



Annual Report, including Audited Financial Statements
as at 31/12/20

RCS Luxembourg K1123

SYSTEMATICA Mutual Fund

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No subscription can be received on the basis of these audited financial statements. Subscriptions may only be accepted on the basis of the current prospectus accompanied by an application form, the latest available audited financial statements or unaudited semi-annual report of the Fund if published thereafter. The Figures stated in the report are historical and not necessarily indicative of future performance.

SYSTEMATICA Mutual Fund

Organisation and Administration

<u>MANAGEMENT COMPANY</u>	Ersel Gestion Internationale S.A. 17, Rue Jean l'Aveugle L - 1148 Luxembourg, Grand Duchy of Luxembourg
<u>ADMINISTRATIVE AGENT</u>	CACEIS Bank, Luxembourg Branch 5, Allée Scheffer L - 2520 Luxembourg, Grand Duchy of Luxembourg
<u>CUSTODIAN AGENT</u>	CACEIS Bank, Luxembourg Branch 5, Allée Scheffer L - 2520 Luxembourg, Grand Duchy of Luxembourg
<u>INDEPENDENT AUDITOR</u>	Ernst & Young S.A. 35E, Avenue John F. Kennedy L - 1855 Luxembourg, Grand Duchy of Luxembourg
<u>DELEGATED INVESTMENT MANAGER</u>	4Timing SIM SPA 44, Corso Vittorio Emanuele II I - 10123 Torino, Italy
<u>LEGAL ADVISOR</u>	Bonn Steichen & Partners (until 18 September 2020) 2, Rue Peternelchen L - 2370 Howald, Grand Duchy of Luxembourg NautaDutilh Avocats Luxembourg S.à.r.l. (since 18 September 2020) 2, Rue Jean Bertholet, L - 1233 Luxembourg, Grand Duchy of Luxembourg

Board of Directors of the Management Company

<u>CHAIRMAN</u>	Mr. Umberto Girardo, Chief Administration and Finance Officer, Ersel Sim S.p.A. & General Manager of Ersel Investimenti S.p.A. Piazza Solferina, 11 I - 10121 Torino Italy
<u>DIRECTORS</u>	Mr. Antoine Gilson de Rouvieux, Independent Director 17, Rue Jean l'Aveugle L - 1148 Luxembourg, Grand Duchy of Luxembourg Mr. Max Meyer, Independent Director 17, Rue Jean l'Aveugle L - 1148 Luxembourg, Grand Duchy of Luxembourg Mr. Alberto Pettiti, Director Ersel Sim S.p.A. Piazza Solferino, 11 I - 10121 Torino Italy

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Board of Directors of the Management Company (cont'd)

DIRECTORS (continued)

Mr. Edoardo Tubia,
Independent Director
17, Rue Jean l'Aveugle
L - 1148 Luxembourg, Grand Duchy of Luxembourg

Mr. Henri Ninove,
Director and Conducting Officer,
Ersel Gestion Internationale S.A.
17, Rue Jean l'Aveugle
L - 1148 Luxembourg, Grand Duchy of Luxembourg

Mr. Andrea Nascè,
Manager
Ersel Sim S.p.A.
Piazza Solferino, 11
I - 10121 Torino Italy

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Directors' Report of the Management Company

GLOBAL OVERVIEW

The global economy experienced a sudden and violent slowdown in 2020, triggered by the worldwide covid-19 pandemic. Following a +2.9% growth in 2019 of global GDP, 2020 ended with a contraction of more than 4%.

The first 2 quarters were those worst affected (with declines of almost 10% in key production and consumption indicators) as a result of widespread closures of major manufacturing and commercial activities.

Service industries (involving face-to-face contacts) suffered particularly, while manufacturing activities fared better.

There were swift reactions from central banks (which cut rates and expanded purchases of securities) and governments (with substantial fiscal stimulus plans) all over the world.

As a result of the financial support of central banks and public authorities and the gradual reopening of industries and services, the second half of the year featured a rapid upturn in business activity, although much remains to be done to return to "pre-covid" levels.

