-manage all or part of the assets, except for a cash reserve, if necessary, of one or more sub-funds with the assets of other Luxembourg investment funds or of one or more sub-funds of other Luxembourg investment funds (hereinafter referred to as the party(ies) to the co-managed assets) for which the Depositary Bank is the appointed depositary. These assets are managed in accordance with the respective investment policies of the Parties to the co-managed assets, each of which is pursuing identical or comparable objectives. Parties to the co-managed assets only participate in co-managed assets which are in accordance with the stipulations of their respective prospectuses and investment restrictions.

Each Party to the co-managed assets participates in the co-managed assets in proportion to the assets it has contributed to the co-management. Assets and liabilities are allocated to each Party to the co-managed assets in proportion to its contribution to the co-managed assets.

Each Party's rights to the co-managed assets apply to each line of investment in the said co-managed assets.

The aforementioned co-managed assets are formed by the transfer of cash or, where applicable, other assets from each of the Parties participating in the co-managed assets. Thereafter, the Board of Directors of the SICAV and the Management Company may regularly make subsequent transfers to the co-managed assets.

The assets can also be transferred back to a Party to the co-managed assets for an amount not exceeding the participation of the said Party to the co-managed assets.

Dividends, interest and other distributions deriving from income generated by the co-managed assets accrue to each Party to the co-managed assets in proportion to its respective investment. Such income may be kept by the Party to the co-managed assets or reinvested in the co-managed assets.

All charges and expenses incurred in respect of the co-managed assets are applied to these assets. Such charges and expenses are allocated to each party to the co-managed assets in proportion to its respective entitlement to the co-managed assets.

In the case of an infringement of the investment restrictions affecting a sub-fund of the SICAV, when such a sub-fund takes part in co-management and even if the manager has complied with the investment restrictions applicable to the co-managed assets in question, the Board of Directors of the SICAV and the Management Company shall ask the manager to reduce the investment in question in proportion to the participation of the sub-fund concerned in the co-managed assets or, where applicable, reduce its participation in the co-managed assets to a level that respects the investment restrictions of the sub-fund.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

When the SICAV is liquidated or when the Board of Directors of the SICAV and the Management Company decide, without prior notice, to withdraw the participation of the SICAV or a sub-fund from co-managed assets, the co-managed assets are allocated to the Parties to the co-managed assets in proportion to their respective participation in the co-managed assets.

The investor must be aware of the fact that such co-managed assets are employed solely to ensure effective management inasmuch as all Parties to the co-managed assets have the same depository. Co-managed assets are not distinct legal entities and are not directly accessible to investors. However, the assets and liabilities of each sub-fund are constantly separated and identifiable.

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) General

The financial statements are prepared in accordance with generally accepted accounting principles and presented in accordance with the legal reporting requirements applicable in Luxembourg relating to undertakings for collective investment.

The SICAV's total net assets are expressed in euros (EUR) and correspond to the difference between the total assets and the total liabilities of the SICAV.

b) Combined financial statements of the SICAV

The combined financial statements of the SICAV are expressed in EUR and are equal to the sum of the corresponding items in the financial statements of the sub-fund, converted into EUR at the exchange rates prevailing at the closing date.

c) Valuation of assets

The assets of the SICAV are valued in accordance with the following principles:

1) The value of any cash in hand or on deposit, notes and bills payable on demand and accounts receivable (including reimbursements of fees and expenses payable by any UCI in which the SICAV may invest), prepaid expenses and cash dividends declared and interest accrued but not yet collected, shall be deemed the nominal value of these assets unless it is improbable that it can be paid and collected in full; in which case, the value is arrived at after deducting such amounts as the Board of Directors of the SICAV may consider appropriate to reflect the true value of these assets.

2) Securities and money market instruments listed on an official stock exchange or dealt on any other regulated market are valued at their last available price in Luxembourg on the valuation day and, if the security or money market instrument is traded on several markets, on the basis of the last known price on the main market of this security. If the last known price is not representative, valuation are based on the fair value at which it is expected it can be sold, as determined with prudence and in good faith by the Board of Directors of the SICAV.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

3) Unlisted securities and securities or money market instruments not traded on a stock exchange or any other regulated market as well as listed securities and securities or money market instruments listed on a regulated market for which no price is available, or securities or money market instruments whose quoted price is, in the opinion of the Board of Directors of the SICAV, not representative of actual market value, are valued at their last known price in Luxembourg or, in the absence of such price, on the basis of their probable realisation value, as determined with prudence and in good faith by the Board of Directors of the SICAV.

4) Securities or money market Instruments denominated in a currency other than the relevant sub-fund's valuation currency are converted at the average exchange rate of the currency concerned applicable on the valuation day.

5) The valuation of investments reaching maturity within a maximum period of 90 days may include straight-line daily amortisation of the difference between the principal 91 days before maturity and the value at maturity.

6) The liquidation value of futures, spot, options or forward foreign exchange contracts that are not traded on stock exchanges or other regulated markets is equal to their net liquidation value determined in accordance with the policies established by the Board of Directors of the SICAV on a basis consistently applied to each type of contract. The liquidation value of futures, spot, options or forward foreign exchange contracts traded on stock exchanges or other regulated markets is based on the latest available price for these contracts on the stock exchanges and regulated markets on which these futures, spot, options and forward foreign exchange contracts are traded by the SICAV; provided that if an options or futures contract cannot be liquidated on the date on which the net assets are valued, the basis for determining the liquidation value of said contract shall be determined by the Board of Directors of the SICAV in a fair and reasonable manner.

7) Swaps are valued at their fair value based on the last known closing price of the underlying security.

8) UCIs are valued on the basis of their last available NAV in Luxembourg. As indicated below, this NAV may be adjusted by applying a recognised index so as to reflect market changes since the last valuation.

9) Liquid assets and money market instruments are valued at their nominal value plus accrued interest, or on the basis of amortised costs.

10) Any other securities and assets are valued in accordance with the procedures put in place by the Board of Directors of the SICAV and with the help of specialist valuers, as the case may be, who are instructed by the Board of Directors of the SICAV to carry out the said valuations.

d) Formation expenses

Formation expenses are amortised on a straight-line basis over a maximum period of five years.

e) Net realised gain/loss on sales of investments

The net realised gain/loss on sales of investments is calculated on the basis of the weighted average cost of the investments sold.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

f) Foreign exchange translation for each sub-fund

Cash at banks, other net assets as well as the market value of the investment portfolio in currencies other than the currency of the sub-fund are translated into the currency of the sub-fund at the exchange rate prevailing at the closing date.

Income and expenses in currencies other than the currency of the sub-fund are translated into the currency of the sub-fund at the exchange rate prevailing at the payment date. Resulting realised and unrealised foreign exchange gains and losses are included in the statement of operations and changes in net assets.

g) Acquisition cost of securities in the portfolio

Cost of investment securities in currencies other than the sub-fund currency is translated into the sub-fund currency at the exchange rate applicable at the purchase date.

h) Income

Dividends are shown net of withholding tax (deducted at source), and are recorded at ex-date.

Interest is recorded on an accrual basis.

i) Forward foreign exchange contracts

The unrealised gains or losses resulting from outstanding forward foreign exchange contracts are determined on the valuation day on the basis of the forward foreign exchange prices applicable on this date and are recorded in the statement of net assets.

j) Recognition of futures contracts

At the time of each NAV calculation, the margin call on futures contracts is recorded directly in the realised capital gains and losses accounts relating to forward contracts by the bank account counterparty.

k) Accounting of futures contracts

Unrealised appreciations and depreciations on futures contracts are settled daily through the reception/payment of a cash amount corresponding to the daily increase/decrease of the market value of each opened futures contracts. Such cash amount is recorded under the caption "Cash at banks" in the statement of net assets and the corresponding amount is recorded under the caption "net realised gain and loss on forward contracts" in the statement of operations and changes in net assets.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

l) Payable and receivable

In relation to transactions related both to capital activity (subscriptions and redemptions) and for the purchase or sale of securities on markets where delivery of securities is made against payment of cash, the Depositary Bank may, in its absolute discretion, provide actual settlement. The Depositary Bank reserves the right to reverse at any time any transaction if the relevant transaction has not been settled or if it appears that such transaction is not settled. The transactions are booked in accounting based on an automated feed from the depositary system. Consequently no payable or receivable are booked on these transactions.

m) Transaction fees

The transaction fees represent the costs incurred by each sub-fund in connection with purchases and sales of investments.

They have been defined as brokerage fees, bank commissions, foreign tax, depositary fees and other transaction fees relating to purchases or sales of transferable securities, money market instruments, derivatives or other eligible assets.

NOTE 3

"TAXE D'ABONNEMENT"

The SICAV's assets are subject to tax (*taxe d'abonnement*) in Luxembourg of 0.05% p.a. on net assets (and 0.01% p.a. on total net assets in case of sub-funds or Classes reserved to Institutional Investors), payable quarterly. In case some sub-funds are invested in other Luxembourg UCIs, which in turn are subject to the annual subscription tax (*taxe d'abonnement*) provided for by the 2010 Act, no annual subscription tax (*taxe d'abonnement*) is due from the SICAV on the portion of assets invested therein.

The SICAV's income is not taxable in Luxembourg. Income received from the SICAV may be subject to withholding taxes in the country of origin of the issuer of the security, in respect of which such income is paid. No duty or tax is payable in Luxembourg in connection with the issue of Shares of the SICAV.

NOTE 4

GLOBAL MANAGEMENT FEES

The aggregate amount of fees (to the exclusion of the fixed fees) payable out of the assets of the sub-fund to the Investment Manager (including in its capacity as Global Distributor) and Investment Adviser are disclosed as Global Management fees. The Global Management fees are based on the average value of the NAV of the sub-fund over the relevant period and are payable monthly in arrears.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

The maximum annual rates applicable as at December 31, 2022, are as follows:

Quaero Capital Funds (Lux)	A shares (max)	A1 shares (max)	B shares (max)	B1 shares (max)	C shares (max)	C1 shares (max)	D shares (max)	D1 shares (max)	D2 shares (max)	H shares (max)	X shares (max)	X1 shares (max)	Z shares (max)
Argonaut	1.50%	1.50%	1.25%	-	1.00%	-	2.00%	1.60%	-	1.50%	1.50%	-	-
World Opportunities	1.50%	1.50%	1.25%	-	1.00%	-	2.00%	1.60%	-	-	-	-	-
Bamboo	1.50%	1.50%	1.20%	-	1.00%	-	2.00%	1.60%	-	-	0.75%	-	-
International Equities	1.50%	1.50%	1.25%	-	1.00%	-	2.00%	1.60%	-	-	-	-	-
Global Balanced	1.50%	1.50%	1.25%	-	1.00%	-	2.00%	1.60%	-	-	-	-	-
Global Conservative*	1.50%	1.50%	1.25%	-	1.00%	-	2.00%	1.60%	-	-	-	-	-
Infrastructure Securities	1.50%	1.50%	1.25%	-	1.00%	-	2.00%	1.60%	-	-	-	-	-
Yield Opportunities	0.80%	0.80%	0.70%	-	0.60%	-	1.40%	1.00%	-	-	-	-	-
Accessible Clean Energy	1.50%	1.50%	1.25%	-	1.00%	-	2.00%	1.60%	2.40%	-	0.75%	-	-
New Europe	1.75%	1.75%	1.50%	-	1.25%	-	2.25%	1.85%	-	-	-	-	-
China	-	1.50%	1.25%	-	0.75%	1.00%	2.00%	1.60%	-	-	-	-	-
Cullen ESG US Value	-	1.00%	0.90%	-	0.75%	-	2.00%	1.50%	-	-	0.50%	-	-
Global Convertible Bonds	-	0.75%	0.75%	0.90%	0.50%	-	1.75%	2.20%	-	-	-	-	-
Taiko Japan	-	1.50%	0.45%	-	0.75%	-	1.60%	2.00%	-	-	-	-	0.30%
Quaeronaut Small & Mid Cap**	-	1.25%	1.00%	-	0.75%	-	2.00%	1.35%	-	-	0.50%	-	-
Net Zero Emission***	-	1.50%	1.15%	0.90%	0.75%	-	2.00%	1.60%	2.40%	-	0.75%	-	-

*Until July 8, 2022 (merger date)

**Since December 16, 2022 (launch date)

***Since October 21, 2022 (launch date)

S and Z share classes do not pay any Global Management Fee.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

The effective annual rates applicable as at December 31, 2022, are as follows:

Quaero Capital Funds (Lux)	A shares	A1 shares	B shares	C shares	D shares	D1 shares	H shares	X shares	Z shares
Argonaut	1.50%	1.50%	1.25%	-	2.00%	-	1.50%	1.25%	-
World Opportunities	1.50%	1.50%	-	-	2.00%	-	-	-	-
Bamboo	1.50%	-	1.20%	-	-	-	-	0.75%	-
International Equities	1.50%	-	-	-	-	-	-	-	-
Global Balanced	1.50%	-	-	-	-	-	-	-	-
Global Conservative*	1.50%	-	-	-	-	-	-	-	-
Infrastructure Securities	1.50%	1.50%	-	-	2.00%	-	-	-	-
Yield Opportunities	0.80%	-	-	-	-	-	-	-	-
Accessible Clean Energy	1.50%	-	1.25%	-	2.00%	-	-	0.75%	-
New Europe	1.75%	-	-	-	-	-	-	-	-
China	-	-	-	0.75%	-	1.60%	-	-	-
Cullen ESG US Value	-	1.00%	-	0.75%	1.00%	-	-	0.50%	-
Global Convertible Bonds	-	0.75%	-	0.50%	1.75%	-	-	-	-
Taiko Japan	-	-	-	-	-	-	-	-	0.30%
Quaeronaut Small & Mid Cap**	-	-	-	-	-	1.35%	-	0.50%	-
Net Zero Emission***	-	-	-	-	-	-	-	0.75%	-

*Until July 8, 2022 (merger date)

**Since December 16, 2022 (launch date)

***Since October 21, 2022 (launch date)

Each sub-fund may, in addition, be required to indirectly pay management fees of a maximum of 4% on account of its investment in other UCIs or UCITS. Quaero Capital Funds (Lux) - International Equities, Quaero Capital Funds (Lux) - Global Balanced and Quaero Capital Funds (Lux) - Global Conservative invest a significant portion of their NAVs in underlying funds.

The maximum management fees of these underlying funds are as follows:

Underlying funds	Management fees (max.)
ABERDEEN SS I - NORTH AMERICAN SMALLER CIES I USD	0.75%
AGIF - CHINA A - SHARES AT USD -ACC.-	2.25%
AMUNDI SERENITE PEA IC EUR -ACC-	0.50%
AURIS - DIVERSIFIED BETA I EUR -ACC.-	0.85%
AURIS - EURO RENDEMENT I EUR -ACC.-	0.70%
AURIS - GRAVITY US EQUITY I USD -ACC.-	1.25%
AURIS - X ALLIANCEBER. GLOBAL EQUITIES I USD -ACC.-	1.10%
AXA ROS. PAC. EX-JAP SM CAP A	0.80%
AXA WF - GLOBAL INFL. SHORT DURAT. BDS F EUR H	0.30%
AXIOM LUX - SHORT DURATION BD C EUR	1.00%
BARINGS UF - U.S. H/Y BOND A USD -ACC.-	0.25%
BAYERNINVEST RENTEN EURO. - FONDS EUR	0.40%

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

Underlying funds	Management fees (max.)
BLACKROCK SF - AMERICAS DIV. EQUITY A/R I2 EUR HDG	1.00%
BRANDES IF - US VALUE FUND I USD	0.70%
CH SHENZHEN TRANSSION HOLDING 27/11/23	0.00%
CIF - CAPITAL GROUP US CORPORATE BOND FUND (LUX) Z USD	0.50%
CIF - JAPAN EQUITY (LUX) Z JPY -ACC.-	0.75%
CIFS CG EMERGING MARKET LOCAL CURRENCY DEBT (LUX) Z EUR	0.75%
COMGEST GROWTH - ASIA EX-JAPAN I USD -ACC-	1.00%
DIGITAL FUNDS - STARS CONTINENTAL EUROPE -ACC.- EUR	1.50%
DWS GLOBAL HYBRID BOND TFC EUR -ACC.-	0.50%
DWS INVEST - EURO HIGH YIELD CORPORATE TFC -ACC.-	0.65%
DWS INVEST - LATIN AMERICAN EQUITIES FC EUR	0.85%
EXANE 1 - INTEGRALE A EUR -ACC-	1.50%
EXANE 1 - OVERDRIVE EUR -ACC-	2.00%
FEDERATED HIF - US SMID EQUITY F USD -ACC-	0.75%
FIDELITY FUNDS - ASIA PACIFIC OPPORTUNITIES Y USD -ACC-	0.80%
FIRST PRIVATE EUROPA AKTIEN ULM B	0.90%
FONDUL PROPRIETATEA RON	0.00%
FRANKLIN TEMPLETON - UK MID CAP W GBP -ACC.-	0.75%
GAVEKAL - CHINA FIXED INCOME A EUR -ACC.-	0.50%
GS FS - US CORE EQUITY PTF I USD SNAP -ACC.-	0.50%
GS FS - EUROPE CORE EQUITY PTF I EUR -ACC.-	0.50%
GS FS - US MORTGAGE BACKED SECURITIES PORTFOLIO I USD	0.30%
HELIUM - SELECTION A EUR -ACC-	1.25%
INVESCO MARKETS - BLOOMBERG COMMODITY ETF A USD	0.19%
JO HAMBRO CMUF - CONTINENTAL EUROPE A EUR	0.75%
JPMF - ASIA PACIFIC EQUITY JPM I USD	0.75%
JPMIF - GLOBAL MACRO OPPORTUNITIES C EUR -ACC-	0.60%
JPMIF - US SELECT EQUITY C USD -ACC.-	0.50%
JUPITER GLOBAL FS - EUROPEAN GROWTH D EUR	0.75%
LAZARD CONVERTIBLE GLOBAL IC H-EUR	0.87%
LAZARD INVESTMENT - UK OMEGA C GBP	0.75%
LINDESELL TGF - JAPANESE EQUITY B INST. JPY	0.73%
LO FUNDS - TERRENEUVE N EUR SYST. NAV HEDGED -ACC.-	1.50%
LUXEMBOURG SF - ARCANO LOW VOLATILITY EUR. INC. VE-AP	0.00%
MORGAN STANLEY IF - US DEBT HIGH YIELD BOND Z USD	0.25%
MUZINICH - ENHANCEDYIELD S/T A -ACC- HDG	0.45%
MUZINICH - EUROPEYIELD H HEDGED EUR -ACC-	0.65%
NB - EURO BOND R EUR -INC-	0.75%
NN (L) - EURO SUSTAINABLE CREDIT I EUR -ACC.-	0.36%
NN (L) - US CREDIT I USD -ACC.-	0.36%
NORDEA 1 - ALPHA 15 MA FUND BI EUR	1.20%
PIMCO GIS - MORTGAGE OPPORTUNITIES INSTITUTIONAL USD	0.69%
QUAERO CAPITAL FUND (LUX) - ARGONAUT Z EUR -ACC.-	0.00%
QUAERO CAPITAL FUND (LUX) - NEW EUROPE Z EUR -ACC.-	0.00%
RAM (LUX) SF - LONG/SHORT EUROPEAN EQUITIES I	1.20%

