



**Annual report**

**Lupus alpha CLO High Quality Invest as**

**of 30 November 2024**

Lupus alpha

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# Activity report for the period: 1 December 2023 - 30 November 2024

## Investment objectives and investment policy to achieve the objectives:

The fund aims to generate a positive investment result over the long term. To this end, investments are primarily made in tranches of collateralised loan obligations (CLOs) with good ratings (investment grade). In addition, investments may also be made in fixed and floating rate securities and money market instruments and, to a lesser extent, in instruments used to hedge currency risks.

CLOs are structured financial transactions in which a package of corporate senior secured loans serves as collateral for several rated or unrated securities that differ in terms of their credit risk.

The restrictive financial policy of the prior years continues to have effects on private consumers and companies. Large European industrial companies are facing high energy costs, the transition to electromobility and major restructurings due to automation and digitalisation, in order to regain global competitiveness. Smaller companies are better positioned in the current environment. In addition, they were able to reduce their loan capital costs and optimise their maturity profile over the last several months. Inflation is continuing to weaken; however, it remains at a higher level. Overall, the labour market was seen to be robust during the financial year. However, there is a lack of skilled workers due to demographic changes, which continues to pose a challenge for the future.

The default rates are considerably lower than those predicted by the ratings agencies of 4%, and are currently at 0.7% in the portfolio. The key debt figures were impacted by higher interest costs. Narrowing of the spread and decreases in interest rates have once again improved the company's key debt figures.

The effects of the Ukraine crisis primarily led to strengthened liquidity management at the company. Loan issues were characterised by refinancings, restructurings and repricings. Loans with maturities by 2026 only comprised 5.8% of the total portfolio. Overall, more downgrades were observed than upgrades, whereby the median CCC ratio of approx. 6% in 2023 has now decreased to 3.8%. The 12-month default rate for the European loan index (S&P Elli) is 0.78%.

The M&A activity in the market showed a slight increase, but it is still considerably below prior year values. Sustained improvement can only be expected with financing costs falling further (spread & interest).

The new issues activity of EUR CLOs was high during the 2024 financial year and was characterised by sharply rising repayment rates (early repayments of CLO tranches). The yield calculated at purchase was able to be exceeded since the maturity of the instruments decreased, and the pull-to-par effect ended up being stronger than expected.

The recovery in the European CLO market continued. In December 2023, the prices were still at 97% and the coupon rate was 5.75% for AA- and 8.14% for BBB- tranches. Over the course of the year, the tranche prices rose continually, and are currently at 100.1% for AAA- and 100.5% for BBB- tranches. The average coupon rate across all tranches decreased to 6.1%. There are two factors playing a role in this since the coupon rate is composed of the variable interest rate (Euribor) and the spread. The Euribor rate decreased from almost 4% to 2.9% in November 2024 and the spreads for AA decreased by 75 bps to 180 bps, while the BBB spreads have now decreased by 150 bps to 420 bps. The current average loan price underlying the CLO tranches has increased from 96% in December of last year to over 97%. 46% of the loans are listed over par value. During the course of the year, the percentage of loans in the 80-90% prices segment decreased further from 7% to 3%. The bid-ask spread has contracted significantly to approx. 0.24% for A- tranches. Junior OC levels hardly changed over the course of the year and are around 108.3%. The trigger is at 104.4%.

The weighted average rating factor worsened slightly from 2907 to 2978. The senior OC (over-collateralisation test) increased slightly to 15% over the trigger value. Overall, the quality of the loan portfolio remained stable.

At the start of the year, the AA ratio of the portfolio was approx. 18%, the A ratio approx. 42% and the BBB ratio approx. 32%. The AAA ratio has now been increased to 5%, and the cash ratio has risen to 5%. The AA ratio has been slightly increased, the weighting of the A tranches has been decreased to 35%, and the BBB ratio is at 35%. At the start of the year, the fund's NAV amounted to around EUR 85 million and has now been increased to more than EUR 168 million. The cash inflows were used for reallocations and new acquisitions. The number of fund positions increased from 59 to 75. Due to the spreads which narrowed over the course of the year, cash inflows were allocated promptly in order to acquire first class deals with attractive conditions from CLO managers. The average price of the CLO tranches was slightly more than 100%. The yield (discount margin) stands at 3.8%.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities (under Article 7 of Regulation (EU) 2020/852 of the European Parliament and Council).

## Portfolio structure and significant changes during the reporting period:

### Structure of the fund:

	30 November 2024	% quota	30 November 2023	% quota
Asset-backed securities	153,508,626.93	91.27	74,422,091.88	92.14
Cash at banks, money market instruments and money market funds	13,502,533.93	8.02	5,733,833.53	7.10
Other assets	1,277,487.84	0.76	693,593.57	0.86
Other liabilities	-89,771.54	0.05	-81,868.25	-0.10
Fund assets	168,198,877.16	100.00	80,767,650.73	100.00

### Fund earnings:

Including the interest received from the coupon and accrued interest, a performance of 9.79% was achieved during the financial year until end-November. The distribution amounts to EUR 4.36 per unit in December 2024.

The main sources of income from disposals were gains on interest-bearing securities.