In the space of just a few months, several pharmaceutical companies developed and began testing various vaccines, with distribution of the first doses from December. This news had a favourable impact on the mood of the markets.

United States

USA was strongly impacted by the covid-19 pandemic in 2020 and by the consequences of widespread lockdowns on production, consumption and growth.

In the first quarter, the US economy saw GDP as almost stable on a year-on-year basis, while the second quarter was that hit hardest, with a contraction of more than 9% (due to the businesses and shops closures that began between March and April).

Closures of factories, shops, supermarkets and offices resulted in many workers losing their jobs, and more than 25 million people applied for unemployment benefits. The unemployment rate rose to 14% (a figure that was never reached even in 2008 or 1982) and this had a strong impact on consumption, which fell by more than 15%.

The government and the Fed responded quickly and to such an extent as to offset the negative impact of the pandemic on the economy. Fiscal stimulus involving existing and new measures exceeded 15% of the GDP and included income support for citizens, increased unemployment benefits and loans to small and medium-sized enterprises.

The Fed's monetary response was also swift. On one hand, it reduced its reference rates from 1.75% to 0.25%, and, on the other, in order to ensure that liquidity flows, it started buying commercial paper and then launched an asset purchase operation (government bonds, corporate bonds and ETFs, both investment and sub investment grade). A 2 billion USD lending program was also launched to purchase loans to small and medium-sized companies.

With these incentives and the gradual reopening of businesses (along with hopes of quickly finding vaccines), the second half of the year saw a recovery in consumption and industrial production (which nevertheless remained far from the levels of late 2019). The unemployment rate also gradually fell, from 14% to 6.7% (a level still higher than the minimum levels observed in the past).

At political level, the presidential election was won by Mr. Biden, with a Democratic majority likely in both houses of parliament.

Europe

The European economy was strongly impacted as well by the covid-19 pandemic in the first 2 quarters of 2020.

The first quarter saw a 3.1% drop in GDP (due mainly to lower exports to Asia, the first area of the world to be affected by the pandemic), while the second quarter saw a 15% contraction compared to last year. In addition to the drop in exports mentioned above, both domestic consumption (due to the forced closure of businesses, shops, bars and restaurants) and corporates investment were severely impacted, with companies focusing more on preserving liquidity in the face of considerable uncertainty.

Inevitably, the unemployment rate rose from 7.3% to 8.6%, while the sharp drop in consumer spending (accompanied by an increase in the rate of savings) had an impact on inflation, which plummeted from 1% to -0.3%.

SYSTEMATICA Mutual Fund

Directors' Report of the Management Company (cont'd)

As regards tax policies in Europe, the various national governments issued incentives worth an average 5 to 10% of GDP, a measure comparable to the shock that their economies could suffer. In addition to this, a European financial plan has been agreed for the countries most in need, envisaging:

- a 100 billion programme (SURE) of support for unemployment;
- the European Stability Mechanism (ESM) loans of up to EUR 240 billion with minimum conditions, dedicated to investments in healthcare;
- EIB guarantees for enterprises;
- the creation of a 750 billion "recovery fund" financed by bonds issued at EU level

On a monetary level, the ECB maintained key rates (already at 0%) and decided:

- the creation of a new LTRO programme (liquidity support scheme for banks) with a greater focus on small and medium-sized enterprises;
- the introduction of a new programme known as PEPP (Pandemic Emergency Purchase Programme) worth EUR 750 billion (subsequently increased to EUR 1,350 billion) to purchase government and corporate bonds.

As a result of these incentives and of the gradual reopening of businesses (along with hopes of quickly finding a vaccine), the second half of the year saw a recovery in consumption and industrial production (which nevertheless remains far from the levels of late 2019).

At political level, a last-minute agreement was reached between the EU and the UK regarding Brexit.

Emerging countries, China, Asia

2020 was a particularly negative year not only for developed countries, but also for emerging countries, which, considered as a whole, recorded a negative GDP of almost -1% (-0.8%, source: Bloomberg). The result could have been even worse if China had not limited the damage and posted a 2.3% increase over the period, proving that it was one of the countries best able to withstand the impact of the global pandemic. Latin America was hit very hard, posting -6.6%, while Asia (ex Japan) in general was the area that reacted best with +0.8%.