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

Underlying funds	Management fees (max.)
SISF - EURO CORPORATE BOND C -CAP.-	0.45%
SWISSCANTO (LU) EQ - S&M CAPS JAPAN DT JPY	0.82%
T. ROWE PRICE - CONTINENTAL EUROPEAN EQUITY I EUR -ACC-	0.65%
T. ROWE PFS - US LARGE CAP GROWTH EQUITY I USD	0.65%
VANGUARD IS - US OPPORTUNITIES INVESTOR USD	0.95%
VONTOBEL - SUSTAINABLE E/M LEADERS I	1.00%

In addition, the Investment Manager is entitled to receive, out of the assets of each class within each sub-fund, fees corresponding to 0.20% p.a. of the NAV (the "fixed fees"). The fixed fees cover all fees and expenses incurred in the day-to-day operation, administration and servicing of the SICAV and its sub-funds in relation to the following:

- (1) marketing and promotion expenses;
- (2) advertising;
- (3) costs relating to the publication of prices;
- (4) distribution of semi-annual and annual reports and other reporting expenses;
- (5) publication and mailing of notifications and reports to shareholders or any other type of communication to shareholders, regulatory authorities or service providers.

Details of calculation of fixed fees are available in the Prospectus.

NOTE 5

PERFORMANCE FEES

The Investment Manager is entitled to receive performance fees in regards to each sub-fund as follows:

a) Quaero Capital Funds (Lux) - Argonaut

The Investment Manager receives out of the assets of the sub-fund attributable to all Classes of Shares, except Classes S and Z Shares, performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 12.5% of the performance of the NAV per Share measured against the High Water Mark (as defined in the relevant special section of the Prospectus) over a hurdle rate of 5% p.a. pro rata temporis, calculated since the last performance fees payment.

The Investment Manager receives out of the assets of the sub-fund attributable to Class X Shares performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV equivalent to 12.5% of the performance of the NAV per share measured against the High Water Mark (as defined in the relevant special section of the Prospectus) over the return of the Benchmark Index (MSCI European MicroCap Index), calculated since the last performance fees payment.

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

ISIN code	Share class	Class currency	Performance fees	% of net assets*
LU0428317514	A (ACC) EUR	EUR	38.08	0.00
LU0512346346	A (ACC) GBP	GBP	176.54	0.00
LU0584436546	A (ACC) CHF	CHF	286.75	0.00
LU0551533457	A (ACC) SEK	SEK	511.49	0.04
LU0675400260	A (ACC) USD	USD	-	-
LU1890151431	A1 (ACC) EUR	EUR	198.22	0.00
LU0866897233	B (ACC) EUR	EUR	-	-
LU0770749538	D (ACC) EUR	EUR	-	-
LU1110857148	D (ACC) USD	USD	-	-
LU0428315906	H (ACC) EUR	EUR	-	-
LU0973085789	X (ACC) GBP	GBP	-	-

* Based on the average of the Net Assets of the Class for the year ended December 31, 2022

b) Quaero Capital Funds (Lux) - World Opportunities

The Investment Manager receives, out of the assets of the sub-fund attributable to all classes of Shares except the classes D and Z, performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 10% of the performance of the NAV per Share exceeding the High Water Mark (as defined in the relevant special section of the Prospectus).

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

Details of calculation of performance fees are available in the relevant special section of the Prospectus.

ISIN code	Share class	Class currency	Performance fees	% of net assets*
LU0754593787	A (ACC) EUR	EUR	-	-
LU1539115680	A (ACC) CHF	CHF	-	-
LU1539115334	A (ACC) USD	USD	-	-

* Based on the average of the Net Assets of the Class for year ended December 31, 2022

c) Quaero Capital Funds (Lux) - Bamboo

The Investment Manager receives out of the assets of the sub-fund attributable to all classes of Shares except the class Z, performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 10% of the performance of the NAV per share measured against the High Water Mark (as defined in the relevant Special Section of the Prospectus) over the return of the Benchmark Index (MSCI AC Asia Pacific ex Japan Index Net Total Return USD), calculated since the last performance fees payment.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

ISIN code	Share class	Class currency	Performance fees	% of net assets*
LU1234769641	A (ACC) EUR	EUR	-	-
LU1206411313	A (ACC) USD	USD	-	-
LU1212064551	B (ACC) USD	USD	-	-
LU1212064718	C (ACC) USD	USD	-	-
LU1771859730	C (ACC) EUR	EUR	-	-
LU1206411156	X (ACC) USD	USD	-	-

* Based on the average of the Net Assets of the Class for the year ended December 31, 2022

d) Quaero Capital Funds (Lux) - Yield Opportunities

The Investment Manager receives out of the assets of the sub-fund attributable to Class A of Shares performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 5% of the performance of the NAV per Share exceeding the High Water Mark (as defined in the relevant special section of the Prospectus).

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

ISIN code	Share class	Class currency	Performance fees	% of net assets*
LU1136191399	A (ACC) EUR	EUR	-	-
LU1277647605	A (ACC) CHF	CHF	-	-
LU1277647514	A (ACC) USD	USD	3.62	0.00

* Based on the average of the Net Assets of the Class for the year ended December 31, 2022

e) Quaero Capital Funds (Lux) - Accessible Clean Energy

The Investment Manager receives out of the assets of the sub-fund except the class X, performance fees, accrued on each Valuation Day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 12% of the performance of the NAV per Share measured against the High Water Mark (as defined in the relevant special section of the Prospectus) over the return of the Benchmark Index (MSCI World Index), calculated since the last performance fees payment.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

ISIN code	Share class	Class currency	Performance fees	% of net assets*
LU1710458198	A (ACC) CHF	CHF	-	-
LU1633832339	A (ACC) USD	USD	-	-
LU1710457893	A (ACC) EUR	EUR	-	-
LU1651874312	B (ACC) USD	USD	-	-
LU1807429052	B (ACC) EUR	EUR	-	-
LU1710458354	C (ACC) EUR	EUR	-	-
LU1633832503	C (ACC) USD	USD	-	-
LU1975630440	C (ACC) EUR (non hedged)	EUR	-	-
LU2209348452	C GBP	GBP	-	-
LU2497530845	D (ACC) EUR	EUR	-	-

* Based on the average of the Net Assets of the Class for the year ended December 31, 2022

f) Quaero Capital Funds (Lux) - New Europe

The Investment Manager receives out of the assets of the sub-fund attributable to all classes of Shares except the class Z performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 12.5% of the performance of the NAV per Share measured against the High Water Mark (as defined in the relevant special section of the Prospectus) over a hurdle rate of 5% p.a. pro rata temporis, calculated since the last performance fees payment.

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

ISIN code	Share class	Class currency	Performance fees	% of net assets*
LU1377519092	A (ACC) EUR	EUR	-	-
LU1377517120	A (ACC) USD	USD	-	-
LU1377517807	C (ACC) EUR	EUR	-	-

* Based on the average of the Net Assets of the Class for the year ended December 31, 2022

g) Quaero Capital Funds (Lux) - China

The Investment Manager receives, out of the assets of the sub-fund attributable to all classes of Shares except the class C, performance fees, accrued on each valuation day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 15% of the performance of the NAV per Share measured against the High Water Mark (as defined in the relevant special section of the Prospectus), over the return of the Benchmark Index (MSCI China 10-40 Net Total Return USD Index), calculated since the last performance fees payment.

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

ISIN code	Share class	Class currency	Performance fees	% of net assets*
LU2257490198	C (ACC) USD	USD	-	-
LU2257489935	C (ACC) CHF	CHF	-	-
LU2257489778	C (ACC) EUR	EUR	-	-
LU2257490438	D1 (ACC) EUR	EUR	-	-
LU2257490511	D1 (ACC) CHF	CHF	-	-
LU2257490602	D1 (ACC) USD	USD	-	-

* Based on the average of the Net Assets of the Class for the year ended December 31, 2022

h) Quaero Capital Funds (Lux) - Global Convertible Bonds

The Investment Manager receives, out of the assets of the sub-fund attributable to all classes of Shares, except the classes B1 and Z, performance fees, accrued on each Valuation Day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent up to 15% of the performance of the NAV per Share exceeding the High Water Mark (as defined in the relevant special section of the Prospectus).

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

Details of calculation of the performance fees are available in the relevant special section of the Prospectus.

ISIN code	Share class	Class currency	Performance fees	% of net assets*
LU2114351864	A1 (ACC) EUR	EUR	-	-
LU2114352243	C (ACC) EUR	EUR	-	-
LU2141149414	C (DIST) EUR	EUR	-	-
LU2173413373	D (ACC) EUR	EUR	-	-

* Based on the average of the Net Assets of the Class for the year ended December 31, 2022

i) Quaero Capital Funds (Lux) - Net Zero Emission

The Investment Manager receives, out of the assets of the sub-fund attributable to all classes of Shares, except the classes B, C, X and Z, performance fees, accrued on each Valuation Day, paid on an annual basis within 20 business days after the end of each fiscal year, based on the NAV, equivalent to 12% of the performance of the NAV per Share exceeding the High Water Mark over the return of the Benchmark Index (MSCI World Index) calculated since the last Performance Fee payment.

Provision is made for this performance fee on each Valuation Day. If the NAV per share decreases during the calculation period, the provisions made in respect of the performance fee are reduced accordingly. If these provisions fall to zero, no performance fee is payable.

The other sub-funds are not subject to performance fees.

NOTE 6 OTHER FEES PAYABLE

As at December 31, 2022, the other fees payable include mainly operating, administration, audit, Management Company, depositary and distribution expenses.

NOTE 7 SUBSCRIPTION AND REDEMPTION

Shareholders or prospective investors may subscribe for a sub-class in a class in a sub-fund at a subscription price per Share equal to:

(a) the initial subscription price where the subscription relates to the initial offering period or initial offering date; or

(b) the NAV per share as of the Valuation Day on which the subscription is effected where the subscription relates to a subsequent offering (other than the initial offering period or initial offering date) of shares of an existing sub-class in an existing class in an existing sub-fund.

If an investor wants to subscribe shares, subscription fees of up to 5.00% of the NAV per share may be added to the subscription price to be paid by the investor. The applicable subscription fees are stipulated in the relevant special section of the Prospectus. The subscription fees are payable to the Global Distributor, sub-distributors, intermediaries or are partially or totally revert to the relevant sub-fund.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

A shareholder who redeems his shares receives an amount per share redeemed equal to the NAV per share as of the applicable valuation day for the relevant class in the relevant sub-fund (less, as the case may be, redemption fees of up to 5.00% as stipulated in the relevant special section of the Prospectus and any tax or duty imposed on the redemption of the shares).

NOTE 8 EXCHANGE RATE AS AT DECEMBER 31, 2022

The following exchange rates were used for the conversion of the net assets of the sub-funds into EUR as at December 31, 2022:

1 EUR = 0.98742000 CHF
1 EUR = 0.88723119 GBP
1 EUR = 140.81839587 JPY
1 EUR = 11.12021447 SEK
1 EUR = 1.06725032 USD

NOTE 9 FORWARD FOREIGN EXCHANGE CONTRACTS

The SICAV had the following forward foreign exchange contracts outstanding as at December 31, 2022:

Quaero Capital Funds (Lux) - Argonaut

Currency	Purchase	Currency	Sale	Maturity date
CHF	13,196,101.93	EUR	13,380,742.80	31/01/2023
GBP	36,973,547.76	EUR	41,879,917.93	31/01/2023
SEK	1,135,280.64	EUR	102,383.23	31/01/2023
USD	7,654,124.93	EUR	7,176,773.74	31/01/2023

The net unrealised loss on these contracts as at December 31, 2022 was EUR 280,986.30 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - World Opportunities

Currency	Purchase	Currency	Sale	Maturity date
CHF	15,055,122.89	USD	16,283,597.55	31/01/2023
EUR	2,800,786.19	USD	2,987,953.43	31/01/2023

The net unrealised gain on these contracts as at December 31, 2022 was USD 53,851.02 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - Bamboo

Currency	Purchase	Currency	Sale	Maturity date
EUR	4,718,062.95	USD	5,033,355.43	31/01/2023

The net unrealised gain on this contract as at December 31, 2022 was USD 13,013.93 and is included in the statement of net assets.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

Quaero Capital Funds (Lux) - International Equities

Currency	Purchase	Currency	Sale	Maturity date
CHF	6,247,492.43	EUR	6,334,907.82	31/01/2023
EUR	510,312.49	GBP	440,590.54	16/03/2023
EUR	1,426,468.46	JPY	203,855,323.16	16/03/2023
EUR	6,930,813.10	USD	7,430,855.33	16/03/2023
USD	369,297.32	EUR	346,266.01	31/01/2023

The net unrealised loss on these contracts as at December 31, 2022 was EUR 9,688.58 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - Global Balanced

Currency	Purchase	Currency	Sale	Maturity date
CHF	1,294,241.74	EUR	1,312,350.87	31/01/2023
EUR	265,712.73	GBP	229,409.46	16/03/2023
EUR	742,742.61	JPY	106,144,676.84	16/03/2023
EUR	5,334,339.08	USD	5,719,144.67	16/03/2023

The net unrealised loss on these contracts as at December 31, 2022 was EUR 3,813.62 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - Infrastructure Securities

Currency	Purchase	Currency	Sale	Maturity date
CHF	3,764,100.06	EUR	3,816,767.64	31/01/2023
USD	1,858,381.76	EUR	1,742,483.37	31/01/2023

The net unrealised loss on these contracts as at December 31, 2022 was EUR 4,613.18 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - Yield Opportunities

Currency	Purchase	Currency	Sale	Maturity date
CHF	4,502,428.42	EUR	4,565,426.74	31/01/2023
EUR	9,325,235.30	USD	10,000,000.00	15/03/2023
GBP	6,388,252.84	EUR	7,235,970.60	31/01/2023
USD	2,796,243.81	EUR	2,621,855.45	31/01/2023

The net unrealised loss on these contracts as at December 31, 2022 was EUR 50,045.44 and is included in the statement of net assets.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

Quaero Capital Funds (Lux) - Accessible Clean Energy

Currency	Purchase	Currency	Sale	Maturity date
CHF	2,622,920.78	USD	2,836,947.04	31/01/2023
EUR	23,984,587.52	USD	25,587,397.88	31/01/2023
GBP	219,469.11	USD	265,366.90	31/01/2023
USD	773,199.21	EUR	724,000.00	31/01/2023

The net unrealised gain on these contracts as at December 31, 2022 was USD 71,879.91 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - New Europe

Currency	Purchase	Currency	Sale	Maturity date
USD	227,498.23	EUR	213,310.25	31/01/2023

The net unrealised loss on this contract as at December 31, 2022 was EUR 612.59 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - China

Currency	Purchase	Currency	Sale	Maturity date
CHF	8,566,068.72	USD	9,265,046.63	31/01/2023
EUR	24,738,774.99	USD	26,391,985.19	31/01/2023

The net unrealised gain on these contracts as at December 31, 2022 was USD 94,481.97 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - Cullen ESG US Value

Currency	Purchase	Currency	Sale	Maturity date
EUR	13,160,896.98	USD	14,040,396.03	31/01/2023
GBP	3,107,108.10	USD	3,756,900.72	31/01/2023

The net unrealised gain on these contracts as at December 31, 2022 was USD 20,225.78 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - Global Convertible Bonds

Currency	Purchase	Currency	Sale	Maturity date
EUR	446,405.97	AUD	700,000.00	14/03/2023
EUR	1,216,069.14	CHF	1,200,000.00	14/03/2023
EUR	824,924.32	HKD	6,800,000.00	14/03/2023
EUR	8,401,210.15	JPY	1,200,000,000.00	14/03/2023
EUR	45,000,000.00	USD	47,700,000.00	14/03/2023

The net unrealised gain on these contracts as at December 31, 2022 was EUR 379,403.33 and is included in the statement of net assets.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

Quaero Capital Funds (Lux) - Taiko Japan

Currency	Purchase	Currency	Sale	Maturity date
EUR	2,955,457.01	JPY	420,214,024.00	31/01/2023
GBP	1,776,779.75	JPY	285,906,233.00	31/01/2023
USD	4,737,333.84	JPY	631,080,711.00	31/01/2023

The net unrealised loss on these contracts as at December 31, 2022 was JPY 18,324,024.59 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap

Currency	Purchase	Currency	Sale	Maturity date
CHF	2,167,310.86	EUR	2,197,636.04	31/01/2023
USD	223,806.76	EUR	209,849.00	31/01/2023

The net unrealised loss on these contracts as at December 31, 2022 was EUR 377.56 and is included in the statement of net assets.