### Significant risks:

The main types of risk assumed by the fund during the reporting period were as follows

- Market price risk: The volatility of the unit value of the investment fund was approximately 0.76% during the financial year. In general, CLOs are less liquid than corporate bonds with comparable ratings. During periods of stress, the volatility of tranche valuations increases accordingly.
- Default risk: The fund invests in CLO tranches with a good rating (investment grade). If defaults occur within the CLO loan portfolios, the rated tranches may be affected by interest or capital losses if defaults remain high.
- Liquidity risk: The fund invests primarily in European CLO tranches. Sales through the market are usually possible at any time by means of an auction process. During periods of financial market stress, the CLO market is characterised by high bid/ask spreads and liquidity may be restricted.
- Currency risk: The fund only held bonds denominated in euros during the reporting period.
- Operational risk: In principle, the fund is exposed to operational risk in the processes of the management company, but did not report any increased operational risk during the reporting period.
- Interest rate risk: The fund invests predominantly in variable-rate European CLOs. The fund's duration and thus the interest rate risk are therefore relatively low.

# Lupus alpha CLO High Quality Invest annual report

## Statement of assets as of 30 November 2024

Investment focus	Current value in EUR	% of fund assets <sup>1)</sup>
<b>Assets</b>		
<b>Asset-backed securities</b>	<b>153,508,626.93</b>	<b>91.27</b>
Ireland	152,570,717.98	90.71
Netherlands	937,908.95	0.56
<b>Cash at banks, money market instruments and money market funds</b>	<b>13,502,533.93</b>	<b>8.02</b>
<b>Other assets</b>	<b>1,277,487.84</b>	<b>0.76</b>
<b>Other liabilities</b>	<b>-89,771.54</b>	<b>0.05</b>
<b>Fund assets</b>	<b>168,198,877.16</b>	<b>100.00</b>

<sup>1)</sup> Minor rounding differences may arise as a result of rounding percentages in the calculation.

# Lupus alpha CLO High Quality Invest annual report

## Statement of net assets as of 30 November 2024

Name	ISIN	Market	Qty, units or currency in 1000	As of 30.11.2024	Purchases/Acquisitions	Sales/Disposals	Market price	Market value in EUR	% of fund asset <sup>1)</sup>	
during the reporting period										
<b>Securities traded on an exchange</b>										
<b>Interest-bearing securities</b>										
7.3340% ALBAC. EU VI 24/37 FLR D	XS2747765100	7)	EUR	4,000	4,000	0	%	101.004	4,040,156.00	2.40
5.5840% ALBACORE IV 24/35 FLR CR	XS2861759376	7)	EUR	5,000	5,000	0	%	100.252	5,012,590.50	2.98
5.6200% ARBOUR C.VI 24/37 FLR C-R	XS2900384483	7)	EUR	2,000	2,000	0	%	100.117	2,002,331.00	1.19
4.9230% ARMADA E.II 24/37 FLR B	XS2858066231	7)	EUR	5,000	5,000	0	%	99.825	4,991,265.00	2.97
5.4980% ARMALO I 21/34 FLR C	XS2333785850	7)	EUR	2,500	1,175	0	%	100.648	2,516,197.50	1.50
5.5840% BAIN C. 19-1 19/32 FLR C	XS2075848601	7)	EUR	1,500	0	0	%	99.565	1,493,476.58	0.89
7.5980% BAIN C.E.WH 24/38 FLR D	XS2772094467	7)	EUR	2,000	2,000	0	%	101.548	2,030,967.00	1.21
6.7360% BAR.EO 15-1 22/35 FLR D	XS2425515082	7)	EUR	1,000	0	0	%	99.531	995,310.00	0.59
6.3790% BAR.EO 18-2 18/31 D FLR	XS1857762717	7)	EUR	1,000	0	0	%	100.201	1,002,005.10	0.60
6.1290% BAR.EO 19-1 22/34 FLR C-R	XS2445168409	7)	EUR	3,375	3,375	0	%	100.136	3,379,579.37	2.01
4.9690% BAR.EO 20-1 21/34 FLR B-R	XS2401843540	7)	EUR	2,500	0	0	%	99.831	2,495,762.50	1.48
5.5790% BAR.EO 21-2 21/34 FLR C	XS2369919209	7)	EUR	3,000	1,000	0	%	99.089	2,972,671.80	1.77
9.2890% BARINGS 23-1 23/36 FLR D	XS2583347013	7)	EUR	1,700	0	0	%	101.795	1,730,517.38	1.03
4.7010% BBAM E.CLO I 21/34 FLR B1R	XS2344625558	7)	EUR	1,000	0	0	%	99.402	994,021.00	0.59
5.1690% BLACK DIAM.17-2 17/32 C	XS1713075627	7)	EUR	1,000	0	0	%	99.991	999,907.00	0.59
8.1840% BRIDGEP. V 23/36 FLR D	XS2661945100	7)	EUR	2,000	0	0	%	101.213	2,024,255.20	1.20
4.8340% BRIDGEPOINT2 21/35 FLR	XS2352782432	7)	EUR	1,000	0	0	%	99.843	998,429.00	0.59
6.7560% CAIRN XVIII 24/37 FLR D	XS2872284570	7)	EUR	3,000	3,000	0	%	100.215	3,006,438.00	1.79
4.5140% CAP FOUR IV 24/38 FLR AR	XS2856817585	7)	EUR	2,000	2,000	0	%	99.925	1,998,500.00	1.19
6.2840% CAP.FOUR III 21/34 FLR D	XS2370210291	7)	EUR	2,500	2,500	0	%	99.682	2,492,051.25	1.48
6.1120% CAR.E.C.18-2 18/31 FLR C	XS1852486403	7)	EUR	1,000	1,000	0	%	100.510	1,005,097.45	0.60
4.9050% CARL.GL.15-1 20/33 A-2A-R	XS2109446133	7)	EUR	1,000	0	0	%	99.862	998,622.00	0.59
5.5840% CARLYLE 16-2 21/34 FLR BRR	XS2305604550	7)	EUR	1,000	0	0	%	100.088	1,000,879.80	0.60
4.6860% CARLYLE G.M.14-3 18/32 BR	XS1751481752	7)	EUR	500	0	0	%	99.821	499,102.80	0.30
7.0880% CONT.CLO VII 19/32 FLR D	XS2053879354	7)	EUR	1,000	0	0	%	100.272	1,002,721.70	0.60
5.6050% CVC C.LF.XXI 21/34 C REGS	XS2370712635	7)	EUR	2,000	0	0	%	100.049	2,000,971.10	1.19
6.1840% CVCVIII 21/34 FLR REGS DR	XS2337070234	7)	EUR	1,000	0	0	%	100.124	1,001,238.85	0.60
6.7810% DRYD.96 2021 22/35 FLR C	XS2471068044	7)	EUR	2,000	2,000	0	%	100.286	2,005,712.10	1.19
3.0000% DRYDEN 32 14 18/31 C2R	XS1864912461	7)	EUR	1,000	0	0	%	93.791	937,908.95	0.56
5.9790% DRYDEN 48-16 19/32 FLR C1R	XS2044128473	7)	EUR	1,500	0	0	%	100.155	1,502,324.18	0.89
5.5730% EURO-GALAXY VI 18/31D FLR	XS1766837592	7)	EUR	1,000	0	0	%	100.067	1,000,670.00	0.59
6.0340% FIDEL.GR.H. 24/37 FLR C	XS2778277199	7)	EUR	2,000	2,000	0	%	100.498	2,009,951.90	1.19
5.7290% HARVEST XVIII 18/30 FLR D	XS1728822005	7)	EUR	1,000	0	0	%	100.175	1,001,750.05	0.60
4.9650% HAYF.EM.VIII 21/35 FLR B	XS2415432264	7)	EUR	3,000	3,000	0	%	99.364	2,980,926.00	1.77