The improving trend in the area's unemployment rates has clearly come to a halt, while the deflationary trend in the area as a whole continues, partly due to central banks being more accommodating than the depreciation of local currencies might imply, in order to avoid a further undesirable tightening of domestic financial conditions.

BOND MARKETS

The spread of the Coronavirus covid-19 triggered a series of reactions from governments, the market and central banks. The pandemic led numerous countries to impose lockdowns to protect the health of their populations. Although the reaction of the central banks was swift, and followed by fiscal support from governments, the market was unable to ignore the risks of a situation similar to the Spanish flu. In this context, US rates fell from 1.8% to 0.6%, as a result of an aggressive monetary - and fiscal - policy. The rise in US rates came only after the increase in expectations on inflation following the vaccination campaigns.

In Europe, the apparent reluctance of the ECB, led by Ms. Lagarde, to resort to easing led initially to higher rates and spreads, with the latter suffering a particular impact. The situation improved following the introduction of the new pandemic-related purchase programme. The German ten-year rate fell from -0.25% to -0.60%. The spreads of the other European countries showed marked volatility: Italy reached peaks of 280 basis points before returning to 2019 levels of around 150 bp in the summer. In the second half of the year, the ECB's persistence brought the Italian spread close to 100 basis points, in the absence of the typical political instability to which the market had become accustomed. The ECB's support of the Franco-German proposal for a Recovery Fund to deal with the emergency through an EU funding instrument was crucial.

In consideration of well-founded fears of default, corporate bond spreads reacted with sudden and generalised increases: investment grade euro-denominated bonds saw spreads rise from 90 to as much as 250bp, levels last seen at the time of Europe's sovereign debt crisis. High-yield spreads suffered the same fate, rising from 300 to almost 800 bp, reflecting the marked sensitivity of the most indebted companies to a shock of this kind. Similar movements characterised US corporate bond spreads, both in terms of the extent of the movement and the levels reached. The situation has improved considerably since the end of June and spreads have recovered from the levels reached in February and March: the investment-grade bond spread is currently at around 90 bp, with the spread for high-yield bonds at just over 350 bp, due to the favourable factors described above that had an influence on markets in the second half of the year. Differences in spreads between the US and the Eurozone are almost non-existent.

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Directors' Report of the Management Company (cont'd)

EQUITY MARKETS

World equity markets got off to a strong start in 2020. Subsequently, in the last few days of February and in March, the spread of the covid-19 pandemic caused a progressive closure of production activities in almost every country, with a consequent abrupt deceleration of the economy and a very heavy correction of all the stock markets, with a particular impact on the cyclical sectors, oil and finance.

As the contagion spread, the markets plummeted to minimum levels at the beginning of April and then began a gradual recovery following intervention by the central banks and individual governments, which guaranteed liquidity and unprecedented aid to businesses and consumers.

Defensive sectors, such as utilities and pharmaceuticals, recovered quickly, followed by technology stocks, which suffered less as a result of the economic slowdown. By contrast, oil and the sectors most exposed to travel and consumption continued to struggle.

Overall, the highest-performing sectors of the market were utilities and pharmaceuticals, while the worst were financials and oil, penalised by the sharp drop in oil prices. In addition to these sectoral movements, mid and small caps underperformed, to a limited extent, the largest stocks in the first half of the year.

Things began to look up towards the end of the second half of the year, with the start of the Covid vaccination procedure, Biden's election to the US presidency and, finally, the last-minute agreement on Brexit, which removed an uncertainty factor that had been weighing on the markets.

In this second phase, the markets recovered almost all of their early-year decline, led by cyclicals, oil and banking. This recovery continued until the end of the year, despite the arrival of a violent second wave of the epidemic, which led to new lockdowns in major European countries. Investors focused on expectations of a return to normality, perhaps slower than expected, but nevertheless visible.