Quaero Capital Funds (Lux) - Net Zero Emission

Currency	Purchase	Currency	Sale	Maturity date
EUR	14,418,424.28	USD	15,381,959.71	31/01/2023

The net unrealised gain on this contract as at December 31, 2022 was USD 39,770.61 and is included in the statement of net assets.

NOTE 10

FUTURES CONTRACTS

The SICAV had the following futures contracts outstanding as at December 31, 2022:

Quaero Capital Funds (Lux) - International Equities

	Maturity date	Currency	Commitment in EUR	Unrealised in EUR
Sale of 15.12 Euro Stoxx 50 ESTX 50 EUR	17/03/2023	EUR	-573,772.34	26,997.68
Sale of 1.97 S&P 500 Index	17/03/2023	USD	-356,847.65	15,115.96

The net unrealised gain on these contracts as at December 31, 2022, was EUR 42,113.64 and is included in the statement of net assets.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

Quaero Capital Funds (Lux) - Global Balanced

	Maturity date	Currency	Commitment in EUR	Unrealised in EUR
Sale of 7.88 Euro Stoxx 50 ESTX 50 EUR	17/03/2023	EUR	-298,760.26	14,057.32
Sale of 4.00 Germany 10Y Bund Government Bond	08/03/2023	EUR	-371,264.73	35,160.00
Sale of 1.03 S&P 500 Index	17/03/2023	USD	-185,808.71	7,870.67
Sale of 3.00 US 10Y Treasury Bond	22/03/2023	USD	-282,040.58	2,108.21

The net unrealised gain on these contracts as at December 31, 2022, was EUR 59,196.20 and is included in the statement of net assets.

NOTE 11 COLLATERAL ON OTC DERIVATIVES PRODUCTS

In the framework of their transactions on OTC derivatives products, the sub-funds of the SICAV may receive cash collateral from the various counterparties with which they deal. As at December 31, 2022, no collateral on OTC derivatives products had been received by the SICAV.

NOTE 12 CROSS INVESTMENTS BETWEEN SUB-FUNDS

As at December 31, 2022, three sub-funds of the SICAV invest in other sub-funds of the SICAV.

Quaero Capital Funds (Lux) - Argonaut

Investee sub-fund	Investment amount in EUR	% of net assets
Quaero Capital Funds (Lux) - New Europe Z Eur - Acc.-	5,382,293.42	1.89%

The total amount of cross investments for the Quaero Capital Funds (Lux) - Argonaut sub-fund stands at EUR 5,382,293.42 and represents 1.89% of its net assets.

Quaero Capital Funds (Lux) - International Equities

Investee sub-fund	Investment amount in EUR	% of net assets
Quaero Capital Funds (Lux) - Argonaut Z Eur - Acc.-	927,988.48	3.48%

The total amount of cross investments for the Quaero Capital Funds (Lux) - International Equities sub-fund stands at EUR 927,988.48 and represents 3.48% of its net assets.

Quaero Capital Funds (Lux)

Notes to the financial statements as at December 31, 2022 (continued)

Quaero Capital Funds (Lux) - Global Balanced

Investee sub-fund	Investment amount in EUR	% of net assets
Quaero Capital Funds (Lux) - Argonaut Z Eur - Acc.-	483,190.90	2.01%

The total amount of cross investments for the Quaero Capital Funds (Lux) - Global Balanced sub-fund stands at EUR 483,190.90 and represents 2.01% of its net assets.

The amount of cross investments is presented in the consolidated statement of net assets as at December 31, 2022 and in the statement of operations and changes in net assets for the year ended. This amount represents a total of EUR 6,793,472.80 and represents 0.84% of the SICAV's combined net assets which represents a total amount of EUR 806,310,096.22 without the cross investments.

NOTE 13

DIVIDENDS DISTRIBUTED

The sub-fund Quaero Capital Funds (Lux) - Infrastructure Securities paid the following dividends during the year:

	Currency	Dividend per Share	Record date	Ex-date	Payment date
A (DIST) USD	USD	2.04	09.12.2022	12.12.2022	14.12.2022

The sub-fund Quaero Capital Funds (Lux) - Yield Opportunities paid the following dividends during the year:

	Currency	Dividend per Share	Record date	Ex-date	Payment date
C (DIST) EUR	EUR	3.64	09.12.2022	12.12.2022	14.12.2022
C (DIST) CHF	CHF	3.45	09.12.2022	12.12.2022	14.12.2022
C (DIST) GBP	GBP	3.83	09.12.2022	12.12.2022	14.12.2022
C (DIST) USD	USD	4.02	09.12.2022	12.12.2022	14.12.2022

NOTE 14

SUBSEQUENT EVENTS

No significant event occurred after year end.

Quaero Capital Funds (Lux)

Total Expense Ratio ("TER") (Unaudited Appendix I)

Pursuant to the "Guidelines on the calculation and disclosure of the total expense ratio (TER) of collective investment schemes" of May 16, 2008 (version of August 5, 2021) of the Asset Management Association Switzerland ("AMAS"), the SICAV is obliged to publish a TER for the latest 12-month period.

The TER is defined as the ratio between the total operating expenses (operating charges primarily consist of management and investment advisory fees, depositary fees, bank charges and interest, service fees, performance fees, taxes and duties) and the relevant sub-fund's / share class' average NAV (calculated on the basis of the daily average of the total net assets for the relevant year) expressed in its reference currency.

Moreover, for the new share classes launched during the period, operating fees were annualised as stated in point 8 of the Directive. The amounts were annualised whereas certain fixed costs were not split equally over the period.

As much as the sub-funds invest more than 10% of its assets in other investment funds, a synthetic TER is calculated:

- by adding to the TER the sum of the TER of underlying funds weighted according to their share in the net assets of the related sub-fund at the reference date. If one of the target funds does not publish any TER, no synthetic TER will be calculated for this fraction of investment,
- by subtracting the impact of the retrocession received calculated by dividing the amount of retrocessions by the average assets.

For the period from January 1, 2022 to December 31, 2022, the TER was:

Class	Currency	Annualised TER including performance fees	Annualised TER excluding performance fees	Synthetic TER
Quaero Capital Funds (Lux) - Argonaut				
A (ACC) EUR	EUR	2.03%	2.03%	-
A (ACC) CHF	CHF	2.07%	2.06%	-
A (ACC) GBP	GBP	2.06%	2.06%	-
A (ACC) SEK	SEK	2.12%	2.08%	-
A (ACC) USD	USD	2.06%	2.06%	-
A1 (ACC) EUR	EUR	1.99%	1.99%	-
B (ACC) EUR	EUR	1.75%	1.75%	-
D (ACC) EUR	EUR	2.53%	2.53%	-
H (ACC) EUR	EUR	2.03%	2.03%	-
X (ACC) GBP	GBP	1.98%	1.98%	-
S (ACC) EUR	EUR	0.40%	0.40%	-
Z (ACC) EUR	EUR	0.33%	0.33%	-
Quaero Capital Funds (Lux) - World Opportunities				
A (ACC) EUR	EUR	2.10%	2.10%	-
A (ACC) CHF	CHF	2.10%	2.10%	-
A (ACC) USD	USD	2.06%	2.06%	-
D (ACC) EUR	EUR	2.60%	2.60%	-
D (ACC) USD	USD	2.57%	2.57%	-

Quaero Capital Funds (Lux)

Total Expense Ratio ("TER") (Unaudited Appendix I) (continued)

Class	Currency	Annualised TER including performance fees	Annualised TER excluding performance fees	Synthetic TER
Quaero Capital Funds (Lux) - Bamboo				
A (ACC) USD	USD	2.16%	2.16%	-
A (ACC) EUR	EUR	2.21%	2.21%	-
B (ACC) USD	USD	1.84%	1.84%	-
C (ACC) USD	USD	1.63%	1.63%	-
C (ACC) EUR	EUR	1.62%	1.62%	-
X (ACC) USD	USD	1.42%	1.42%	-
Quaero Capital Funds (Lux) - International Equities				
A (ACC) EUR	EUR	2.04%	2.04%	2.68%
A (ACC) CHF	CHF	2.09%	2.09%	2.74%
A (ACC) USD	USD	2.06%	2.06%	2.62%
Quaero Capital Funds (Lux) - Global Balanced				
A (ACC) EUR	EUR	2.05%	2.05%	2.74%
A (ACC) CHF	CHF	2.08%	2.08%	2.79%
Quaero Capital Funds (Lux) - Infrastructure Securities				
A (ACC) EUR	EUR	2.08%	2.08%	-
A (ACC) CHF	CHF	2.11%	2.11%	-
A (ACC) USD	USD	2.13%	2.13%	-
A1 (DIST) CHF	CHF	2.08%	2.08%	-
C (ACC) EUR	EUR	1.55%	1.55%	-
A (DIST) USD	USD	2.12%	2.12%	-
C (ACC) CHF	CHF	1.58%	1.58%	-
C (ACC) USD	USD	1.58%	1.58%	-
D (ACC) EUR	EUR	2.47%	2.47%	-
Quaero Capital Funds (Lux) - Yield Opportunities				
A (ACC) EUR	EUR	1.49%	1.49%	-
A (ACC) CHF	CHF	1.53%	1.53%	-
A (ACC) USD	USD	1.52%	1.52%	-
D1 (ACC) EUR	EUR	1.59%	1.59%	-
D1 (ACC) CHF	CHF	1.62%	1.62%	-
C (DIST) EUR	EUR	1.14%	1.14%	-
C (DIST) CHF	CHF	1.17%	1.17%	-
C (DIST) GBP	GBP	1.18%	1.18%	-
C (DIST) USD	USD	1.17%	1.17%	-
Quaero Capital Funds (Lux) - Accessible Clean Energy				
A (ACC) CHF	CHF	2.08%	2.08%	-
A (ACC) USD	USD	2.05%	2.05%	-
A (ACC) EUR	EUR	2.08%	2.08%	-
B (ACC) USD	USD	1.76%	1.76%	-
B (ACC) EUR	EUR	1.79%	1.79%	-
C (ACC) EUR	EUR	1.58%	1.58%	-
C (ACC) USD	USD	1.49%	1.49%	-
C (ACC) EUR (non hedged)	EUR	1.51%	1.51%	-
C (ACC) GBP	GBP	1.57%	1.57%	-

Quaero Capital Funds (Lux)

Total Expense Ratio ("TER") (Unaudited Appendix I) (continued)

Class	Currency	Annualised TER including performance fees	Annualised TER excluding performance fees	Synthetic TER
Quaero Capital Funds (Lux) - Accessible Clean Energy (continued)				
D (ACC) EUR	EUR	2.49%	2.49%	-
X (ACC) USD	USD	1.30%	1.30%	-
Quaero Capital Funds (Lux) - New Europe				
A (ACC) EUR	EUR	2.53%	2.53%	-
A (ACC) USD	USD	2.53%	2.53%	-
C (ACC) EUR	EUR	1.99%	1.99%	-
Z (ACC) EUR	EUR	0.55%	0.55%	-
Quaero Capital Funds (Lux) - China				
C (ACC) USD	USD	1.29%	1.29%	-
C (ACC) CHF	CHF	1.31%	1.31%	-
C (ACC) EUR	EUR	1.31%	1.31%	-
D1 (ACC) EUR	EUR	2.21%	2.21%	-
D1 (ACC) CHF	CHF	2.22%	2.22%	-
D1 (ACC) USD	USD	2.13%	2.13%	-
Quaero Capital Funds (Lux) - Cullen ESG US Value				
A1 (ACC) USD	USD	1.61%	1.61%	-
A1 (ACC) EUR	EUR	1.63%	1.63%	-
C (ACC) GBP	GBP	1.38%	1.38%	-
D (ACC) USD	USD	1.66%	1.66%	-
X (ACC) EUR	EUR	1.10%	1.10%	-
X (ACC) USD	USD	1.14%	1.14%	-
X (ACC) GBP	GBP	1.23%	1.23%	-
Quaero Capital Funds (Lux) - Global Convertible Bonds				
A1 (ACC) EUR	EUR	1.23%	1.23%	-
C (ACC) EUR	EUR	0.99%	0.99%	-
C (DIST) EUR	EUR	0.99%	0.99%	-
D (ACC) EUR	EUR	2.27%	2.27%	-
Quaero Capital Funds (Lux) - Taiko Japan				
Z (ACC) EUR	EUR	0.98%	0.98%	-
Z (ACC) USD	USD	0.98%	0.98%	-
Z (ACC) JPY	JPY	0.96%	0.96%	-
Z (ACC) GBP (non hedged)	GBP	0.95%	0.95%	-
Z (ACC) GBP	GBP	0.98%	0.98%	-
Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap				
D1 (ACC) EUR	EUR	2.22%	2.22%	-
D1 (ACC) CHF	CHF	2.25%	2.25%	-
X (ACC) EUR	EUR	1.37%	1.37%	-
X (ACC) CHF	CHF	1.42%	1.42%	-
X (ACC) USD	USD	1.48%	1.48%	-
Quaero Capital Funds (Lux) - Net Zero Emission				
X (ACC) EUR	EUR	1.36%	1.36%	-

Quaero Capital Funds (Lux)

Performance (Unaudited Appendix II)

The performance per share class was calculated by comparing the net assets per share as at December 31, 2022 with the net assets per share as at December 31, 2021.

For share classes that distributed a dividend, the dividend amount was reintegrated into the net assets as at December 31, 2022, in order to compute the performance including dividends.

The performance was calculated at the end of each financial year according to the "Guidelines on the calculation and publication of the performance data of collective investment schemes" of May 16, 2008 (version of August 5, 2021) of the Asset Management Association Switzerland ("AMAS").

The performance given is based on historical data, which is no guide to current or future performance. Commissions and fees levied for the issue or redemption of shares, as applicable, have not been taken into account in this performance calculation.

As at December 31, 2022, performances were the following:

Class	Currency	Performance for the financial year ending December 31, 2022	Performance for the financial year ending December 31, 2021	Performance for the financial year ending December 31, 2020
Quaero Capital Funds (Lux) - Argonaut				
A (ACC) EUR	EUR	-12.80%	23.74%	5.62%
A (ACC) CHF	CHF	-13.01%	23.71%	5.30%
A (ACC) GBP	GBP	-11.76%	23.95%	5.29%
A (ACC) SEK	SEK	-12.97%	24.14%	5.30%
A (ACC) USD	USD	-10.56%	24.98%	7.41%
A1 (ACC) EUR	EUR	-12.76%	22.70%	5.58%
B (ACC) EUR	EUR	-12.56%	23.92%	5.92%
D (ACC) EUR	EUR	-13.23%	23.43%	5.09%
H (ACC) EUR	EUR	-12.80%	23.73%	5.62%
X (ACC) GBP	GBP	-11.68%	25.83%	5.29%
S (ACC) EUR	EUR	-11.36%	27.43%	7.66%
Z (ACC) EUR	EUR	-11.32%	27.46%	7.43%
Quaero Capital Funds (Lux) - World Opportunities				
A (ACC) EUR	EUR	-31.65%	7.91%	28.89%
A (ACC) CHF	CHF	-31.68%	7.69%	28.76%
A (ACC) USD	USD	-28.93%	9.05%	31.18%
D (ACC) EUR	EUR	-31.99%	8.16%	30.93%
D (ACC) USD	USD	-29.28%	9.45%	34.39%
Quaero Capital Funds (Lux) - Bamboo				
A (ACC) USD	USD	-32.69%	8.74%	45.50%
A (ACC) EUR	EUR	-34.53%	6.87%	43.57%
B (ACC) USD	USD	-32.46%	9.01%	45.89%
C (ACC) USD	USD	-32.32%	9.24%	45.64%
C (ACC) EUR	EUR	-34.18%	7.94%	43.23%
X (ACC) USD	USD	-32.17%	9.44%	46.31%

Quaero Capital Funds (Lux)

Performance (Unaudited Appendix II) (continued)