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THIS TRANSLATION IS INTENDED FOR CONVENIENCE PURPOSES ONLY AND SOLEY THE GERMAN VERSION IS BINDING

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## Statement of net assets as of 30 November 2024

Name	ISIN	Market	Qty, units or currency in 1000	As of 30.11.2024	Purchases/Acquisitions		Sales/Disposals		Market price	Market value in EUR	% of fund asset <sup>1)</sup>
during the reporting period											
6.3230% ICG E.C.22-1 22/35 C FLR	XS2469129634	7)	EUR	1,000	1,000	0	%	100.273	1,002,725.20	0.60	
7.6230% ICG E.C.22-1 22/35 D FLR	XS2469129717	7)	EUR	1,000	0	0	%	100.727	1,007,265.35	0.60	
6.2260% CAR.E.C.24-1 24/37 FLR C	XS2837857429	7)	EUR	2,000	2,000	0	%	100.132	2,002,639.80	1.19	
5.5840% ICGEOCLO21-1 21/34 C FLR	XS2369927566	7)	EUR	4,250	2,250	0	%	100.061	4,252,588.25	2.53	
5.8860% INV.CLO VIII 24/36 FLR C	XS2831015099	7)	EUR	2,000	2,000	0	%	100.118	2,002,351.30	1.19	
6.2190% INV.EU.IX 24/38 FLR C-R	XS2898160200	7)	EUR	4,000	4,000	0	%	100.151	4,006,044.60	2.38	
9.5840% INV.EU.X 23/36 FLR D REGS	XS2631222671	7)	EUR	2,000	0	0	%	102.496	2,049,923.30	1.22	
5.9434% INVES.E.III 24/38 FLR C	XS2867987054	7)	EUR	1,500	1,500	0	%	100.044	1,500,652.50	0.89	
5.6340% JUB.CLO 13-X 21/34 FLR C	XS2332243166	7)	EUR	2,000	0	0	%	100.060	2,001,200.00	1.19	
7.1840% JUBIL.CLO 26 24/38 FLR D	XS2762951791	7)	EUR	2,000	2,000	0	%	100.580	2,011,593.20	1.20	
4.8360% JUBILEE 17-XIX 17/30 C	XS1706233555	7)	EUR	1,000	0	0	%	99.867	998,670.40	0.59	
6.6290% JUBILEE CLO 16-XVII 18/31 DR	XS1874093906	7)	EUR	3,000	0	0	%	100.100	3,003,002.70	1.79	
7.2690% MACKAY SHIL. 19/32 D	XS2010042252	7)	EUR	2,000	0	0	%	100.512	2,010,230.50	1.20	
6.0790% MAD.PK EU.F.VI 17/30 FLR	XS1655110184	7)	EUR	2,505	2,505	0	%	99.939	2,503,466.94	1.49	
5.3790% MADIS.PK IX 21/35 FLR C-R	XS2346594307	7)	EUR	1,000	0	0	%	100.092	1,000,923.30	0.60	
7.0230% MV.CR.EO III 23/38 FLR C	XS2706277063	7)	EUR	2,500	2,500	0	%	101.971	2,549,280.63	1.52	
9.4860% NASSAU EO II 23/36 FLR D	XS2556943830	7)	EUR	6,200	6,200	0	%	100.851	6,252,766.34	3.71	
5.3710% NASSAU EUR I 21/34 FLR B1	XS2400033507	7)	EUR	6,000	6,000	0	%	100.032	6,001,909.50	3.56	
6.7230% NEWHAVEN CLO 21/34FLR D-R	XS2317276983	7)	EUR	1,000	0	0	%	99.713	997,126.00	0.59	
5.0230% NW7 ESG C.D. 21/34 FLR C	XS2338111144	7)	EUR	1,000	0	0	%	99.825	998,250.50	0.59	
5.9730% NW7 ESG C.D. 21/34 FLR D	XS2338111490	7)	EUR	1,000	0	0	%	99.536	995,360.00	0.59	
5.2333 % OCP 2017-2 24/37 FLR B	XS2883294279	7)	EUR	5,000	5,000	0	%	100.110	5,005,496.50	2.98	
4.8620% PENTA C.21-2 21/34 FLR B1	XS2393698043	7)	EUR	2,000	0	0	%	100.061	2,001,218.50	1.19	
5.2520% PENTA CLO 14 24/37 FLR B	XS2876586210	7)	EUR	1,500	1,500	0	%	99.873	1,498,094.25	0.89	
5.0150% PENTA CLO 3 22/35 FLR B1R	XS2440089410	7)	EUR	1,000	0	0	%	100.060	1,000,602.05	0.59	
4.5040% PROVIDUS VII 24/38 FLR AR	XS2850612453	7)	EUR	7,000	7,000	0	%	100.176	7,012,336.45	4.16	
4.8360% PURPLE F.C.1 18/31 FLR	XS1731039993	7)	EUR	4,000	4,000	0	%	100.052	1,672,018.94	0.99	
7.3190% PURPLE FIN.2 19/32 FLR D	XS2052406084	7)	EUR	1,500	0	0	%	100.597	1,508,959.73	0.90	
5.5690% SEG.EUR 6-19 19/32FLR C-1	XS2357556450	7)	EUR	1,000	0	0	%	100.222	1,002,220.30	0.60	