Looking ahead, it will be important to see what impact this second wave of the pandemic has on the economy and the real speed at which things return to normal, thanks to the start of vaccinations in Italy and worldwide. For this reason, we continue to focus on stocks with solid fundamentals, which are better able to overcome current uncertainties.

ITALIAN STOCK MARKET

The Italian stock market followed the same trends, just described, as the other stock markets: a strong start in 2020 led by utilities, technology and banking, due to better-than-expected corporate results and Intesa's bid for UBI, which was completed in the second half of the year. Then an abrupt deceleration of the economy and a very heavy correction in the last few days of February and in the following weeks, due to the spread of the covid-19 in Italy and the rest of Europe and to the progressive closure of production activities in almost every country with minimum levels at the beginning of April.

Along with other stock markets there was a gradual recovery in Italy, following interventions by the central banks, individual governments and the establishment of the European Recovery Fund which boosted the Italian stock market.

At Italian level also, an important fact to be noted is the continuation of the consolidation process in the banking industry following Intesa's bid for UBI, Credit Agricole's bid for Credito Valtellinese and various ongoing discussions on further aggregations that could have a particular effect on the sector of the former saving and popular banks.

OUTLOOK 2021

The central scenario for financial markets in 2021 is still based on the assumption of macroeconomic positive world growth and cyclical recovery, but below potential due to both the absorption of the effects of the pandemic and the trade war between the United States and China, which are believed to have lasting effects on the globalisation process. The effects of the covid-19 pandemic in China, while significant, are as temporary as they are hard to quantify in terms of potential growth. Core inflation is seen to be on the rise, but at moderate levels in the short to medium term. Monetary policies continue to be extremely expansive. The pro-cyclical fiscal policies already used extensively in the United States, Japan and China are also applied in other geographical areas such as Europe. The geopolitical picture is expected to continue to be unstable but it may be easing as a result of the policy adopted by the United States towards its trading partners. These dynamics also differ from one geographical area to another, as indicated below:

- after the covid-19 recession, the United States is expected to continue on a growth path that will have to deal with increasingly evident imbalances in both the government budget and the current account deficit.

SYSTEMATICA Mutual Fund

Directors' Report of the Management Company (cont'd)

- As far as Europe is concerned, the problems are linked to its economic structure, focused on exporting products that do not always reflect the state of the art, exacerbated by decidedly incomplete governance.
- Japan has embarked on a strongly expansive monetary and fiscal policy but it is believed that, only if these policies are accompanied by credible structural reforms and favourable international dynamics, will the country be able to break out of its long-standing spiral of low growth and deflation.
- In the so-called emerging countries, the reference framework is highly differentiated and with uncertainties. Examples include: China, which is still engaged in a complex process of rebalancing its growth towards internal consumption, launching reforms to open up its market to foreign partners and further strengthening its know-how in a phase of reduced international cooperation; Mexico, due to its close ties with the USA; Brazil and many other countries in South America, which are struggling to emerge from the crisis triggered by the decline in raw materials and unstable fiscal policies.
- Turkey is weighed down by the numerous question marks hanging over its political situation, as well as financial imbalances that make it extremely fragile. Among all the major so-called emerging countries, perhaps India, with all its well-known weaknesses, is the one showing positive dynamics in terms of reforms in a context of substantial political stability.

In consideration of the above, and given the excessively low interest rates that prevail, it is believed that equity investment should be maintained at a level consistent with its risk profile.

Among bond investments, corporate issues present rates and spreads that are generally low, particularly in the Investment Grade segment, and probably insufficient to offset the associated risk. Consequently, it is believed that the approach should be flexible and extremely selective.

The preference among the assets of the so-called emerging countries is also for the equity component over bonds.

In an environment like that described, it is believed that alternative and/or flexible and dynamic investment approaches should be applied to in asset allocation.

COMMENTS ON THE SUB-FUNDS

Systematica Global Trend

The performance of Systematica Global Trend has been - 3% last year.

Asset allocation of Systematica Global Trend was largely dictated during the year 2020 by the crisis due to the Covid-19 pandemic and its economical and political consequences.

After the increase of the markets in 2019, the fund started the year with 57.4% invested in equity, 38.9% in bonds and only 3.7% in liquidity.