Class	Currency	Performance for the financial year ending December 31, 2022	Performance for the financial year ending December 31, 2021	Performance for the financial year ending December 31, 2020
Quaero Capital Funds (Lux) - International Equities				
A (ACC) EUR	EUR	-14.25%	12.56%	5.66%
A (ACC) CHF	CHF	-14.74%	12.22%	5.38%
A (ACC) USD	USD	-12.26%	13.52%	7.43%
Quaero Capital Funds (Lux) - Global Balanced				
A (ACC) EUR	EUR	-11.26%	6.88%	4.11%
A (ACC) CHF	CHF	-11.78%	6.55%	3.76%
Quaero Capital Funds (Lux) - Infrastructure Securities				
A (ACC) EUR	EUR	-9.51%	4.13%	13.23%
A (ACC) CHF	CHF	-9.96%	3.75%	12.83%
A (ACC) USD	USD	-7.55%	4.94%	15.16%
A1 (DIST) CHF	CHF	-9.93%	3.80%	12.90%
C (ACC) EUR	EUR	-9.03%	4.70%	13.85%
A (DIST) USD	USD	-7.55%	10.96%	-
C (ACC) CHF	CHF	-9.47%	4.32%	13.46%
C (ACC) USD	USD	-7.05%	7.23% *	-
D (ACC) EUR	EUR	-3.83% *	-	-
Quaero Capital Funds (Lux) - Yield Opportunities				
A (ACC) EUR	EUR	-7.03%	7.25%	-5.97%
A (ACC) CHF	CHF	-7.57%	7.01%	-6.27%
A (ACC) USD	USD	-5.69%	7.95%	-4.69%
D1 (ACC) EUR	EUR	-7.12%	7.16%	-6.11%
D1 (ACC) CHF	CHF	-7.66%	6.89%	-6.42%
C (DIST) EUR	EUR	-6.72%	7.64%	-5.69%
C (DIST) CHF	CHF	-7.25%	7.37%	-6.01%
C (DIST) GBP	GBP	-5.51%	8.14%	-5.41%
C (DIST) USD	USD	-5.36%	8.45%	-4.43%
Quaero Capital Funds (Lux) - Accessible Clean Energy				
A (ACC) CHF	CHF	-21.58%	-14.24%	85.34% *
A (ACC) USD	USD	-18.13%	-12.59%	105.88%
A (ACC) EUR	EUR	-21.58%	-14.54%	97.30%
B (ACC) USD	USD	-17.89%	-12.19%	106.27%
B (ACC) EUR	EUR	-21.35%	-13.95%	99.62%
C (ACC) EUR	EUR	-21.19%	-13.71%	84.42%
C (ACC) USD	USD	-17.68%	-11.93%	106.61%
C (ACC) EUR (non hedged)	EUR	-12.30%	-5.56%	89.93%
C (ACC) GBP	GBP	-20.12%	8.76% *	-
D (ACC) EUR	EUR	-12.26% *	-	-
X (ACC) USD	USD	-8.20% *	-	-
Quaero Capital Funds (Lux) - New Europe				
A (ACC) EUR	EUR	-22.07%	10.11%	17.39%
A (ACC) USD	USD	-19.42%	10.98%	18.54%
C (ACC) EUR	EUR	-21.66%	10.63%	17.80%

Quaero Capital Funds (Lux)

Performance (Unaudited Appendix II) (continued)

Class	Currency	Performance for the financial year ending December 31, 2022	Performance for the financial year ending December 31, 2021	Performance for the financial year ending December 31, 2020
Quaero Capital Funds (Lux) - New Europe (continued)				
Z (ACC) EUR	EUR	-20.53%	13.01%	19.96%
Quaero Capital Funds (Lux) - China				
C (ACC) USD	USD	-33.92%	-19.38%	16.52% *
C (ACC) CHF	CHF	-36.14%	-20.54%	16.26% *
C (ACC) EUR	EUR	-35.82%	-20.46%	16.30% *
D1 (ACC) EUR	EUR	-36.38%	-20.74%	14.96% *
D1 (ACC) CHF	CHF	-36.71%	-27.25% *	-
D1 (ACC) USD	USD	-34.50%	-19.69%	13.49% *
Quaero Capital Funds (Lux) - Cullen ESG US Value				
A1 (ACC) USD	USD	-8.14%	23.49%	7.44%
A1 (ACC) EUR	EUR	-11.08%	22.32%	5.00%
C (ACC) GBP	GBP	-9.61%	-0.55% *	-
D (ACC) USD	USD	-8.18%	23.45%	7.39%
X (ACC) EUR	EUR	6.49% *	-	-
X (ACC) USD	USD	-7.71%	24.07%	7.93%
X (ACC) GBP	GBP	-9.46%	1.74% *	-
Quaero Capital Funds (Lux) - Global Convertible Bonds				
A1 (ACC) EUR	EUR	-16.80%	3.37%	16.16% *
C (ACC) EUR	EUR	-16.58%	3.81%	18.15% *
C (DIST) EUR	EUR	-16.58%	3.81%	18.15% *
D (ACC) EUR	EUR	-17.65%	1.03% *	-
Quaero Capital Funds (Lux) - Taiko Japan				
Z (ACC) EUR	EUR	3.95%	15.29%	12.96% *
Z (ACC) USD	USD	6.26%	16.26%	13.25% *
Z (ACC) JPY	JPY	4.49%	16.02%	13.16% *
Z (ACC) GBP (non hedged)	GBP	2.68%	4.99%	8.20% *
Z (ACC) GBP	GBP	5.45%	15.89%	13.06% *
Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap				
D1 (ACC) EUR	EUR	0.36% *	-	-
D1 (ACC) CHF	CHF	0.30% *	-	-
X (ACC) EUR	EUR	0.40% *	-	-
X (ACC) CHF	CHF	0.34% *	-	-
X (ACC) USD	USD	1.81% *	-	-
Quaero Capital Funds (Lux) - Net Zero Emission				
X (ACC) EUR	EUR	5.55% *	-	-

* The performance of share classes launched during the period was calculated by comparing the net assets per share as at the launch date of the share class with the net assets per share at the end of the period.

Quaero Capital Funds (Lux)

Other information to Shareholders (Unaudited Appendix III)

1. Remuneration of the members of the Management Company

The Management Company has adopted a Remuneration Policy which is in accordance with the principles established by the law of May 10, 2016, amending the law of December 17, 2010 (the "2010 Law").

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

The table below shows the total amount of the remuneration for the financial year ended as at December 31, 2022, split into fixed and variable remuneration, paid by the Management Company to its staff.

The table has been prepared taking into consideration point 162 of section 14.1 of the European Securities and Markets Authority (ESMA) remuneration guidelines relating to the confidentiality and data protection in presenting the remuneration information.

	Number of Beneficiaries	Total remuneration (EUR)	Fixed remuneration (EUR)	Variable remuneration (target or discretionary bonuses, parts remuneration) (EUR)
Total remuneration paid by the Management Company during 2022	23	65,287	44,172	21,115

Additional explanation

- The beneficiaries reported are composed of the risk takers (including the 4 Conducting Officers) and the staff of the Management Company dedicated to Management Company activities for all the Funds under management, remunerated by the Management Company. In addition, the Management Company did not remunerate directly the staff of the Investment Manager, but rather ensured that the Investment Manager complies with the Remuneration Policy requirements itself.
- The benefits have been attributed according to criteria such as level of seniority, hierarchic level, or other eligibility criteria, not taking into account performance criteria, and are thus excluded from the fixed or variable remuneration figures provided above.
- Total fixed and variable remuneration disclosed is based on apportionment of Asset Under Management represented by the SICAV.
- The 2022 annual review outcome showed no exception.
- There have been no changes to the adopted remuneration policy since its implementation.

Quaero Capital Funds (Lux)

Other information to Shareholders (Unaudited Appendix III) (continued)

2. Securities Financing Transactions Regulation ("SFTR")

As at December 31, 2022, the SICAV is in the scope of the requirements of the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse. Nevertheless, no corresponding transactions were carried out during the year referring to the financial statements.

3. Information on risk measurement

The sub-funds' global risk exposure is monitored by using the Commitment approach. In that respect, financial derivatives instruments are converted into their equivalent position in the underlying asset. The global risk exposure shall not exceed the sub-fund's NAV.

Quaero Capital Funds (Lux)

Sustainable Finance Disclosure Regulation ("SFDR") (Unaudited Appendix IV)

On November 27, 2019, Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector was published (the "SFDR"). The SFDR aims to increase the harmonization of, and transparency towards the end investors with regard to, the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics and sustainable investment by requiring pre-contractual and ongoing disclosures to end investors.

The SFDR provides high-level definitions and distinguishes between several categorizations of products including "Article 8 products" which are financial products that promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices ("SFDR Article 8 Products") and "Article 9 products" which are products that have sustainable investment as their objective ("SFDR Article 9 Products").

The following sub-funds of Quaero Capital Funds (Lux) are categorized as financial products falling under the scope of the following SFDR articles as at December 31, 2022:

Sub-funds	Current SFDR categorization as at December 31, 2022
Argonaut	Article 8
Infrastructure Securities	Article 8
Cullen ESG Value	Article 8
Global Convertible Bond	Article 8
Quaeronaut Small & Mid Cap	Article 8
Accessible Clean Energy	Article 9
Net Zero Emission	Article 9

For the sub-funds, referred to under article 8 or 9, the unaudited Regulatory Technical Standards ("RTS") annexes are presented on the pages hereafter.

Quaero Capital Funds (Lux)

Sustainable Finance Disclosure Regulation ("SFDR") (Unaudited Appendix IV) (continued)

Within the meaning of SFDR (regulation EU 2019/2088 of November 27, 2019 on sustainability-related disclosures in the financial services sector), the other sub-funds do not promote environmental and/or social characteristics nor have a sustainable investment as its objective.

For the purpose of the "taxonomy" regulation (regulation EU 2020/852 of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending the EU regulation 2019/2088), the investments underlying the sub-funds do not take into account the EU criteria for environmentally sustainable economic activities.

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Quaero Capital Funds (Lux) - Argonaut

Legal entity identifier: 549300WF6E2RM1DSS471

Environmental and/or social characteristics

Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

Yes

It made **sustainable investments with an environmental objective**: _%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective**: _%

No

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 1.8% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The sub-fund invests primarily in a portfolio of micro and small capitalisation European companies. These investments rarely have third party ESG ratings which means they could be, and often are, ignored by the sustainable investment community. ESG analysis is completed alongside financial analysis by our ESG specialists.

The ESG analysis is considered by the investment team and integrated into the portfolio construction, it is also used to formulate an engagement plan. The Sub-fund commits to engage with 75% of investments, either through direct engagement or through collaboration with other investors. The objective of each engagement is based on the ESG analysis, often focused on general ESG disclosure or specifically on carbon reduction targets.

To ensure that investments are aligned with the E/S characteristics above described, the sub-fund applies certain exclusions in order to not allocate capital to companies that severely and systemically cross ethical lines as well as companies that have a significantly negative impact on global warming.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● *How did the sustainability indicators perform?*

Indicators	31.12.2022
Percentage of investments in companies with over 20% revenue from coal mining and/or coal thermal power	0%
Percentage of investments in companies involved in the manufacture or selling of controversial weapons	0%
Percentage of investments in companies that have been involved in severe and systemic violations of the UN Global Compact principle	0%
Percentage of issuers the Investment manager engaged with	75%

The sustainability indicators listed above demonstrate the ESG commitment in the portfolio. We engaged with 75% of the issuers in the portfolio on governance issues, as well as encouraging companies to provide more data and better transparency on ESG related policies.

In addition, the fund did not breach an exclusion rule on controversial weapons and companies violating the UNGP

● *...and compared to previous periods?*

N/A but will be in next year assessment.

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

While the fund may have invested in sustainable investments it is not set as an objective.

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

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

Our assessment of sustainable investments was done using the Taxonomy metrics measured by MSCI that assesses the DNSH.

For our internal methodology measuring sustainable investments we follow the below process:

- Companies with more than 20% revenue from coal except for those with transition commitments that reach 2 degree by 2035 according to TPI, and in absence of TPI according to own analysis
- Companies in severe and systemic breach of UN Global Compact principles
- Companies with over 5% revenue from tobacco, either as a producer or distributor
- Companies involved in controversial weapons
- Companies with a high controversy level according to third party providers
- Companies with an MSCI ESG rating lower than BB, or when not available an internal ESG rating of 'very poor

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

The PAIs are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

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

The sub-fund invests in accordance with UN Global Compact principles which align tightly to the OECD Guidelines for Multinational Enterprises and the Declaration of the International Labour Organisation on Fundamental principles and Rights at Work and the International Bill of Human Rights. The UN Global Compact principles cover the most important issues of protection of human rights, labour standards and the environment as well as the elimination of corruption. This is incorporated through the sub-fund's exclusion policy of excluding companies that are in severe and systemic breach of UN Global Compact principles, and the incorporation of ESG analysis which considers each of these issues actively

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

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The PAIs are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

The PAIS are also considered actively by the sub-fund at portfolio level, with monthly internal reporting highlighting every position in the fund and the full list of principale adverse impacts.

PAIs	2022
Exposure to companies active in the fossil fuel sector.	1.2%
Exposure to controversial weapons	0%
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) guidelines for multinational enterprises.	0%

The sub-fund has identified no breach of principal adverse impact during the year 2022.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion** of investments of the financial product during the reference period which is: December 31, 2022.

Largest investments	Sector	% Assets	Country
AMUND-SER PEA-IC	Money market fund	6.50%	FR
SAFILO GROUP S.P.A.	Consumer Discretionary	4.48%	IT
EXAIL TECHNOLOGIES	Industrials	4.34%	FR
VIEL ET COMPAGNIE SA	Financials	4.05%	FR
Heijmans N.V.	Industrials	3.57%	NL
u-blox Holding AG	Technology	3.46%	CH
Pricer AB	Technology	3.32%	SE
Implenia AG	Industrials	3.19%	CH
QUADIENT SA	Technology	3.12%	FR
Rapala VMC Oyj	Consumer Discretionary	2.94%	FI
CAMELLIA PUBLIC LIMITED COMPANY	Consumer Staples	2.70%	GB
BENETEAU SA	Consumer Discretionary	2.33%	FR
SABAF S.P.A.	Industrials	2.29%	IT
CEGEDIM SA	Technology	2.15%	FR
LABORATORIO REIG JOFRE, S.A.	Health Care	2.03%	ES



What was the proportion of sustainability-related investments?

8.2% of investments were sustainable investments.

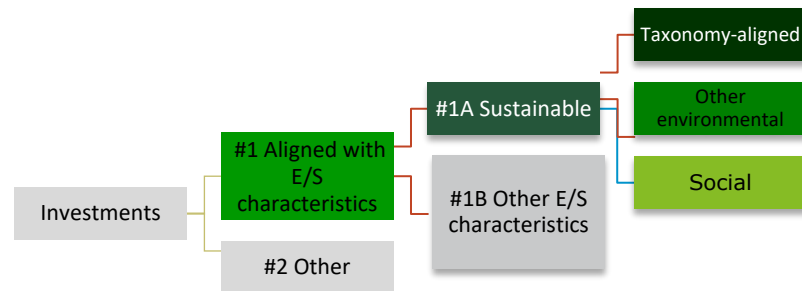
● **What was the asset allocation?**

97.7% of the AUM was aligned with E&S characteristics as of December 31, 2022.

The 2.3% was invested in cash as defined as "other".

8.2% of investment are sustainable investments aligned with the taxonomy according to the MSCI methodology and 89.5 are categorised as aligned with E/S characteristics but not sustainable investments.

Asset allocation describes the share of investments in specific assets.



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

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

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

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

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

The sub-fund invested in the following sectors:

- Industrials
- Technology
- Consumer discretionary
- Financials
- Consumer staples
- Health care
- Funds
- Materials
- Communications

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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



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

The sub-fund doesn't have an environmental objective aligned with the EU Taxonomy, however it had its 8.2 % of assets aligned with Taxonomy with a revenue alignment of 2%.

Does the financial product invested in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

Yes

In fossil gas

In nuclear energy

No

We do have certain investments exposed to fossil gas and nuclear energy; however we do not have sufficient information from the companies or from our third party data providers to report the alignment of these activities with the EU Taxonomy.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

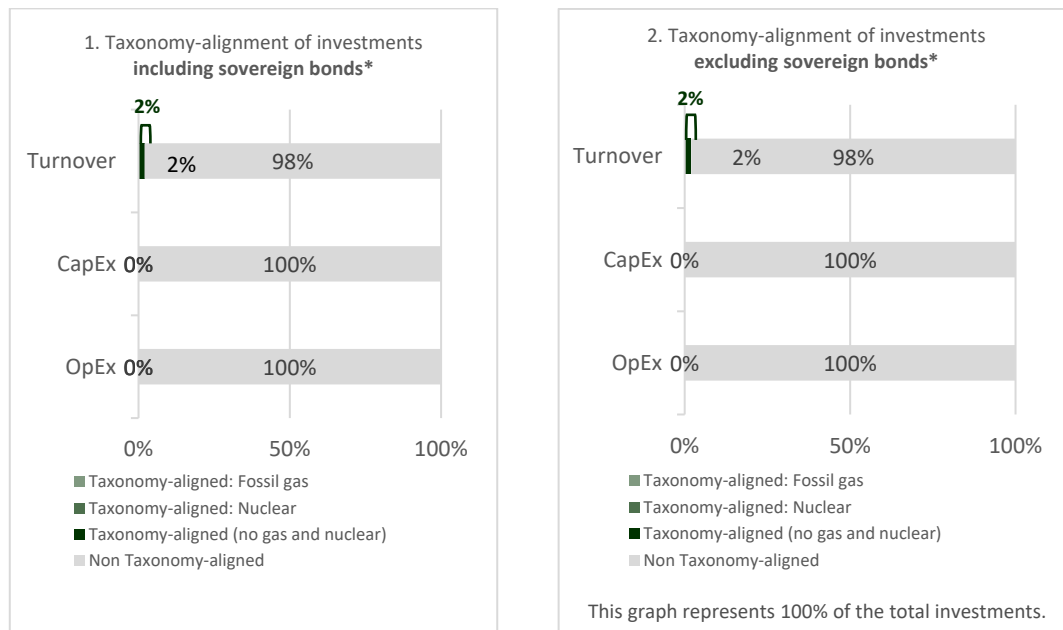
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.

- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.

- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.

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



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

We may have our investments to have alignment with transitional and enabling activities, but due to the lack of disclosure from companies and limited estimation from our third party providers, we report zero alignment.

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

N/A



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



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

The sustainable investments are all taxonomy aligned.



What was the share of socially sustainable investments?

N/A



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

2.3% was in the "other" category being cash.



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

We participated to the CDP non-disclosure campaign where we asked 14 companies in the fund to disclose to CDP on climate change, water and forest. In addition, we engaged with companies in portfolio on governance issues, as well as encouraging companies to provide more data and better transparency on ESG related policies.

We also signed the CDP SBT campaign collaborative letter initiated by CDP to request high-emitting companies to set a carbon emission reduction aligned with 1.5° temperature scenario approved by the SBTi. This year we plan to directly engage with individual companies in this regard.



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

N/A

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

- *How does the reference benchmark differ from a broad market index?*

N/A

- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*

N/A

- *How did this financial product perform compared with the reference benchmark?*

N/A

- *How did this financial product perform compared with the broad market index?*

N/A

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Quaero Capital Funds (Lux) - Infrastructure Securities

Legal entity identifier: 222100OKRMRD7I8NQN78

Environmental and/or social characteristics

Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

Yes

It made **sustainable investments with an environmental objective**: _%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective**: _%

No

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 43% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The sub-fund supports companies which demonstrate a high level of environmental and social responsibility and stewardship. The long-term nature of the infrastructure investments means that particular attention is put to the climate strategy of the organisation; the Investment Manager wants to see companies that are decarbonising their operations. Additionally, the Investment Manager believes that companies that exhibit elevated standards of governance are generally the better managed firms and therefore have superior prospects for financial outperformance.

The Investment Manager considers E/ S characteristics as being integrated in an ESG score and, as of December 31, 2022 the sub-fund was scored AA on MSCI ESG score reflecting the high of ESG commitment of companies in the portfolio. Moreover, the exclusions of the sub-fund were well respected and no breach was noted in 2022.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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

Indicators	31.12.2022
Percent of investments scored BBB or above based on MSCI's proprietary ESG ranking system, or above 'Poor' based on the ESG team's proprietary methodology further described in the investment strategy section	98%
Carbon intensity scope 1+2 (tCO2e/USDm) sales	529
Female directors percentage	36.6%
Board independence percentage	84.4%
UN Global Compact signatory	41%
Percentage of investments in companies with over 20% revenue from coal mining and/or coal thermal power	0%
Percentage of investments in companies involved in the manufacture or selling of controversial weapons	0%
Percentage of investments in companies that have been involved in severe and systemic violations of the UN Global Compact principles	0%

The sustainability indicators listed above demonstrate the ESG commitment in the portfolio.

As of December 31, 2022, the sub-fund holds in the portfolio only one investment rated below BBB which is Constellation Energy Corp. Despite the low ESG score, the Investment Manager likes the company as being one of the largest producers of carbon-free energy in the US and which will play a leading role in the energy transition in the USA. The ESG team has conducted an internal ESG assessment and overall disagrees with the low ESG score given by MSCI, which is why they team contacted MSCI to clarify certain elements of their analysis and highlight information that seemed to have been missed. Moreover, the Investment Manager plans to engage with the company to ensure the company sufficiently communicates their ESG approach and their impact on the energy transition in order for it to be better appreciated in the market.

The carbon intensity of the sub-fund is high at 529 tCO2/\$M, and this can be explained by the focus of the sub-fund on the infrastructure industry which is known to be very carbon intensive. However, compared to the sub-fund's universe (1,261 tCO2/\$M), the sub-fund is much better positioned, and this is reflected by the selection of best-in-class companies. The Investment Manager also tries to make sure companies in the sub-fund have ambitious CO2 emission targets by engaging with them asking them to participate to CDP (Carbon Disclosure Project) campaign and to set science based targets.

Regarding the level of board independence, women on board and companies signatories to the UNGP (United Nations Guiding Principles on Business and Human Rights), the sub-fund appears better than the universe which has a board independence of 70% and 25% women on board and 22% being UNGP signatories.

In addition, the sub-fund did not breach any of its exclusion rules on coal, weapons and violation of UN Global Compact.

● **...and compared to previous periods?**

N/A but will be in next year assessment.

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

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

While the sub-fund may have invested in sustainable investments it is not set as an objective.

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

The assessment of sustainable investments was performed using the Taxonomy metrics measured by MSCI that also assesses the DNSH (Do No Significant Harm) and good governance principles. Companies with more than 10% taxonomy revenue alignment are considered as taxonomy aligned, as long as the company meets the DNSH and good governance assessments.

For the Investment Manager's internal methodology to evaluate sustainable investments, the company must meaningfully contribute to the environmental objectives of climate change mitigation, climate change adaptation and /or circular economy (assessed internal using either revenue alignment and/or a qualitative assessment). For the DNSH and good governance assessment:

- Companies with more than 20% revenue from coal except for those with transition commitments that reach 2 degrees by 2035 according to TPI (Transition Pathway Initiative), and in absence of TPI according to own analysis
- Companies in severe and systemic breach of UN Global Compact principles
- Companies with over 5% revenue from tobacco, either as a producer or distributor
- Companies involved in controversial weapons
- Companies with a high controversy level according to third party providers
- Companies with an MSCI ESG rating lower than BB, or when not available an internal ESG rating of 'very poor'

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

The Principal Adverse Impacts (PAIs) are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

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

Investments are only considered sustainable investments if they are assessed internally as a sustainable investment due to its contribution to a sustainability objective as well as does not significant harm and with good governance. The latter two elements of the assessment incorporate the principles of the OECD guidelines and the UN Guiding Principles, with a required minimum ESG rating of BB on MSCI or 'fair' on the Quaero Capital internal methodology. In addition a company evaluated as having a very severe controversy, using the input of third party assessment and internal assessments, will not be considered as a sustainable investment.

The sub-fund also excludes companies that are in severe and systemic breach of the UN Global Compact principles, which align tightly with the OECD guidelines and the UN Guiding Principles on human rights, labour, the environment, and economic and business issues.

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

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The PAIs are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

The PAIs are also considered actively by the sub-fund at portfolio level, with monthly internal reporting highlighting every position in the fund and the full list of principal adverse impacts.

The PAI we decided to report are:

PAIs	2022
Carbon footprint (the total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio.)	547.6
Exposure to companies active in the fossil fuel sector.	40.9%
Exposure to controversial weapons	No
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) guidelines for multinational enterprises.	No

We have identified no breach of UNGC principles during the year 2022.

Regarding the exposure to companies active in the fossil fuel sector the sub-fund has a strict exclusion to coal excluding companies with over 20% revenue from coal mining and coal thermal power generation. It does not have strict exclusion to oil and gas companies however, we make sure we invest in companies that have plans to reduce their carbon emissions.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion** of investments of the financial product during the reference period which is: December 31, 2022.

Largest Investments	Sector	% Assets	Country
Infrastrutture Wireless Italiane S.P.A.	Communication Infrastructure	5.53%	France
Vinci SA	Diversified Infrastructure	5.46%	Italy
RWE Aktiengesellschaft	Power Generation/Distribution	5.26%	France
Eiffage SA	Diversified Infrastructure	4.98%	France
Engie SA	Multi-Utilities	4.66%	France
Infratil Limited	Diversified Infrastructure	4.51%	New Zealand
Sempra Energy	Multi-Utilities	4.32%	USA
Cellnex Telecom S.A.	Communication Infrastructure	4.32%	Spain
Centerpoint Energy, Inc.	Multi-Utilities	4.19%	USA
SBA Communications Corporation	Communication Infrastructure	4.19%	USA
Hydro One Limited	Power Generation/Distribution	3.95%	Canada
Veolia Environnement SA	Water & Waste	3.89%	France
Compagnie des chemins de fer nationaux du Canada	Diversified Infrastructure	3.18%	Canada
The Williams Companies, Inc.	Midstream Energy	3.00%	USA
American Tower Corporation	Communication Infrastructure	2.97%	USA



What was the proportion of sustainability-related investments?

43% of investments were sustainable investments.

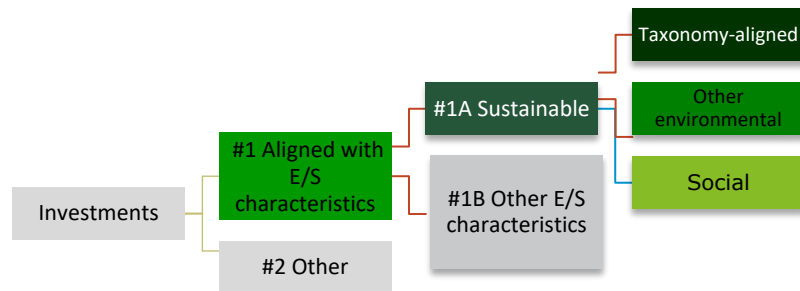
● **What was the asset allocation?**

97.4% of the sub-fund's net assets were aligned with E&S characteristics as of the December 31, 2022.

1% was invested in cash and 1.6% in a company scored below BBB as defined as "other".

43% of investment are sustainable investments aligned with the taxonomy according to the MSCI methodology and 54.4% are categorised as aligned with E/S characteristics but not sustainable investments.

Asset allocation describes the share of investments in specific assets.



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

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

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

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

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

The sub-fund is a thematic fund which invest infrastructure assets such as:

- communication infrastructure;
- diversified infrastructure;
- multi-utilities;
- power generation/ distribution;
- renewable energy;
- water& waste;
- midstream energy;
- railroads;
- telecommunication networks;
- data centers;
- airport services.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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



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

The sub-fund does not have an environmental objective aligned with the EU Taxonomy, however it had its 43 % of net assets aligned with the Taxonomy with a weighted average revenue alignment of 16%.

Does the financial product invested in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

Yes

In fossil gas

In nuclear energy

No

The sub-fund does have certain investments exposed to fossil gas and nuclear energy; however it does not have sufficient information from the companies or from the third party data providers to report the alignment of these activities with the EU Taxonomy.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

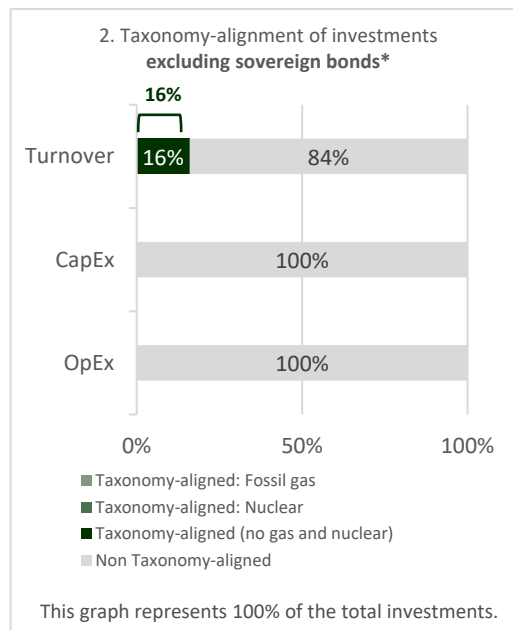
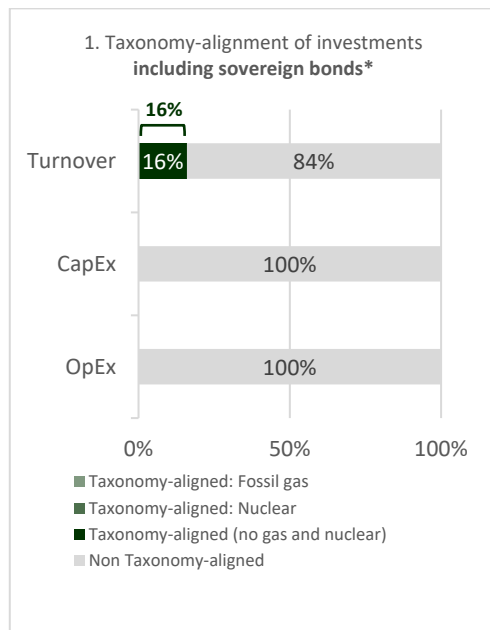
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.

- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.

- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.

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



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

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

The sub-fund may have investments with alignment to transitional and enabling activities, but due to the lack of disclosure from companies and limited estimation from third party providers, it reports zero alignment.

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

N/A



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



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

The sustainable investments are all taxonomy aligned.



What was the share of socially sustainable investments?

N/A



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

2.6 % of the sub-fund's net assets are in the "other" category: 1% representing cash and 1.6% a company rated BB on MSCI. While the company is scored below BBB, the Investment Manager is comfortable to hold it in the sub-fund's portfolio based on our his assessment showing a company with some potential in the energy transition.



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

The Investment Manager participated to the Carbon Disclosure Project (CDP) non-disclosure campaign where he asked 5 companies in the sub-fund to disclose to CDP on climate change and water.

The Investment Manager also signed the CDP Science-Based Targets (SBT) campaign collaborative letter initiated by CDP to request high-emitting companies (some of which are in the sub-fund's portfolio) to set a carbon emission reduction aligned with 1.5° temperature scenario approved by the SBTi (The Science Based Targets initiative). In 2023, the Investment Manager plans to directly engage with individual companies in this regard.



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

N/A

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

● *How does the reference benchmark differ from a broad market index?*
N/A

● *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?*
N/A

● *How did this financial product perform compared with the reference benchmark?*
N/A

● *How did this financial product perform compared with the broad market index?*
N/A

ANNEX V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Quaero Capital Funds (Lux) - Accessible Clean Energy

Legal entity identifier: 222100RMTDFAE27XXO79

Sustainable Investment Objective

Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

Yes

It made **sustainable investments with an environmental objective**: 99%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective**:_%

No

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of _% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent was the sustainable investment objective of this financial product met?

The sub-fund pursues a sustainable objective of contributing to decarbonisation by investing and taking an active role along the clean energy value chain. This is achieved through the investment in companies that are either directly contributing to climate change mitigation, through companies whose products and services play a key role in supply chains to enable end-product and services to mitigate climate change, or through companies who are investing significantly in products and services which will have a material impact on climate change mitigation in the future.

The sub-fund invested in companies aligned with this objective, investing only in companies that have a significant impact on climate change mitigation. This is assessed not only based on the proportion of green revenue, but also based on the critical role that certain investments have in accelerating the green transition. As of December, 31 2022:

- 71% of investments had more than 50% green revenue
- The weighted average green revenue across the portfolio was 70%
- 100% of investments had positive green revenues
- Potential avoided emissions of the investments in the portfolio was 188 millions

● *How did the sustainability indicators perform?*

Indicators	31.12.2022
The scope 1 and 2 carbon emission intensity (t of CO2 per \$m)	413
The proportion of revenue which contribute to the clean energy value chain	70
Potential avoided emissions (mt of CO2)	188
Percentage of investments in companies active in coal	0%
Percentage of investments in companies involved in the manufacture or selling of controversial weapons	0%
Percentage of investments in companies that have been involved in severe and systemic violations of the UN Global Compact principles	0%

The sustainability indicators demonstrate the impact the investments in the portfolio have on climate change mitigation. Scope 1 and 2 emissions intensity is important, but is heavily skewed due to a 40% weight in utilities which despite rapid transition and significant investments in renewable energy, continue to operate legacy fossil fuel powered power plants.

● *...and compared to previous periods?*

N/A, but will be included for next year's assessment.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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

How did the sustainable investments not cause significant harm to any sustainable investment objective?

The assessment of sustainable investments was performed using the Taxonomy metrics measured by MSCI that also assesses the DNSH (Do No Significant Harm) and good governance principles. Companies with more than 10% taxonomy revenue alignment are considered as taxonomy aligned, as long as the company meets the DNSH and good governance assessments.

For the Investment Manager's internal methodology to evaluate sustainable investments, the company must meaningfully contribute to the environmental objectives of climate change mitigation, climate change adaptation and /or circular economy (assessed internal using either revenue alignment and/or a qualitative assessment). For the DNSH and good governance assessment:

- Companies with more than 20% revenue from coal except for those with transition commitments that reach 2 degrees by 2035 according to TPI (Transition Pathway Initiative), and in absence of TPI according to own analysis
- Companies in severe and systemic breach of UN Global Compact principles
- Companies with over 5% revenue from tobacco, either as a producer or distributor
- Companies involved in controversial weapons
- Companies with a high controversy level according to third party providers
- Companies with an MSCI ESG rating lower than BB, or when not available an internal ESG rating of 'very poor'

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

The Principle Adverse Impacts (PAIs) are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

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

Investments are only considered sustainable investments if they are assessed internally as a sustainable investment due to its contribution to a sustainability objective as well as does not significant harm and with good governance. The latter two elements of the assessment incorporate the principles of the OECD guidelines and the UN Guiding Principles, with a required minimum ESG rating of BB on MSCI or 'fair' on the Quaero Capital internal methodology. In addition a company evaluated as having a very severe controversy, using the input of third party assessment and internal assessments, will not be considered as a sustainable investment.

The sub-fund also excludes companies that are in severe and systemic breach of the UN Global Compact principles, which align tightly with the OECD guidelines and the UN Guiding Principles on human rights, labour, the environment, and economic and business issues.



How did this financial product consider principal adverse impacts on sustainability factors?

The PAIs are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

The PAIs are also considered actively by the sub-fund at portfolio level, with monthly internal reporting highlighting every position in the sub-fund and the full list of principle adverse impacts.