7.0860% SEGOVIA 3-17 22/35 FLR D	XS2442778887	7)	EUR	1,500	0	0	%	100.469	1,507,030.88	0.90	
5.7510% ST. PAULS X 21/35 FLR CR	XS2319912049	7)	EUR	1,000	0	0	%	100.132	1,001,321.75	0.60	
6.9510% ST. PAULS X 21/35 FLR D	XS2319912395	7)	EUR	1,000	0	0	%	100.107	1,001,065.10	0.60	
5.7860% ST.PAULS CLO IV 18/30 FLR	XS1852566188	7)	EUR	1,995	1,995	0	%	99.721	1,989,440.93	1.18	
5.6080% ST. PAULS VII 21/34 FLR CRR	XS2345329440	7)	EUR	1,250	250	0	%	99.783	1,247,281.88	0.74	
6.7080% ST. PAULS VII 21/34 FLR DRR	XS2345330299	7)	EUR	1,000	0	0	%	99.815	998,151.50	0.59	
5.2200% TIKEHAU II 21/35 FLR B-1	XS2393254755	7)	EUR	1,000	0	0	%	100.033	1,000,330.95	0.59	

1) Minor rounding differences may arise as a result of rounding percentages in the calculation.



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## Statement of net assets as of 30 November 2024

Name	ISIN	Market	Qty, units or currency in 1000	As of 30.11.2024	Purchases/Acquisitions	Sales/Disposals	Market price	Market value in EUR	% of fund asset <sup>1)</sup>	
during the reporting period										
7.0790% TIKEHAU V 19/32 FLR D-1	XS2031217172	7)	EUR	1,950	1,950	0	%	100.373	1,957,278.77	1.16
5.6790% TORO EURO. 8 24/35 FLR C	XS2840119536	7)	EUR	2,000	2,000	0	%	99.825	1,996,500.00	1.19
6.7210% TRIN.EU.CLO2 24/38 FLR D	XS2865550631	7)	EUR	3,000	3,000	0	%	100.297	3,008,899.50	1.79
<b>Total interest-bearing securities</b>							<b>EUR</b>	<b>151,680,526.35</b>	<b>90.18</b>	
<b>Total securities traded on an exchange</b>							<b>EUR</b>	<b>151,680,526.35</b>	<b>90.18</b>	
<b>Unlisted securities</b>										
<b>Interest-bearing securities</b>										
6.3700% ARBOUR C.VI 24/37 FLR D-R	XS2900384640	7)	EUR	1,825	1,825	0	%	100.170	1,828,100.58	1.09
<b>Total interest-bearing securities</b>							<b>EUR</b>	<b>1,828,100.58</b>	<b>1.09</b>	
<b>Total unlisted securities</b>							<b>EUR</b>	<b>1,828,100.58</b>	<b>1.09</b>	
<b>Total securities holdings</b>							<b>EUR</b>	<b>153,508,626.93</b>	<b>91.27</b>	
<b>Cash at banks, money market instruments and money market funds</b>										
<b>Cash at banks</b>										
<b>EUR Balances with the custodian</b>										
The Bank of New York Mellon SA/NV			EUR	2,502,533.93			%	100.000	2,502,533.93	1.49
<b>Time deposits redeemable early</b>										
DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main			EUR	11,000,000.00			%	100.000	11,000,000.00	6.53
<b>Total time deposits redeemable early</b>							<b>EUR</b>	<b>11,000,000.00</b>	<b>6.53</b>	
<b>Total cash at banks</b>							<b>EUR</b>	<b>13,502,533.93</b>	<b>8.02</b>	
<b>Total cash at banks, money market instruments and money market funds</b>							<b>EUR</b>	<b>13,502,533.93</b>	<b>8.02</b>	
<b>Other assets</b>										
Interest claims			EUR	1,203,504.00					1,203,504.00	0.72
Receivables from pending transactions			EUR	73,983.84					73,983.84	0.04
<b>Total other assets</b>							<b>EUR</b>	<b>1,277,487.84</b>	<b>0.76</b>	
<b>Other liabilities</b>										
Accrued expenses			EUR	-89,771.54					-89,771.54	0.05
<b>Total other liabilities</b>							<b>EUR</b>	<b>-89,771.54</b>	<b>0.05</b>	
<b>Fund assets</b>							<b>EUR</b>	<b>168,198,877.16</b>	<b>100.00</b>	
<b>Securities holdings as a percentage of fund assets</b>									<b>91.27</b>	