The month of February was affected by the spread of the Covid-19 pandemic and, consequently, due to the rapid decline of the markets, the quantitative model used for the management of this sub-fund indicated to reduce exposure on the equity component. As of the 2.3.2020, equity was only 7.02% of the total portfolio while the share of Emerging a Countries and High Yield bonds was 21.67%. The rest, 71.31%, was in liquid assets.

However, the strong and sudden fall of equity markets during the liquidation of the equity portion of the portfolio resulted in a decrease of the NAV of -4.6%. The allocation reached at that point did not expose the sub-fund to further deep declines.

Beginning in June, with the reduction in volatility and the stabilization of the markets, as a result of the public economic support policies and the announcement for vaccines, the sub-fund increased the proportion invested in equities to 32.9% and in bonds to 36.2% as of the end of August.

2020 closed with an allocation of 32.5% in equity, 36.5% in bonds and 31% in liquidity with a negative performance of 3%.

SYSTEMATICA Mutual Fund

Directors' Report of the Management Company (cont'd)

IMPACT OF COVID-19 PANDEMIC

The Covid-19 pandemic had only moderate effects on Systematica, its investment fund manager, and Ersel Gestion Internationale S.A. ("EGI") and on Systematica self. Those effects are described below.

EGI Board

EGI Board continued to meet regularly although mostly by video conference. In the peak of the crisis the Board was constantly updated on the evolution of the crisis and exercised an intense supervision on EGI operations and on EGI funds.

EGI work organization

In terms of work organization, EGI asked its staff to stay home on tele working as soon as the Luxembourg authorities recommended to do so. Even in the periods of de-confinement, a turnover of presence in the office was organized in order to have at any time approximately 50% of EGI staff at home. This work organization is still in place and will continue until Luxembourg authorities authorize full resumption of office work.

Systematica Global Trend performance

As explained above, Systematica Global Trend performance was negatively affected by the market crisis due to the Covid-19 pandemic during the first half of the year and closed the year with a negative performance.

Systematica Global Trend liquidity

EGI Risk Management Function, under the straight supervision of the Board, paid a special attention to monitoring the liquidity of Systematica Global Trend during the peak of the Covid-19 crisis. Stress tests and other types of measures were performed to assess the liquidity risk. It emerged, though, that the liquidity of Systematica Global Trend liquidity was not materially impacted by the Covid-19 crisis for 2 reasons: assets in which Systematica Global Trend generally invests have a sufficient level of liquidity to cope even with severe crises as the Covid-19 crisis. Also, there were no massive redemptions in 2020. Quite to the contrary, the sub-fund benefited of a net inflow during the year 2020 of 5.2 million EUR.

Assets under Management ("AUM")

Assets under Management of Systematica Global Trend were not affected by the Covid-19 crisis : AUM were 32 million EUR on the 1.1.2020 and 36.5 million EUR on the 31.12.2020, evidencing an increase of 4.5 million EUR. Actually net inflow during the year 2020 was 5.2 million EUR but AUM were negatively affected by the negative performance of the sub-fund during 2020.

Commercial function

The impossibility to meet physically potential investors had a moderate impact on the distribution of the fund.

Service providers

One of the first urgent measures taken by EGI at the inception of the Covid-19 crisis was to perform due diligences on service providers, including delegate investment managers, in order to verify that they could assure operations continuity during the crisis. All had adequate continuity plans and therefore day to day operations were not impacted by the Covid-19 crisis.

MAIN FACTS ABOUT SYSTEMATICA IN 2020

Barring the Covid-19 crisis which has been described above, there has been no other substantial fact in Systematica in 2020.

SYSTEMATICA Mutual Fund

Directors' Report of the Management Company (cont'd)

SUBSEQUENT EVENTS

There has been no specific event affecting Systematica since the 1.1.2021.

However, it is noteworthy mentioning that Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR") has become effective on the 10th March 2021. It requires investment fund managers of UCITS and AIFs to comply with harmonised rules on transparency with regard to sustainability risks and the consideration of adverse sustainability impacts and the provision of sustainability-related information.