The PAI the sub-fund reports are:

PAIs	2022
Carbon footprint (Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio)	342.7
Exposure to companies active in the fossil fuel sector.	14%
Share of non-renewable energy consumption and production	58.4%
Exposure to controversial weapons	No
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) guidelines for multinational enterprises.	No

The sub-fund identified no breach of UNGC principles during the year 2022.

Regarding the exposure to companies active in the fossil fuel sector the sub-fund has a strict exclusion to exclude companies with over 20% revenue from coal mining, coal thermal power generation. The sub-fund does not have strict a exclusion of oil and gas companies, however, invests in companies that have plans to reduce their carbon emissions.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion** of investments of the financial product during the reference period which is: December 31, 2022.

Largest investments	Sector	% Assets	Country
ENPHASE ENERGY, INC.	Renewable Solar	7.80%	US
SOLAREEDGE TECHNOLOGIES, INC.	Renewable Solar	6.28%	IL
EDP Renovaveis, S.A.	Renewable Wind	4.84%	ES
ALBEMARLE CORPORATION	Energy Storage	4.70%	US
DRAX GROUP PLC	Energy Storage	4.44%	GB
ELIA GROUP SA	Energy Efficiency	4.31%	BE
FIRST SOLAR, INC.	Renewable Solar	4.24%	US
Wacker Chemie AG	Renewable Solar	4.07%	DE
Iberdrola, S.A.	Renewable Wind	4.06%	ES
NEXTERA ENERGY, INC.	Renewables Other	4.02%	US
Sociedad Quimica y Minera de Chile S.A.	Energy Storage	3.50%	CL
SCHNEIDER ELECTRIC SE	Energy Efficiency	3.26%	FR
LINDE PUBLIC LIMITED COMPANY	Energy Conversion	2.83%	GB
AIR PRODUCTS AND CHEMICALS, INC.	Energy Conversion	2.80%	US
BORALEX INC.	Renewable Wind	2.61%	CA



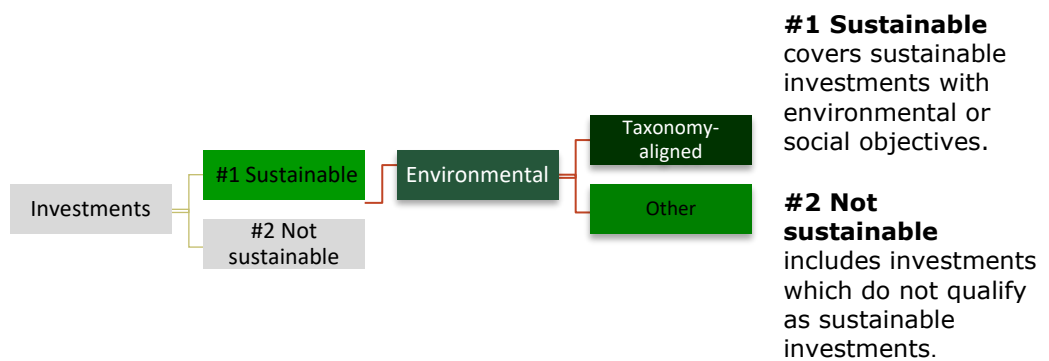
What was the proportion of sustainability-related investments?

99.2% of investments were sustainable investments.

Asset allocation
describes the share of investments in specific assets.

● *What was the asset allocation?*

99.2% of the AUM was invested in sustainable investments as of December 31, 2022. 74% of investments are aligned with the taxonomy according to the MSCI methodology, and 25.2% not aligned with the taxonomy. The remaining 0.8% was invested in cash.



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

- Investments were made in:
 - Renewable solar
 - Renewable wind
 - Renewables other
 - Energy efficiency
 - Energy storage
 - Energy conversion

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.

- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.

- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.



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

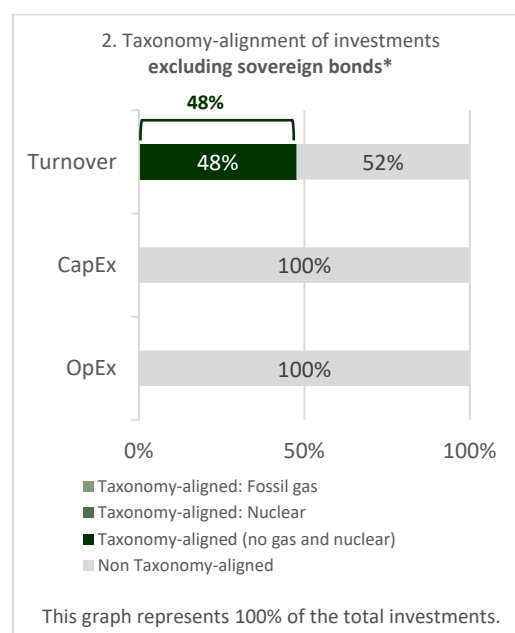
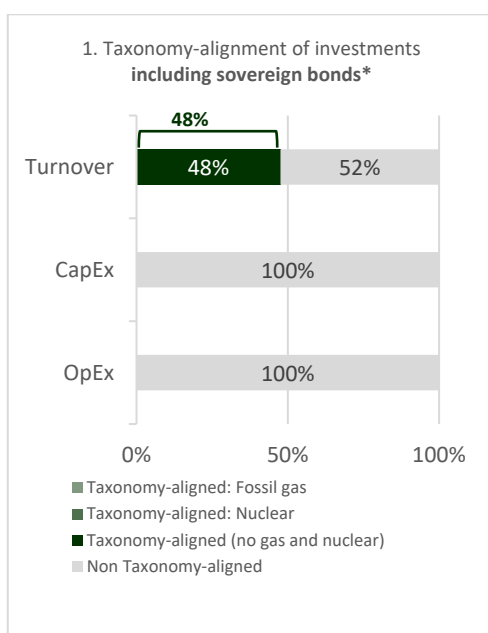
75% of investments were aligned to the EU taxonomy.

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

- Yes
 - In fossil gas
 - In nuclear energy
- No

The sub-fund does have certain investments exposed to fossil gas and nuclear energy; however it does not have sufficient information from the companies or from the third party data providers to report the alignment of these activities with the EU Taxonomy.

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



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

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

The sub-fund may have investments with alignment to transitional and enabling activities, but due to the lack of disclosure from companies and limited estimation from third party providers, it reports zero alignment.

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

N/A



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



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

25.2% of investments were in sustainable investments with an environmental objective that were not aligned with the EU taxonomy. This is due to various reasons:

- The sub-fund invests in companies that play vital parts in the supply chain of important technology for climate change mitigation, such as lithium recycling. The taxonomy does not include the value chain.
- The sub-fund is unable to currently estimate investments that are aligned with the EU taxonomy as transitional or enabling.



What was the share of socially sustainable investments?

N/A



What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

Investments included cash and deposits, and considering the type of investment there were no minimum environmental or social safeguards applied.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



What actions have been taken to attain the sustainable investment objective during the reference period?

The sub-fund participated in the CDP non-disclosure campaign and asked seven companies in the sub-fund to disclose to CDP on climate change, water and forests, taking the role of lead investor for four. The sub-fund also signed the CDP SBT (Science-based Target) campaign collaborative letter to request high-emitting companies (some of which we have in our portfolio) to set a carbon emission reduction target aligned with a 1.5 degree temperature scenario approved by the SBTi (Science-based Target initiative). This year the sub-fund plans to directly engage with individual companies in this regard.



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

N/A

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

- **How does the reference benchmark differ from a broad market index?**

N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**

N/A

- **How did this financial product perform compared with the reference benchmark?**

N/A

- **How did this financial product perform compared with the broad market index?**

N/A

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Quaero Capital Funds (Lux) - CULLEN ESG US VALUE

Legal entity identifier: 222100HP4PWKUORJOP25

Environmental and/or social characteristics

Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

Yes

It made **sustainable investments with an environmental objective**:_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective**:_%

No

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 16% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The sub-fund is focused on investing in companies that are best-in-class in their management of environmental, social and governance issues, and the sub-fund believes will outperform in the long term. The sub-fund's pursuit of high-quality companies is supported by its focus on those companies with strong governance structures, and high consideration of the long-term impacts of environmental and social issues the sustainable success of the company. The sub-fund invests only in companies that will attain financial success in a sustainable way. To ensure that investments are aligned with the E/S characteristics above described, certain exclusions are applied in order to not allocate capital to companies that severely and systematically cross ethical lines as well as companies that have a significantly negative impact on global warming.

We consider E/ S characteristics as being integrated in an ESG score and as of the December 31, 2022. The sub-fund was scores AAA on MSCI ESG score reflecting high ESG commitment of companies in the portfolio. Moreover, the exclusions of the sub-fund were well respected and no breach was noted in 2022.

● How did the sustainability indicators perform?

Indicators	31.12.2022
Percent of investments scored BBB or above based on MSCI's proprietary ESG ranking system, or above 'Poor' based on the ESG team's proprietary methodology further described in the investment strategy section.	100%
Percentage of issuers the Investment Manager engaged with	71%
Percentage of investments in companies with over 20% revenue from coal mining or coal-based energy production	0%
Percentage of investments in companies involved in the production of oil sands	0%
Percentage of investments in companies involved in the manufacture or selling of controversial weapons	0%
Percentage of investments in companies that have been involved in severe and systemic violations of the UN Global Compact principles	0%
Percentage of investments in companies that produce tobacco and tobacco products	0%
Percentage of investments in companies that are involved in the manufacture of gambling equipment, operating gambling establishments or supporting services supplied to gambling operations Percentage of investments involved in the production or development of firearms and munitions	0%

The sustainability indicators listed above demonstrate the ESG commitment in the portfolio.

The sub-fund invested only in companies with strong ESG profiles, demonstrated with an MSCI rating of BBB or above or the equivalent using the proprietary methodology.

In addition, the sub-fund did not breach an exclusion rule on tobacco, oil sand , coal, weapons and violation of UNGP.

The sub-fund engaged in 2022 with 24 companies on a range of topics, including emission reduction goals and achievability of those targets, labor management practices and talent retention initiatives, supply chain oversight and audit protocols, pay equity along gender and ethnic lines, combined chairman and CEO roles and incentive compensation alignment to ESG goals.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● **...and compared to previous periods?**

N/A but will be in next year assessment.

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

While the sub-fund may have invested in sustainable investments it is not set as an objective.

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

Our assessment of sustainable investments was done using the Taxonomy metrics measured by MSCI that assesses the DNSH (Do No Significant Harm) and good governance principles. Companies with more than 10% taxonomy revenue alignment are considered as taxonomy aligned, as long as the company meets the DNSH and good governance assessments.

For the Investment Manager's internal methodology to evaluate sustainable investments, the company must meaningfully contribute to the environmental objectives of climate change mitigation, climate change adaptation and /or circular economy (assessed internal using either revenue alignment and/or a qualitative assessment). For the DNSH and good governance assessment:

- Companies with more than 20% revenue from coal except for those with transition commitments that reach 2 degree by 2035 according to TPI (Transition Pathway Initiative), and in absence of TPI according to own analysis
- Companies in severe and systemic breach of UN Global Compact principles
- Companies with over 5% revenue from tobacco, either as a producer or distributor
- Companies involved in controversial weapons
- Companies with a high controversy level according to third party providers
- Companies with an MSCI ESG rating lower than BB, or when not available an internal ESG rating of 'very poor'

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

The PAIs are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

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

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

Investments are only considered sustainable investments if they are assessed internally as a sustainable investment due to its contribution to a sustainability objective as well as does not significant harm and with good governance. The latter two elements of the assessment incorporate the principles of the OECD guidelines and the UN Guiding Principles, with a required minimum ESG rating of BB on MSCI or 'fair' on the Quaero Capital internal methodology. In addition a company evaluated as having a very severe controversy, using the input of third party assessment and internal assessments, will not be considered as a sustainable investment.

The sub-fund also excludes companies that are in severe and systemic breach of the UN Global Compact principles, which align tightly with the OECD guidelines and the UN Guiding Principles on human rights, labour, the environment, and economic and business issues..

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

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The PAIs are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

The PAIs are also considered actively by the sub-fund at portfolio level, with monthly internal reporting highlighting every position in the sub-fund and the full list of principal adverse impacts.

The PAI we decided to report are:

PAIs	2022
Carbon footprint (Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio)	397
Exposure to companies active in the fossil fuel sector.	9%
Exposure to controversial weapons	No
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) guidelines for multinational enterprises.	No

We have identified no breach of UNGC principles during the year 2022.

Regarding the exposure to companies active in the fossil fuel sector we have a strict exclusion to coal where we exclude companies with over 20% revenue from coal mining, coal thermal power generation. We don't have strict exclusion to oil and gas companies as we think the economy still need these companies. However, we make sure we invest in companies that have plans to reduce their carbon emissions.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion** of investments of the financial product during the reference period which is: December 31, 2022.

Largest Investments	Sector	% Assets	Country
MERCK & CO., INC.	Consumer, Non-cyclical	4.00%	US
CIGNA CORPORATION	Consumer, Non-cyclical	3.85%	US
CONOCOPHILLIPS	Energy	3.81%	US
JPMORGAN CHASE & CO.	Financials	3.64%	US
JOHNSON CONTROLS	Industrials	3.64%	IE
THE J. M. SMUCKER COMPANY	Consumer, Non-cyclical	3.50%	US
Chubb Limited	Financials	3.28%	CH
JOHNSON & JOHNSON	Consumer, Non-cyclical	3.22%	US
CONAGRA BRANDS, INC.	Consumer, Non-cyclical	3.19%	US
AMERICAN EXPRESS COMPANY	Financials	3.14%	US
GENUINE PARTS COMPANY	Consumer, Cyclical	3.09%	US
Mondelez International, Inc.	Consumer, Non-cyclical	2.97%	US
BORGWARNER INC.	Consumer, Cyclical	2.94%	US
MORGAN STANLEY	Financials	2.89%	US
EATON CORPORATION	Miscellaneous	2.86%	IE



What was the proportion of sustainability-related investments?

16% are sustainable investments aligned with the taxonomy.

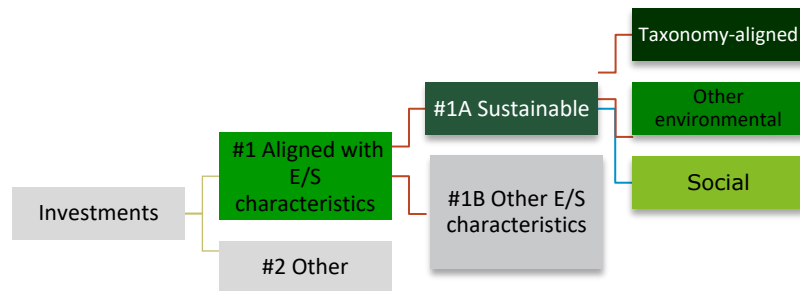
● **What was the asset allocation?**

96.3% of the AUM was aligned with E&S characteristics as of the December 31, 2022.

The 3.7% was invested in cash as defined as "other".

16% of investment are sustainable investments aligned with the taxonomy according to the MSCI methodology and 80.3% are categorised as aligned with E/S characteristics but are not sustainable investments.

Asset allocation describes the share of investments in specific assets.



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

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

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

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

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

The sub-fund invested in the following sectors:

- Financials
- Health care
- Industrials
- Consumer staples
- Technology
- Consumer discretionary
- Materials
- Communications
- Real Estate
- Energy
- Utilities

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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



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

The sub-fund doesn't have an environmental objective aligned with the EU Taxonomy, however it had its 16 % of assets aligned with Taxonomy with weighted average revenue alignment of 3%.

Does the financial product invested in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

Yes

In fossil gas

In nuclear energy

No

We do have certain investments exposed to fossil gas and nuclear energy; however we do not have sufficient information from the companies or from our third party data providers to report the alignment of these activities with the EU Taxonomy.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

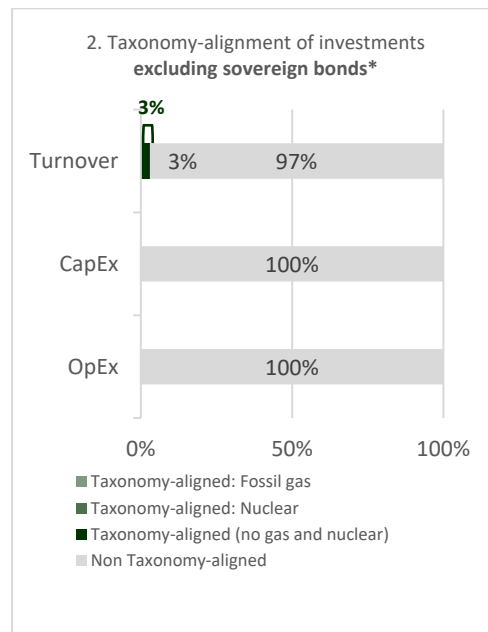
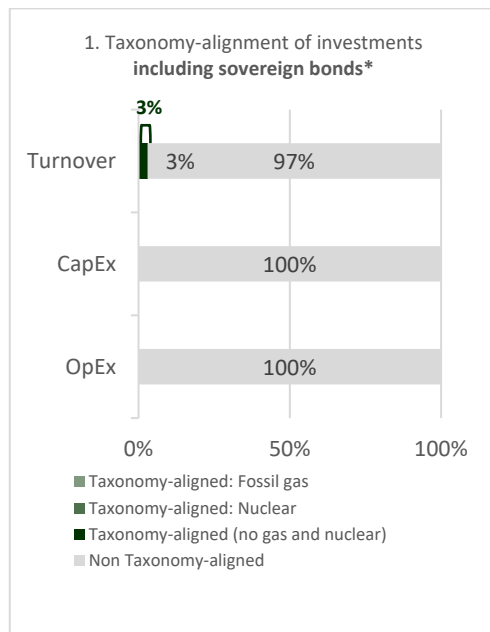
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.

- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.

- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.

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



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

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

We may have our investments to have alignment with transitional and enabling activities, but due to the lack of disclosure from companies and limited estimation from our third party providers, we report zero alignment.

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

N/A


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

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

The sustainable investments are all taxonomy aligned.

 **What was the share of socially sustainable investments?**

N/A

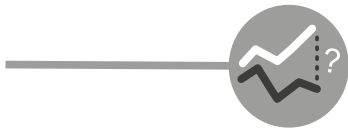
 **What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

3.7 % was in the "other" category being cash.



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

The sub-fund engaged in 2022 with 24 companies on a range of topics, including emission reduction goals and achievability of those targets, labour management practices and talent retention initiatives, supply chain oversight and audit protocols, pay equity along gender and ethnic lines, combined chairman and CEO roles and incentive compensation alignment to ESG goals.



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

N/A

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

● ***How does the reference benchmark differ from a broad market index?***

N/A

● ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

N/A

● ***How did this financial product perform compared with the reference benchmark?***

N/A

● ***How did this financial product perform compared with the broad market index?***

N/A

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Quaero Capital Funds (Lux) - Quaeronaut Small & Mid Cap

Legal entity identifier: 21380069KPMKDDDO9V71

Environmental and/or social characteristics

Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

Yes

It made **sustainable investments with an environmental objective**: _%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective**: _%

No

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 15% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent were the environmental and/or social characteristics promoted by this financial product met?

To ensure that investments are aligned with the E/S characteristics above described, certain exclusions are applied so as to not allocate capital to companies that are in systemic and severe breach of ethical lines as well as companies that have a significantly negative impact on global warming.

The sub-fund actively integrates ESG analysis from MSCI, or in the absence of an ESG rating from MSCI, the ESG team will rate the investment according to a proprietary methodology that rates companies on a scale of 5 ratings (from very poor to excellent). At least 80% of the investments shall have a rating equal or above BBB using MSCI ratings, or equal or above 'fair' according to the proprietary methodology. Companies with a CCC rating according to MSCI or a 'very poor' rating according to the proprietary methodology will be excluded.

The sub-fund systematically pursues ongoing and active dialogue with the management teams of holding companies in the portfolio in view of better integrating Sustainability Risks for these assets. The sub-fund will engage with every investment that has a below BBB (MSCI rating) or below 'fair' according to the proprietary methodology, in order to encourage an improvement in the management of sustainable challenges. The sub-fund will also identify, through its external and internal ESG analysis and based on investment priorities, areas of concern and engagement opportunities company by company and where possible will raise the topic with company management directly. One of the areas the sub-fund focuses on is encouraging greater transparency from the holding companies on their ESG strategies and KPIs reporting in order to facilitate the identification of facing such holding companies.

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

Indicators	31.12.2022
Percentage of investments in companies with over 20% revenue from coal mining and/or coal thermal power	0%
Percentage of investments in companies involved in the manufacture or selling of controversial weapons	0%
Percentage of investments in companies that have been involved in severe and systemic violations of the UN Global Compact principles	0%
Percentage of issuers the Investment manager engaged with	0%*
Percentage of investments with a rating equal or above BBB using MSCI ratings, or equal or above 'fair' according to the proprietary methodology.	85%
Percentage of companies with a CCC rating according to MSCI or a 'very poor' rating according to the proprietary methodology.	0%

* the sub-fund was launched on December 16, 2022

The sustainability indicators listed above demonstrate the ESG commitment in the portfolio.

The sub-fund did not breach on exclusion rule on coal, weapons and violation of UNGP.

● **...and compared to previous periods?**

N/A but will be in next year assessment.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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

While the sub-fund may have invested in sustainable investments but it is not set as an objective.

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

The assessment of sustainable investments was performed using the Taxonomy metrics measured by MSCI that also assesses the DNSH (Do No Significant Harm) and good governance principles. Companies with more than 10% taxonomy revenue alignment are considered as taxonomy aligned, as long as the company meets the DNSH and good governance assessments.

For the Investment Manager's internal methodology to evaluate sustainable investments, the company must meaningfully contribute to the environmental objectives of climate change mitigation, climate change adaptation and /or circular economy (assessed internal using either revenue alignment and/or a qualitative assessment). For the DNSH and good governance assessment:

- Companies with more than 20% revenue from coal except for those with transition commitments that reach 2 degrees by 2035 according to TPI (Transition Pathway Initiative), and in absence of TPI according to own analysis
- Companies in severe and systemic breach of UN Global Compact principles
- Companies with over 5% revenue from tobacco, either as a producer or distributor
- Companies involved in controversial weapons
- Companies with a high controversy level according to third party providers
- Companies with an MSCI ESG rating lower than BB, or when not available an internal ESG rating of 'very poor'

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

The Principle Adverse Impacts (PAIs) are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

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

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

Investments are only considered sustainable investments if they are assessed internally as a sustainable investment due to its contribution to a sustainability objective as well as does not significant harm and with good governance. The latter two elements of the assessment incorporate the principles of the OECD guidelines and the UN Guiding Principles, with a required minimum ESG rating of BB on MSCI or 'fair' on the Quaero Capital internal methodology. In addition a company evaluated as having a very severe controversy, using the input of third party assessment and internal assessments, will not be considered as a sustainable investment.

The sub-fund also excludes companies that are in severe and systemic breach of the UN Global Compact principles, which align tightly with the OECD guidelines and the UN Guiding Principles on human rights, labour, the environment, and economic and business issues.

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

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The PAIs are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

The PAIs are also considered actively by the sub-fund at portfolio level, with monthly internal reporting highlighting every position in the sub-fund and the full list of principal adverse impacts.

The PAIs we decided to report are:

PAIs	2022
Carbon footprint (Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio)	776.5
Exposure to companies active in the fossil fuel sector.	22.7%
Exposure to controversial weapons	No
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) guidelines for multinational enterprises.	No

We have identified no breach of UNGC principles during the year 2022.

Regarding the exposure to companies active in the fossil fuel sector we have a strict exclusion to coal where we exclude companies with over 20% revenue from coal mining, coal thermal power generation. We don't have strict exclusion to oil and gas companies as we think the economy still need these companies. However, we make sure we invest in companies that have plans to reduce their carbon emissions.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion** of investments of the financial product during the reference period which is: December 31, 2022.

Largest Investments	Sector	% Assets	Country
Borr Drilling Limited	Energy	5.03%	BM
Tetragon Financial Group Limited	Financial	3.92%	GG
Technip Energies N.V.	Energy	3.78%	FR
Befesa S.A.	Industrial	3.75%	LU
SOPRA STERIA GROUP SA	Technology	3.29%	FR
ENERGEAN PLC	Energy	3.02%	GB
Subsea 7 S.A.	Energy	3.00%	GB
TRIGANO SA	Consumer, Non-cyclical	2.93%	FR
Metso Outotec Oyj	Industrial	2.86%	FI
Duerr Aktiengesellschaft	Industrial	2.63%	DE
HOEGH AUTOLINERS ASA	Industrial	2.34%	NO
Jungheinrich AG	Industrial	2.23%	DE
SMURFIT KAPPA GROUP PLC	Basic Materials	2.22%	IE
UNIPOL GRUPPO S.P.A.	Financial	2.18%	IT
SOITEC	Electronics and Electrical Equipment	2.10%	FR



What was the proportion of sustainability-related investments?

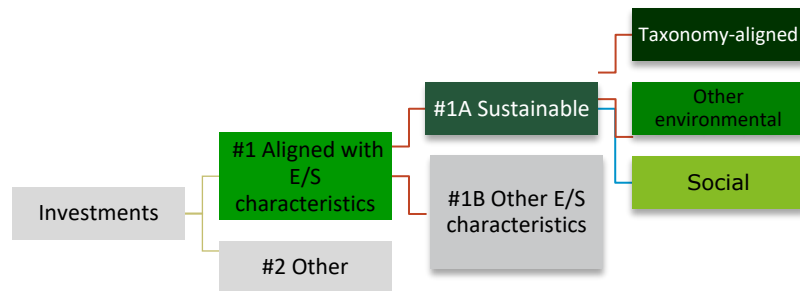
15% of investments are sustainable investments aligned with the taxonomy.

Asset allocation describes the share of investments in specific assets.

● **What was the asset allocation?**

87.3% of the AUM was aligned with E&S characteristics as of the December 31, 2022. 12.7% was invested in assets defined as "other".

15% of investment are sustainable investments aligned with the taxonomy according to the MSCI methodology and 72.3% are categorised as aligned with E/S characteristics but not sustainable investments.



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

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

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

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

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

The sub-fund invested in the following sectors:

- Industrials
- Energy
- Technology
- Financials
- Communications
- Consumer discretionary
- Materials
- Health Care
- Consumer staples

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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



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

The sub-fund doesn't have an environmental objective aligned with the EU Taxonomy, however it had 15% of assets aligned with Taxonomy with a revenue alignment of 7%.

Does the financial product invested in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

Yes

In fossil gas

In nuclear energy

No

We do have certain investments exposed to fossil gas and nuclear energy; however we do not have sufficient information from the companies or from our third party data providers to report the alignment of these activities with the EU Taxonomy.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

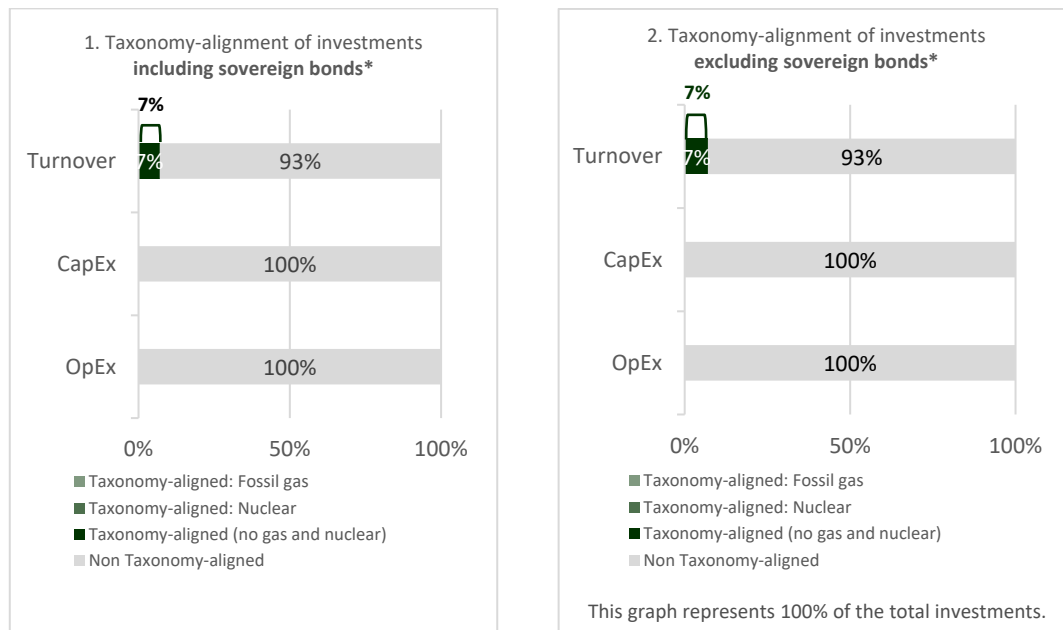
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.

- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.

- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.

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



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

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

We may have investments aligned with transitional and enabling activities, but due to the lack of disclosure from companies and limited estimation from our third party providers, we report zero alignment.

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

N/A



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



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

The sustainable investments are all taxonomy aligned.



What was the share of socially sustainable investments?

N/A



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

12.7% representing cash.



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

The sub-fund was launched the 16th of December and thus we did not started engaging with companies in 2022.



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

N/A

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

● **How does the reference benchmark differ from a broad market index?**

N/A

● **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

N/A

● **How did this financial product perform compared with the reference benchmark?**

N/A

● **How did this financial product perform compared with the broad market index?**

N/A

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Quaero Capital Funds (Lux) - Global Convertible Bonds

Legal entity identifier: 2221004I42PZPPUNQ105

Environmental and/or social characteristics

Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

Yes

It made **sustainable investments with an environmental objective**: _%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective**: _%

No

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 27.2% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The sub-fund incorporates third-party company ESG ratings into the valuation of convertible bonds, directly and systematically affecting the sub-fund score, which dictates the weight of each bond in the portfolio. As a result, the portfolio is expected to tilt towards companies with stronger ESG profiles.

The sub-fund actively integrates ESG analysis from MSCI, or in the absence of an ESG rating from MSCI, the ESG team will rate the investment according to a proprietary methodology that rates companies on a scale of 5 ratings (from very poor to excellent).

The sub-fund aims to maintain at all times an overall ESG rating greater than the SPDR Refinitiv Global Convertible Bond UCTS ETF, using the MSCI ESG rating system.

The sub-fund considers E/ S characteristics as being integrated in an ESG score and as of the December 31, 2022 the sub-fund was scores AAA on MSCI ESG score reflecting high ESG commitment of companies in the portfolio. Moreover, the exclusions of the sub-fund were well respected and no breach was noted in 2022.

● *How did the sustainability indicators perform?*

Indicators	31.12.2022
Portfolio ESG score according to MSCI relative to the universe the universe is comprised of companies included in the SPDR Refinitiv Global Convertible Bond ETF	AAA vs A
Percentage of investments in companies with over 20% revenue from coal mining and/or coal thermal power	0%
Percentage of investments in companies involved in the manufacture or selling of controversial weapons	0%
Percentage of investments in companies that have been involved in severe and systemic violations of the UN Global Compact principles	0%

The sustainability indicators listed above demonstrate the ESG commitment in the portfolio. The sub-fund was scored AAA vs A for the SPDR Refinitiv Global Convertible Bond ETF.

In addition, the sub-fund did not breach on exclusion rule on coal, weapons.

● *...and compared to previous periods?*

N/A but will be in next year assessment.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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

While the sub-fund may have invested in sustainable investments it is not set as an objective.

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

The assessment of sustainable investments was performed using the Taxonomy metrics measured by MSCI that also assess the DNSH (Do Not Significantly Harm) and good governance principles. Companies with more than 10% taxonomy revenue alignment are considered as taxonomy aligned, as long as the company meets the DNSH and good governance assessments.

For the Investment Manager's internal methodology to evaluate sustainable investments, the company must meaningfully contribute to the environmental objectives of climate change mitigation, climate change adaptation and /or circular economy (assessed internal using either revenue alignment and/or a qualitative assessment). For the DNSH and good governance assessment:

- Companies with more than 20% revenue from coal except for those with transition commitments that reach 2 degrees by 2035 according to TPI (Transition Pathway Initiative), and in absence of TPI according to own analysis
- Companies in severe and systemic breach of UN Global Compact principles
- Companies with over 5% revenue from tobacco, either as a producer or distributor
- Companies involved in controversial weapons
- Companies with a high controversy level according to third party providers
- Companies with an MSCI ESG rating lower than BB, or when not available an internal ESG rating of 'very poor'

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

The Principal Adverse Impacts (PAIs) are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

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

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

Investments are only considered sustainable investments if they are assessed internally as a sustainable investment due to its contribution to a sustainability objective as well as does not significant harm and with good governance. The latter two elements of the assessment incorporate the principles of the OECD guidelines and the UN Guiding Principles, with a required minimum ESG rating of BB on MSCI or "fair" on the Quaero Capital internal methodology. In addition a company evaluated as having a very severe controversy, using the input of third party assessment and internal assessments, will not be considered as a sustainable investment.

The sub-fund also excludes companies that are in severe and systemic breach of the UN Global Compact principles, which align tightly with the OECD guidelines and the UN Guiding Principles on human rights, labour, the environment, and economic and business issues.

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

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The PAIs are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

The PAIs are also considered actively by the sub-fund at portfolio level, with monthly internal reporting highlighting every position in the sub-fund and the full list of principal adverse impacts.

The PAI we decided to report are:

PAIs	2022
Exposure to companies active in the fossil fuel sector.	-5%
Exposure to controversial weapons	No
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) guidelines for multinational enterprises.	0%

Regarding the exposure to companies active in the fossil fuel sector, there is a strict exclusion of companies with over 20% revenue from coal mining and coal thermal power generation. The sub-fund does not apply a strict exclusion of oil and gas companies as the economy still needs these companies. However, the sub-fund makes sure to invest in companies that have plans to reduce their carbon emissions.

Regarding the Violation of UN Global Compact principles, the sub-fund is aware of the controversies of a company in the portfolio that became of severe controversy at the end of the year and the position is under consideration.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion** of the investments of the financial product during the reference period which is: December 31, 2022.

Largest Investments	Sector	% Assets	Country
ILLUMINA, INC.	Health Care	2.49%	US
JP MORGAN	Financials	2.33%	US
SGX TREASURY I	Financials	2.13%	SG
AMERICA MOVIL	Communications	2.07%	NL
ARCHER-DANIELS MIDLAND	Consumer Staples	2.02%	VG
JPM CHASE FINANCE	Financials	1.96%	US
NEXTERA ENERGY	Utilities	1.93%	US
SIKA	Materials	1.81%	CH
SAFRAN	Industrials	1.80%	FR
SOUTHWEST AIRLINES	Consumer Discretionary	1.78%	US
CARREFOUR	Consumer Staples	1.71%	FR
BARCLAYS	Financials	1.65%	UK
DROPBOX, INC	Financials	1.61%	US
HUBSPOT, INC	Technology	1.58%	US
NIPPON STEEL SUMITOMO METAL	Technology	1.58%	JP



What was the proportion of sustainability-related investments?