<sup>7)</sup> These are bonds with a pool factor, where the market value is also affected by partial redemption or partly capitalised interest.

<sup>1)</sup> Minor rounding differences may arise as a result of rounding percentages in the calculation.

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## Statement of net assets as of 30 November 2024

Name	ISIN	Market	Qty, units or currency in 1000	As of 30.11.2024	Purchases/Acquisitions	Sales/Disposals	Market price	Market value in EUR	% of fund asset <sup>1)</sup>
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during the reporting period

**Outstanding units**

**Unit value**

**QTY**

**1,543,455.00**

**EUR**

**108.98**

### Securities prices/market rates

The investment fund assets are valued on the basis of the following list/market prices:

All assets: Prices/market rates as of 29 November 2024 or last known

<sup>1)</sup> Minor rounding differences may arise as a result of rounding percentages in the calculation.

# Lupus alpha CLO High Quality Invest annual report

Transactions completed during the reporting period, not included in the statement of net assets:

Purchases and sales of securities, investment fund units and bonded loans (market allocation as of the reporting date):

Name	ISIN	Qty, units, nominal value or currency in 1000	Purchases/ Acquisitions	Sales/ Disposals
<b>Securities traded on an exchange</b>				
<b>Interest-bearing securities</b>				
5.7550% AURILO I 19/32 CRR	XS2041077939	EUR	0	1,000
6.6720% BAR.EO 21-3 22/34 FLR D	XS2409287443	EUR	0	1,000
4.9640% BRIDGEPOINT3 21/36 FLR B	XS2395173748	EUR	0	2,000
8.3840% BUSHY PARK 23/36 FLR D	XS2585564375	EUR	1,000	1,000
5.9760% CVC CL.XXIII 22/36 FLR B1	XS2441239881	EUR	0	2,000
4.6840% F.OAKS FD.II 21/34 FLR B1R	XS2346331122	EUR	0	2,000
8.3320% FIDEL.GR.H. 22/36 FLR C	XS2511429396	EUR	0	1,300
5.1080% HA.L.AEF18-1 18/31 C	XS1840845462	EUR	0	2,000
6.2850% INVES.E.III 19/32 FLR C	XS2072092013	EUR	0	1,000
7.5350% PENTA CLO 14 23/36 FLR C	XS2580301765	EUR	0	1,500
7.7560% PROVIDUS VII 22/36 FLR C	XS2463528443	EUR	0	1,000
8.2080% TIKEHAU VII 22/35 FLR C	XS2513944079	EUR	2,000	3,000
7.4060% TORO EURO. 8 22/35 FLR C	XS2449927495	EUR	0	2,000
7.1060% TORO EURO.CLO 4 17/30 DR	XS1639911012	EUR	0	1,000
7.4350% TRIN.EU.CLO2 22/35 FLR C	XS2462960654	EUR	0	1,000
8.3150% TRIN.EU.CLO2 22/35 FLR D	XS2462960571	EUR	0	1,500

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# Lupus alpha CLO High Quality Invest annual report

## Profit and loss account (including income equalisation) for the period from 1 December 2023 to 30 November 2024

### I. Income

1. Interest on investments in liquid assets, domestic	EUR	423,933.52
2. Interest from securities of foreign issuers	EUR	9,995,098.93
3. Other income	EUR	1,583.65

### Total income

**EUR 10,420,616.10**

### II. Expenses

1. Auditing and publication charges	EUR	-24,557.30
2. Custodian fee	EUR	-79,278.42
3. Management fee	EUR	-1,000,778.77
4. Other expenses	EUR	-23,724.74

### Total expenses

**EUR -1,128,339.23**

### III. Ordinary net income

**EUR 9,292,276.87**

### IV. Disposals

1. Realised gains	EUR	739,817.27
2. Realised losses	EUR	-348,562.72

### Income from disposals

**EUR 391,254.55**

### V. Realised income for the financial year

**EUR 9,683,531.42**

1. Net change in unrealised gains	EUR	749,579.96
2. Net change in unrealised losses	EUR	2,086,130.98

### VI. Unrealised income for the financial year

**EUR 2,835,710.94**

### VII. Net income for the financial year

**EUR 12,519,242.36**

# Lupus alpha CLO High Quality Invest annual report

## Development of fund assets

		2023/2024
<b>I. Value of the investment fund at the beginning of the financial year</b>	<b>EUR</b>	<b>80,767,650.73</b>
1. Distribution for the previous year/tax allowance for the previous year	EUR	-3,302,080.56
2. Interim dividends	EUR	0.00
3. Inflow/outflow of funds (net)	EUR	81,058,291.45
a) Cash inflow from sale of units	EUR	89,202,484.25
b) Cash outflow from redemption of units	EUR	-8,144,192.80
4. Income/expense equalisation	EUR	-2,844,226.82
5. Net income for the financial year	EUR	12,519,242.36
of which unrealised gains	EUR	749,579.96
of which unrealised losses	EUR	2,086,130.98
<b>II. Value of the investment fund at the end of the financial year</b>	<b>EUR</b>	<b>168,198,877.16</b>