The SFDR requires, inter alia, that investment fund managers 1) make certain disclosures in their fund prospectuses and on their website, 2) have an ESG policy and 3) amend their Remuneration Policies by the 10th March 2021 in order to take into account Environmental, Social and Governance ("ESG") criteria.

Systematica Global Trend prospectus was therefore updated in order to disclose that the sub-fund takes into account sustainability risks and ESG criteria in accordance with Art. 6 of the SFDR.

The investment fund manager has proceeded with the adoption of an ESG policy, the modification of its Remuneration Policy and the disclosures on its website as required by the SFDR.

Independent auditor's report

To the Unitholders of SYSTEMATICA
c/o Ersel Gestion Internationale S.A.
17, Rue Jean l'Aveugle
L - 1148 Luxembourg

Opinion

We have audited the financial statements of SYSTEMATICA (the "Fund"), which comprise the statement of net assets and the securities portfolio as at 31 December 2020, and the statement of operations and changes in net assets for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2020, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

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

Other information

The Board of Directors of the Management Company of the Fund (the "Board of Directors") is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

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

Independent auditor's report (continued)

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

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these 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 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 is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law 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 skepticism throughout the audit. We also:

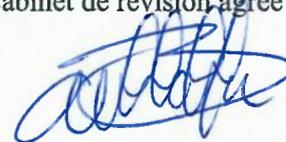
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor's report (continued)

- 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.
- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Madjid Boukhelifa

Luxembourg, 29 April 2021

SYSTEMATICA
- GLOBAL TREND

SYSTEMATICA - GLOBAL TREND
Financial Statements as at 31/12/20

Statement of net assets as at 31/12/20

Expressed in EUR

Assets		37,159,745.93
Securities portfolio at market value		29,600,841.89
<i>Cost price</i>		27,985,048.85
<i>Unrealised profit on the securities portfolio</i>		1,615,793.04
Cash at bank		7,407,979.56
Receivable on sales of securities		75,497.42
Dividends receivable		3,781.44
Unrealised net appreciation on financial futures	Note 2.4	71,645.62
Liabilities		639,970.14
Payable on purchases of securities		410,139.38
Taxe d'abonnement payable	Note 4	2,003.38
Accrued performance fees	Note 5	79,054.91
Accrued management fees	Note 5	134,049.09
Accrued professional fees		10,371.17
Other liabilities		4,352.21
Net asset value		36,519,775.79

Changes in number of units outstanding from 01/01/20 to 31/12/20

	Units outstanding as at 01/01/20	Units issued	Units redeemed	Units outstanding as at 31/12/20
Class A	298,329.819	70,067.610	18,137.719	350,259.710

Key figures

	<i>Year ending as at:</i>	31/12/20	31/12/19	31/12/18
Net Assets	EUR	36,519,775.79	32,058,745.71	32,707,547.06
Class A				
Number of units		350,259.710	298,329.819	315,253.188
Net asset value per unit	EUR	104.26	107.46	103.75