15% of investments are sustainable.

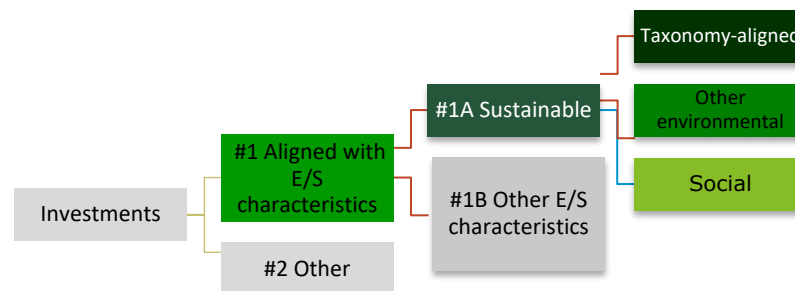
● **What was the asset allocation?**

96.3% of the AUM was aligned with E&S characteristics as of the December 31, 2022.

The 3.7% was invested in cash as defined as "other"

15% of investment are sustainable investments of which 14% are aligned with the taxonomy according to the MSCI methodology and 81.3% are categorised as aligned with E/S characteristics but not sustainable investments.

Asset allocation
describes the share of investments in specific assets.



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

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

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

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

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

The sub-fund invested in the following sectors:

- Technology
- Consumer discretionary
- Industrials
- Communications
- Materials
- Consumer staples
- Financials
- Health Care
- Utilities
- Energy
- Real Estate

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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



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

The sub-fund doesn't have an environmental objective aligned with the EU Taxonomy, however it had 14% of assets aligned with Taxonomy with a weighted average revenue alignment of 8%.

Does the financial product invested in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

Yes

In fossil gas

In nuclear energy

No

The sub-fund does have certain investments exposed to fossil gas and nuclear energy; however the sub-fund does not have sufficient information from the companies or from our third party data providers to report the alignment of these activities with the EU Taxonomy.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

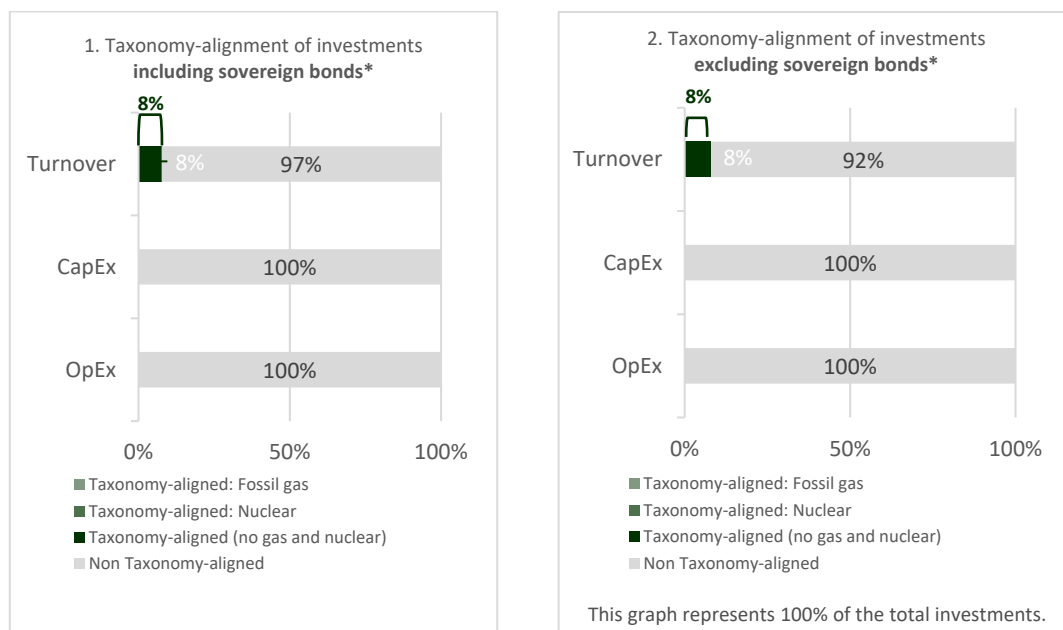
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.

- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.

- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.

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



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

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

The sub-fund may have investments with alignment to transitional and enabling activities, but due to the lack of disclosure from companies and limited estimation from our third party providers, it reports zero alignment.

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

N/A

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

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

1.1% of investment in sustainable investment is not aligned with the Taxonomy.

 **What was the share of socially sustainable investments?**

N/A

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

2.99% was in the "other" category being cash.

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

As Convertible Bond fund the sub-fund does not engage directly with companies. However, as a group Quaero Capital engages on ESG and on ESG transparency disclosure.

For example, Quaero Capital signed the CDP SBT campaign collaborative letter initiated by CDP to request high-emitting companies (some of which are in our portfolio) to set an carbon emission reduction aligned with 1.5° temperature scenario approved by the SBTi. This year we plan to directly engage with individual companies in this regard.

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

N/A

● ***How does the reference benchmark differ from a broad market index?***

N/A

● ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

N/A

● ***How did this financial product perform compared with the reference benchmark?***

N/A

● ***How did this financial product perform compared with the broad market index?***

N/A

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

ANNEX V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Quaero Capital Funds (Lux) - Net Zero Emission

Legal entity identifier: 2138003P68MA94JCV353

Sustainable Investment Objective

Did this financial product have a sustainable investment objective?

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Yes

It made **sustainable investments with an environmental objective**:95%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments with a social objective**:_%

No

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of _% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent was the sustainable investment objective of this financial product met?

The investment objective of the sub-fund is to contribute to decarbonisation and to the reaching of net zero emissions by 2050, as required in order to meet the objective of the Paris Agreement of limiting global warming to well below 2 degrees. The sub-fund intends to achieve this investment objective by investing and taking an active role in companies worldwide that contribute meaningfully to climate change mitigation, climate change adaptation or the circular economy.

The sub-fund invested in companies aligned with this objective, investing only in companies that have a significant impact on climate change mitigation, climate change adaptation, or the circular economy.

- 57% of investments had more than 50% revenue from "eco-activities" which are aligned to the stated objectives
- 100% of investments had revenues from eco-activities
- Potential avoided emissions of the investments in the portfolio was 61m tonnes

This final indicator is the most important for the sub-fund, as it demonstrates the impact that the companies in which the sub-fund invests has on reducing emissions through the products and services it sells to its clients. While the sub-fund considers the operational footprint of the investment, and intends to engage with the companies on actively reducing the operational footprint of the investment, it is the impact the company has on future emissions that is considered most important.

Certain investments may not yet show significant potential avoided emissions, and this may be to do with their low-carbon technologies operating at small scale. The sub-fund is interested to invest in those companies that are developing the innovation that could materially decarbonise the broad range of sectors that are contributing to climate change.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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

Indicators	31.12.2022
Scope 1 and 2 carbon emission intensity (tonnes of CO2 per \$m)	142
The proportion of revenue from eco-activities	53%
Recycling rate (% of waste that is recycled; weighted average for those investments made for their contribution to the circular economy)	55%
Contribution of recycled material to raw material demand (% of raw material demand filled by recycled material; weighted average for those investments made for their contribution to the circular economy))	28%
Portfolio ESG score according to MSCI relative to the universe	AAA vs. AA
Potential avoided emissions (mt of CO2)	61.2
Percentage of investments in companies active in coal	0%
Percentage of investments in companies involved in the manufacture or selling of controversial weapons	0%
Percentage of investments in companies that have been involved in severe and systemic violations of the UN Global Compact principles	0%

● **...and compared to previous periods?**

N/A, but will be included for next year's assessment.

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

How did the sustainable investments not cause significant harm to any sustainable investment objective?

The assessment of sustainable investments was performed using the Taxonomy metrics measured by MSCI that also assesses the DNSH (Do No Significant Harm) and good governance principles. Companies with more than 10% taxonomy revenue alignment are considered as taxonomy aligned, as long as the company meets the DNSH and good governance assessments.

For the Investment Manager's internal methodology to evaluate sustainable investments, the company must meaningfully contribute to the environmental objectives of climate change mitigation, climate change adaptation and /or circular economy (assessed internal using either revenue alignment and/or a qualitative assessment). For the DNSH and good governance assessment:

- Companies with more than 20% revenue from coal except for those with transition commitments that reach 2 degrees by 2035 according to TPI (Transition Pathway Initiative), and in absence of TPI according to own analysis
- Companies in severe and systemic breach of UN Global Compact principles
- Companies with over 5% revenue from tobacco, either as a producer or distributor
- Companies involved in controversial weapons
- Companies with a high controversy level according to third party providers
- Companies with an MSCI ESG rating lower than BB, or when not available an internal ESG rating of 'very poor'

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

The Principle Adverse Impacts (PAIs) are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

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

The Principle Adverse Impacts (PAIs) are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

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

Investments are only considered sustainable investments if they are assessed internally as a sustainable investment due to its contribution to a sustainability objective as well as does not significant harm and with good governance. The latter two elements of the assessment incorporate the principles of the OECD guidelines and the UN Guiding Principles, with a required minimum ESG rating of BB on MSCI or 'fair' on the Quaero Capital internal methodology. In addition a company evaluated as having a very severe controversy, using the input of third party assessment and internal assessments, will not be considered as a sustainable investment.

The sub-fund also excludes companies that are in severe and systemic breach of the UN Global Compact principles, which align tightly with the OECD guidelines and the UN Guiding Principles on human rights, labour, the environment, and economic and business issues



How did this financial product consider principal adverse impacts on sustainability factors?

The PAIs are incorporated into an ESG assessment of a company, either through the MSCI rating or through the internal methodology. These are considered relative to industry peers and country standards. No minimum thresholds are set due to significant variance across industry and company, and at times this data may not accurately convey the forward-looking commitments made by the company.

The PAIs are also considered actively by the sub-fund at portfolio level, with monthly internal reporting highlighting every position in the sub-fund and the full list of principle adverse impacts.

The PAI the sub-fund reports are:

PAIs	2022
Carbon footprint (Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio)	278.7
Exposure to companies active in the fossil fuel sector.	0%
Share of non-renewable energy consumption and production	71.8%
Exposure to controversial weapons	No
Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) guidelines for multinational enterprises.	No

The sub-fund identified no breach of UNGC principles during the year 2022.

Regarding the exposure to companies active in the fossil fuel sector the sub-fund has a strict exclusion to exclude companies with over 20% revenue from coal mining, coal thermal power generation. We don't have strict exclusion to oil and gas companies however, it makes sure to invest in companies that have plans to reduce their carbon emissions.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion** of investments of the financial product during the reference period which is: December 31, 2022.

Largest Investments	Sector	% Assets	Country
ASML Holding N.V.	Technology	6.13%	NL
ANSYS, INC.	Technology	5.56%	US
CNH Industrial N.V.	Industrial	5.11%	GB
ELIA GROUP SA	Utilities	4.94%	BE
EDP Renovaveis, S.A.	Utilities	4.50%	ES
DEERE & COMPANY	Industrial	4.48%	US
Koninklijke DSM N.V.	Basic Materials	4.01%	NL
CORPORACION ACCIONA ENERGIAS RENOVABLES	Energy	4.00%	ES
THERMO FISHER SCIENTIFIC INC.	Consumer, Non-cyclical	3.89%	US
DASSAULT SYSTEMES SE	Technology	3.48%	FR
TESLA, INC.	Consumer, Cyclical	3.46%	US
Symrise AG	Basic Materials	3.34%	DE
GROCERY OUTLET HOLDING CORP.	Consumer, Non-cyclical	3.14%	US
GRAPHIC PACKAGING HOLDING	Consumer, Non-cyclical	3.11%	US
REPUBLIC SERVICES, INC.	Industrial	3.09%	US



What was the proportion of sustainability-related investments?

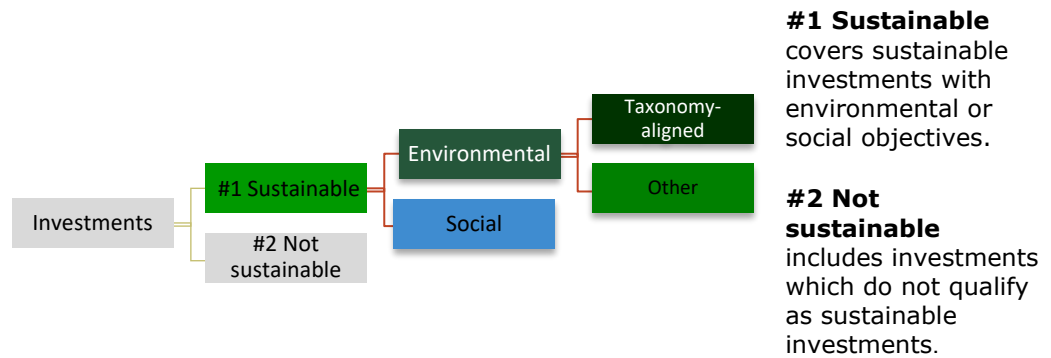
95% of investments were sustainable investments.

Asset allocation

describes the share of investments in specific assets.

● **What was the asset allocation?**

95% of the AUM was invested in sustainable investments with an environmental objective as of 31st December. 37% of AUM was invested in taxonomy-aligned investments and 58% in sustainable investments not taxonomy-aligned.



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

The sub-fund invested in:

- Industrials
- Technology
- Materials
- Utilities
- Renewable Energy
- Consumer STamples
- Health care
- Consumer discretionary

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.

- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.

- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.



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

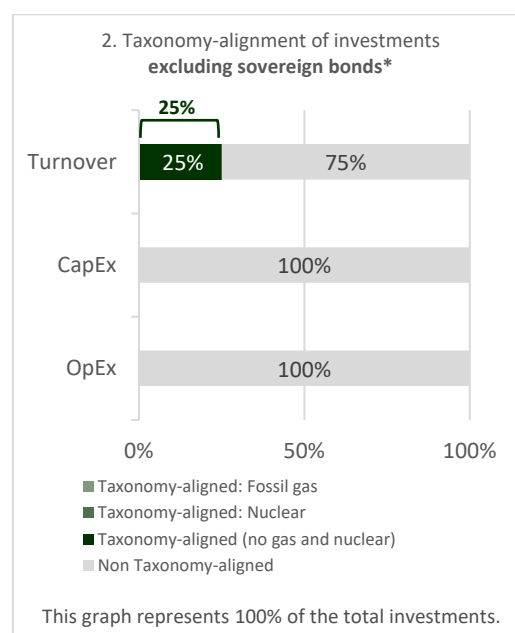
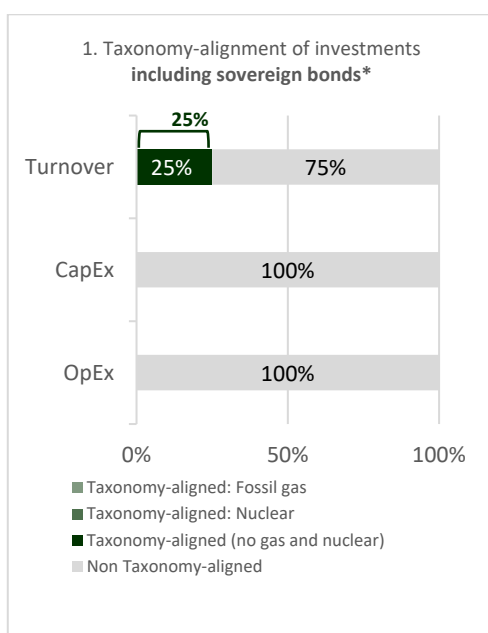
37% of investments were aligned with the EU taxonomy.

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

- Yes
 - In fossil gas
 - In nuclear energy
- No

We do have certain investments exposed to fossil gas and nuclear energy; however we do not have sufficient information from the companies or from our third party data providers to report the alignment of these activities with the EU Taxonomy.

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



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

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

We would expect our investments to have alignment with transitional and enabling activities, but due to the lack of disclosure from companies and limited estimation from our third party providers, we report zero alignment.

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

Not available



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



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

58% of AUM was invested in sustainable investments with an environmental objective not aligned with the EU taxonomy. This is due to various reasons:

- One of the three objectives of the sub-fund, circular economy, is not currently detailed in the EU taxonomy.
- The sub-fund invests in companies that play vital parts in the supply chain of important technology for climate change mitigation, such as lithium recycling. The taxonomy does not include the value chain.
- The sub-fund may have investments with alignment to transitional and enabling activities, but due to the lack of disclosure from companies and limited estimation from third party providers, it reports zero alignment



N/A

What was the share of socially sustainable investments?



What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

These investments were in cash and cash equivalents, and no minimum environmental or social safeguards were applied.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



What actions have been taken to attain the sustainable investment objective during the reference period?

The sub-fund was launched in October, which means there has been no engagement with companies during the year. As with other Quaero Capital funds, the sub-fund intends to engage with companies on their operational carbon emissions and emission reduction targets, contributing to the CDP disclosure campaign and asking companies directly to set Science-based targets in line with the SBTi.



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

N/A

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

- ***How does the reference benchmark differ from a broad market index?***

N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

N/A

- ***How did this financial product perform compared with the reference benchmark?***

N/A

- ***How did this financial product perform compared with the broad market index?***

N/A