# Lupus alpha CLO High Quality Invest annual report

## Appropriation of net income

### Calculation of distribution (overall and per unit)

		overall	per unit
<b>I. Available for distribution</b>	<b>EUR</b>	<b>17,411,757.56</b>	<b>11.28</b>
1. Carried forward from the previous year	EUR	7,728,226.14	5.01
2. Realised income for the financial year	EUR	9,683,531.42	6.27
3. Addition from the investment fund	EUR	0.00	0.00
<b>II. Not appropriated for distribution</b>	<b>EUR</b>	<b>10,682,293.76</b>	<b>6.92</b>
1. Allocated to reinvestment	EUR	0.00	0.00
2. Amount carried forward	EUR	10,682,293.76	6.92
<b>III. Total distribution</b>	<b>EUR</b>	<b>6,729,463.80</b>	<b>4.36</b>
1. Interim distributions	EUR	0.00	0.00
2. Final dividend	EUR	6,729,463.80	4.36

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## Pursuant to § 7 (9) KARBV [Capital Investment Accounting and Valuation Regulations]

Information pursuant to the German Derivatives Regulation (Derivateverordnung)

underlying exposure through derivatives 0.00 EUR

counterparty to derivatives transactions

none

Total amount of securities pledged by third parties under derivatives transactions: 0.00 EUR

Securities holdings as a percentage of fund assets 91.27 %

Derivatives holdings as a percentage of fund assets 0.00 %

The use of the market risk limit for this investment fund was determined using the qualified approach in accordance with the Derivatives Regulation.

Information according to the qualified approach:

Potential risk exposure for market risk

lowest potential risk exposure 0.799 %

highest potential risk exposure 1.455 %

average potential risk exposure 1.108 %

Risk model used pursuant to § 10 of the Derivatives Regulations

Monte Carlo simulation

Parameters used pursuant to § 11 of the Derivatives Regulations

Confidence level = 99%, holding period 10 days

Effective historical observation period 12 months = 250 days

Average amount of leverage achieved during the financial year through derivative transactions 0.00

Composition of benchmark assets

Composition of the benchmark assets (§ 37 (5) of the Derivatives Regulations):

iBoxx Euro Corporates Non-Financial Performance Index 10+ Years (QW5Y Index)

Other information

Outstanding units 1,543,455.000 QTY

Unit value 108.98 EUR

## Information on the asset valuation method

### Additional information pursuant to § 16 (1) (2) of the KARBV - Information about the valuation method

Valuation is done by the management company. The management company generally relies on external sources for this purpose.

If no trading prices are available, valuation models are used to determine prices (i.e., derived fair values) that are agreed between the custodian and the management company and are based as much as possible on market parameters. This procedure is subject to a permanent control process. Price information from third parties is checked for plausibility by other price sources, model invoices or by other appropriate procedures.

In the case of assets that are admitted to trading on a stock exchange or another organised market or are included in such a market, in accordance with § 27 KARBV the last available trading price is used to ensure the reliability of the valuation. For assets that are neither admitted for trading on a stock exchange nor on another organised market nor included in such a market or for which no tradeable price is available, market values are used as a basis, pursuant to § 28 KARBV, in conjunction with Section 168 (3) KAGB, which result from a careful assessment using suitable valuation models, taking into account current market conditions are used as a basis. Underlying fair value may also be determined and communicated by an issuer, counterparty or other third party. If so, such a value is checked for plausibility by the management company or custodian, and this plausibility check is documented. Units in domestic investment funds, EU investment units and foreign investment units are valued at their last determined redemption price or at a current price pursuant to § 27 (1) KARBV. If current values are not available, the value of the shares is determined in accordance with § 28 KARBV; this is indicated in the annual report. Bank deposits are valued at their nominal value plus accrued interest. Fixed-term deposits are valued at market values. Liabilities are recognised at their repayment amount.

The investments shown in this report are valued at tradeable stock exchange or market prices for 91.27% of the fund assets and at derived market values for 0.00% of the fund assets. The remaining 8.73% of the fund assets consist of other assets, other liabilities and cash.

### Information on transparency and the total expense ratio

The total expense ratio expresses all costs and payments (excluding transaction costs) borne by the fund over the course of the year in relation to the fund's average net asset value; it is expressed as a percentage. TER

0.69

**The management company does not receive any rebates on fees and expense reimbursements paid from the fund to the custodian or any third parties.**

**The management company does not grant any so-called follow-up commissions to brokers to a significant extent from the remuneration paid to them by the fund.**

### Significant other income and other expenditure

#### Other income

no significant other income and other expenditure

#### Other expenses

no significant other income and other expenditure

EUR 0.00

**Transaction charges (total of incidental acquisition charges plus selling charges)**

**321.12**

**EUR**



Other information required for understanding the report  
Explanation of net change in unrealised gains and losses:

The net change in unrealised gains and losses is determined by, in each financial year, comparing the asset valuations that underlie a unit price with their historical acquisition costs - positive differences adding to total unrealised gains and negative differences adding to total unrealised losses - so that by comparing position totals at the end of the financial year with position totals at the beginning of the financial year the net change is obtained.