SYSTEMATICA - GLOBAL TREND

Securities portfolio as at 31/12/20

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market			4,197,098.27	11.49
Shares			4,195,436.41	11.49
<i>Germany</i>				
294	ADIDAS AG NAMEN AKT	EUR	552,005.37	1.51
1,587	HENKEL AG & CO KGAA	EUR	87,582.60	0.24
2,415	RWE AG	EUR	146,480.10	0.40
1,014	SAP AG	EUR	83,486.55	0.23
2,104	VONOVIA SE	EUR	108,721.08	0.30
<i>Spain</i>				
732	BANCO SANTANDER SA REG SHS	EUR	125,735.04	0.34
<i>The Netherlands</i>				
56	ADYEN --- PARTS SOCIALES	EUR	1,857.82	0.01
221	ASML HOLDING NV	EUR	1,857.82	0.01
940	DSM KONINKLIJKE	EUR	703,129.35	1.93
1,403	HEINEKEN NV	EUR	106,680.00	0.29
1,159	IMCD	EUR	87,858.55	0.24
51,239	KONINKLIJKE KPN NV	EUR	132,352.00	0.37
<i>United Kingdom</i>				
7,811	ROYAL DUTCH SHELL PLC -A-	EUR	127,981.66	0.35
<i>United States of America</i>				
490	ADOBE INC	USD	120,825.75	0.33
2,510	ALTRIA GROUP INC	USD	127,431.39	0.35
49	AMAZON.COM INC	USD	114,149.95	0.31
232	APPLE INC	USD	2,824,293.92	7.73
3,330	AT&T INC	USD	200,285.07	0.55
1,037	BRISTOL-MYERS SQUIBB CO	USD	84,107.72	0.23
149	CATERPILLAR - REGISTERED	USD	130,431.59	0.36
95	CHARTER COMM -A-	USD	25,159.64	0.07
1,010	CISCO SYSTEMS INC	USD	78,272.89	0.21
1,004	COCA-COLA CO	USD	52,572.52	0.14
696	COLGATE-PALMOLIVE CO	USD	22,165.81	0.06
164	COSTCO WHOLESALE CORP	USD	51,364.68	0.14
1,879	CVS HEALTH	USD	36,939.64	0.10
201	DANAHER CORP	USD	44,999.68	0.12
561	DUKE ENERGY CORP	USD	48,641.22	0.13
501	ELI LILLY & CO	USD	50,502.16	0.14
118	FACEBOOK -A-	USD	104,887.99	0.29
107	FEDEX CORP	USD	36,492.29	0.10
890	GENERAL DYNAMICS CORP	USD	41,980.43	0.11
9,363	GENERAL ELECTRIC CO	USD	69,133.95	0.19
198	GOLDMAN SACHS GROUP INC	USD	26,343.74	0.07
141	HOME DEPOT INC	USD	22,703.89	0.06
233	HONEYWELL INTERNATIONAL INC	USD	108,250.42	0.30
1,946	IBM CORP	USD	82,645.09	0.23
954	JOHNSON & JOHNSON	USD	42,674.66	0.12
765	MCDONALD'S CORP	USD	30,609.64	0.08
722	MICROSOFT CORP	USD	40,504.35	0.11
2,939	MONDELEZ INTERNATIONAL INC	USD	200,206.35	0.55
187	NETFLIX INC	USD	122,708.94	0.34
105	NVIDIA CORP	USD	134,161.82	0.37
1,885	ORACLE CORP	USD	131,246.98	0.36
300	PAYPAL HOLDINGS	USD	140,446.51	0.38
432	PEPSICO INC	USD	82,641.91	0.23
1,453	PHILIP MORRIS INTERNATIONAL INC	USD	44,813.04	0.12
428	PROCTER AND GAMBLE CO	USD	99,661.35	0.27
220	QUALCOMM INC	USD	57,423.07	0.16
142	VIATRIS INC - REGISTERED SHS	USD	52,360.43	0.14
593	VISA INC -A-	USD	98,315.45	0.27
1,362	WALGREENS BOOTS	USD	48,671.42	0.13
Warrants, Rights			1,661.86	0.00
<i>United States of America</i>				
858	BRISTOL-MYERS SQUIBB CO RIGHTS	USD	1,661.86	0.00
97	OCCIDENTAL PETROLEUM 03.08.27 WAR	USD	1,121.98	0.00
			539.88	0.00