## **Information on staff remuneration**

### **Lupus alpha Group remuneration policy**

#### **Management company's remuneration system**

Lupus alpha Investment GmbH is a subsidiary of Lupus alpha Asset Management AG. Lupus alpha (which means "alpha wolf") is an owner-operated, independent asset management group that offers specialist investment products to institutional and private investors. We focus on a few, attractive asset classes that require special expertise and in which we can achieve sustainable added value for our customers. We focus on European small caps and on offering alternative solutions. As a special provider, we routinely offer institutional investors access to new sources of alpha through specialised, innovative strategies and to ways of broadening and deepening the overall diversification of their portfolios.

Lupus alpha's partnership-based corporate structure creates the conditions for the highest possible level of staff continuity at management level. By acting as a specialist provider and by focusing its own investments on liquid investments, we ensure control over the usual risks of a medium-sized asset manager.

Performance-related and entrepreneurial-oriented remuneration for employees is a central component in the design of Lupus alpha's compensation packages. Through comprehensive compensation packages, management intends to support medium- to long-term corporate goals set within the strategy-finding process. All requirements are met from the Ordinance on Supervisory Requirements for Institutional Compensation (InstitutsVergV), Articles 13 and 22 of Directive 2011/61/EU of the European Parliament and Council of 8 June 2011 on Alternative Investment Fund Managers (AIFM Directive), the guidelines for sound compensation policies based on the AIFMD (the German translation of the ESMA guidelines) and Annex II of the remuneration policy of the AIFM directive.

#### **Results of the annual review of the remuneration policy**

Lupus alpha regularly reviews the appropriateness of the remuneration concept with the involvement of compliance and makes adjustments if necessary.

The remuneration policy and its application are also subject to review by the internal audit department and monitoring by the Supervisory Board. There were no complaints.

#### **Significant changes to the established remuneration policy**

There were no significant changes to the remuneration system in the reporting period.

#### **Total amount of employee compensation paid to the management company in 2023: EUR 5.9 million,**

of which fixed pay (%) 62.25%

of which variable pay (%) 37.75%

Remuneration paid directly out of the fund in EUR million 0.00

Total employees incl. management 96

Total remuneration paid by the management company to risk takers in the financial year just ended: EUR 1.29 million,

of which indirectly via cost allocation by the parent company to senior management: EUR 1.29 million

# Lupus alpha CLO High Quality Invest annual report

## Comparative table covering the last three financial years

Fiscal year		Fund assets at the end of the financial year	Unit value
2024	EUR	168,198,877.16	108.98
2023	EUR	80,767,650.73	103.38
2022	EUR	73,416,886.37	95.10

Frankfurt, 26 February 2025

Lupus alpha Investment GmbH

Michael Frick

Managing  
Director

Dr. Götz Albert

Managing  
Director

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## Report of the independent auditor

To Lupus alpha Investment GmbH, Frankfurt am Main

### Audit opinion

We have audited the annual report of the Lupus alpha CLO High Quality Invest fund, consisting of the activity report for the financial year from 1 December 2023 to 30 November 2024, the statement of assets and the statement of net assets as of 30 November 2024, the profit and loss account, the statement of appropriation of income, the statement of changes in fund assets for the financial year from 1 December 2023 to 30 November 2024, as well as the comparative three-year overview, the statement of transactions completed during the reporting period not included in the statement of net assets, and the notes.

We did not take the items of the annual report mentioned in the "Other Information" section of our audit report into account when forming our audit opinion, in accordance with German legal regulations.

In our opinion, based on our audit, the accompanying annual report complies, in all material respects, with the provisions of the German Investment Code (Kapitalanlagegesetzbuch – KAGB) and presents a comprehensive and true picture of the position and developments of the investment fund in compliance with these provisions. Our audit opinion on the annual report does not include the content of the parts of the annual report specified in the "Other Information" section.

### Basis for the audit opinion

We conducted our audit of the annual report in accordance with § 102 KAGB, considering German generally accepted auditing standards determined by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibility under these provisions and standards is described in more detail in the section "Responsibility of the auditor for the audit of the annual report" of our report. We are independent of Lupus alpha Investment GmbH in accordance with German commercial law and the professional rules and regulations, and have fulfilled our other German professional duties in accordance with these requirements. We believe that the audit evidence we have obtained is suitable and sufficient to serve as a basis for our audit opinion of the annual report.

### Other information

The legal representatives are responsible for the other information. The other information includes the following components of the annual report:

- the information in the annual report that is indicated as not being included in the audit opinion.

Our audit opinion on the annual report does not include the other information, and we are not providing an audit opinion nor any other form of audit assurance in this audit report on such information.

In connection with our audit, we have responsibility for reading the other information specified above and evaluating whether the other information

- contains material inconsistencies with the components of the annual report covered by the audit opinion or the knowledge obtained during the course of the audit or
- otherwise appears to be incorrectly presented.

## Responsibility of the legal representatives for the annual report

The legal representatives of Lupus alpha Investment GmbH are responsible for preparing the annual report, which is compliant in all regards with the provisions of the KAGB, as well as for ensuring that the annual report presents a comprehensive and true picture of the position and developments of the investment fund, in compliance with these provisions.

Furthermore, the legal representatives are responsible for the internal controls they have deemed necessary under these provisions in order to ensure that the annual report is free of material misstatement, whether due to fraud or error (i.e. fraudulent financial reporting and misappropriation).

In preparing the annual report, the legal representatives are responsible for including in the report such events, decisions and factors that may materially affect the future growth of the investment fund. This means that in preparing the annual report, the legal representatives must assess Lupus alpha Investment GmbH's operation of the investment fund as a going concern and are responsible for disclosing facts concerning the continuation of the investment fund, if applicable.

## Responsibility of the auditor for the audit of the annual report

Our aim is to obtain reasonable assurance that the annual report as a whole is free of material misstatement, whether due to fraud or error, and to issue a report containing our audit opinion on the annual report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted pursuant to § 102 KAGB, in accordance with German Generally Accepted Standards for Financial Statement Audits issue by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements may be due to fraud or error and are considered material when it may reasonably be expected that these, individually or as a whole, could influence economic decisions of users made on the basis of this annual report.

During the audit, we exercise professional judgement and adopt a critical stance. Furthermore:

- We identify and assess the risk of material misstatements in the annual report due to fraud or error, plan and carry out audit procedures in response to these risks, and obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion. The risk that material misstatements due to fraud will not be detected is higher than the risk that material misstatements due to error will not be detected, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or bypassing of internal controls.
- We obtain an understanding of internal controls 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 controls.
- We assess the appropriateness of the account methods used by the legal representatives of Lupus alpha Investment GmbH in preparing the annual report and the justifiability of the estimated values presented by the legal representatives and related information.
- On the basis of the audit evidence obtained, we reach a conclusion as to whether a material uncertainty exists in connection with events or circumstances that could raise serious doubt about Lupus alpha Investment GmbH's operation of the investment fund as a going concern. If we conclude that a material uncertainty exists, we are obliged to draw attention in our report to the relevant information in the annual report or, if such information is inadequate, to amend our audit opinion. We draw our conclusion on the basis of the audit evidence obtained up until the date of our report. However, future events or circumstances may result in Lupus alpha Investment GmbH's discontinuation of the investment fund.
- We assess the overall presentation, structure and content of the annual report, including figures and whether the annual report presents the underlying transactions and events in such a way that the annual report, in compliance with KAGB, presents a picture of the fund's actual circumstances and performances.

Among other things, we consult with those responsible for monitoring the planned scope and timing of the audit and significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

Frankfurt am Main, 10 March 2025

KPMG AG  
Wirtschaftsprüfungsgesellschaft

Kuppler  
Wirtschaftsprüfer

Neuf  
Wirtschaftsprüfer

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## **Lupus alpha CLO High Quality Invest annual report**

### **Other information - not included in the audit opinion on the annual report**

Information pursuant to Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector

The most important principal adverse impacts (PAIs) on sustainability factors are taken into account in the investment process at the company level. As there is no binding requirement to consider PAIs on the fund level, this has not been done.

This fund has not been classified as a product that promotes environmental or social characteristics as defined by the Disclosure Regulation (Article 8), nor as a product with the objective of sustainable investment (Article 9). The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Disclosures pursuant to Regulation (EU) 2015/2365 on transparency of securities financing transactions (SFTR) and of reuse and amending Regulation (EU) No 648/2012 - Disclosure according to § A.

In the reporting period, there were no securities financing transactions pursuant to the above-mentioned legal provision.

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## Information about the management company, custodian and auditor

### Lupus alpha Investment GmbH

Speicherstraße 49-51

D-60327 Frankfurt am Main, Germany

Telephone: 0049 69 365058-70 00

Fax: 0049 69 365058-80 00

### Supervisory Board

Chairman

Dr Oleg De Lousanoff, Lawyer and notary

Vice-chairman

Dietrich Twietmeyer,

Dipl.Agr.Ing.

Dr Helmut Wölfel, Legal counsel

Mandates of the Executive Board

Michael Frick

Management Board of Directors of Lupus alpha Asset Management

AG, Frankfurt am Main, Germany

Ralf Lochmüller

Spokesman of the Board of Directors of Lupus alpha Asset Management AG, Frankfurt am Main

Shareholder of Lupus alpha Holding GmbH, Frankfurt am Main, Germany

Dr. Götz Albert

Management Board of Directors of Lupus alpha Asset Management AG, Frankfurt am Main, Germany

### Equity capital as of 30 November 2023

subscribed and paid in: EUR 2.560 million

### Shareholder

Lupus alpha Asset Management AG (100 per cent)

### Executive Board

Ralf Lochmüller

Michael Frick

Dr. Götz Albert

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## Information about the management company, custodian and auditor (Part II)

### Custodian

**The Bank of New York Mellon SA/NV Asset Servicing,**  
Frankfurt am Main branch  
Friedrich-Ebert-Anlage 49  
60327 Frankfurt am Main

Liable equity capital as of 30 November 2023  
EUR 3.929 bn

### Auditor of the fund and the management company

KPMG AG Wirtschaftsprüfungsgesellschaft  
THE SQUAIRE  
Am Flughafen  
D-60549 Frankfurt am Main, Germany

The above information is updated in the annual and semi-annual reports.

### Other investment funds managed by the management company:

As of 29 November 2024, 9 mutual funds and 9 funds were managed by the management company.

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