SYSTEMATICA - GLOBAL TREND

Securities portfolio as at 31/12/20

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
Shares/Units of UCITS/UCIS			25,403,743.62	69.56
Shares/Units in investment funds			25,403,743.62	69.56
<i>Ireland</i>			<i>4,910,984.49</i>	<i>13.45</i>
473,899	BNY JP SM CP EQ ACCUM I HDG EUR	EUR	1,103,142.09	3.02
20,601	ISHARES JPM USD EM BOND EUR HEDGE	EUR	1,942,056.27	5.32
32,409	SPDR BAR EUR HG EUR	EUR	1,865,786.13	5.11
<i>Luxembourg</i>			<i>20,492,759.13</i>	<i>56.11</i>
21,105	BNPP INSTICASH SICAV EUR GOV -INS- CAP	EUR	2,120,375.62	5.80
15,630	FRANK TEMP INVEST FD ASI SML CIE -I- CAP	EUR	1,002,508.20	2.75
55,394	FRANKLIN TEMP INV EME MKT SML CIE-I- CAP	EUR	948,345.28	2.60
51,550	INVESCO EMERGING MARKETS BD FD-C HDG ACC	EUR	1,997,047.00	5.46
10,340	JH HOR EU HYB I2C SHS -I2- CAP	EUR	1,725,435.80	4.72
65,860	MSIF GLB HY BD ZH CAP	EUR	1,895,450.80	5.19
6,500	PICTET FD LUX VAR GLB EME DEBT -HI EUR-	EUR	1,971,060.00	5.40
11,018	PICTET SICAV EUR SOV LQTY -I- CAP	EUR	1,100,370.84	3.01
11,229	PICTET SICAV JAPAN EQ OPP -HI EUR- CAP	EUR	1,080,117.51	2.96
2,500	PICTET-PACIFIC EX JAPAN INDEX I EUR	EUR	1,010,775.00	2.77
12,095	SISF EURO CR C CC	EUR	1,756,470.98	4.81
76,100	SISF MIDD EAST CC	EUR	1,113,921.36	3.05
23,440	THR L P EU SCO -IE- CAP	EUR	1,517,423.56	4.16
4,374	UBS LUX EF GREATER CHINA USD	EUR	1,253,457.18	3.43
Total securities portfolio			29,600,841.89	81.05

SYSTEMATICA - GLOBAL TREND

Statement of Operations and Changes in Net Assets from 01/01/20 to 31/12/20

Expressed in EUR

Income		535,336.26
Net dividends		532,526.58
Bank interest on cash accounts		2,644.56
Other financial income		165.12
Expenses		794,398.67
Management fees	Note 5	521,019.07
Custodian fees	Note 6	6,495.46
Taxe d'abonnement	Note 4	8,460.63
Administrative fees	Note 6	4,515.50
Performance fees	Note 5	79,054.91
Domiciliation fees		1,042.08
Professional fees		15,796.05
Bank interest on overdrafts		20,608.30
Legal fees		8,998.09
Transaction fees	Note 9	65,960.70
Other expenses		62,447.88
Net loss from investments		-259,062.41
Net realised profit / loss on:		
- sales of securities portfolio		-738,619.44
- options		-146,644.30
- financial futures		558,254.97
- foreign exchange		-525,592.19
Net realised loss		-1,111,663.37
Movement in net unrealised appreciation / depreciation on:		
- securities portfolio		295,275.78
- financial futures		18,853.87
Decrease in net assets as a result of operations		-797,533.72
Subscription capitalisation units		7,113,065.48
Redemption capitalisation units		-1,854,501.68
Increase in net assets		4,461,030.08
Net assets at the beginning of the year		32,058,745.71
Net assets at the end of the year		36,519,775.79

SYSTEMATICA

Notes to the financial statements - Schedule of derivative instruments

SYSTEMATICA

FUTURES

As at 31 December 2020, the following future contracts were outstanding:

SYSTEMATICA - GLOBAL TREND

Quantity (purchase/(sale))	Denomination	Currency	Commitment (in EUR)	Unrealised (in EUR)	Broker
Futures on index					
4	NASDAQ 100 E-MINI 03/21	USD	842,681.05	18,950.59	UBS London
				18,950.59	
Futures on currency					
57	EUR/USD (CME) 03/21	USD	5,823,219.32	52,695.03	UBS London
				52,695.03	

SYSTEMATICA

Other notes to the financial statements

SYSTEMATICA Mutual Fund

Other notes to the financial statements as at 31 December 2020

1. General information

SYSTEMATICA (the “Fund”) is a Mutual Fund investing in Transferable Securities. The Fund is governed by Luxembourg Law, and was set up on 15 October 2013, in accordance with Part I of the amended Law of 17 December 2010 relating to undertakings for collective investment.

As a Mutual Fund, SYSTEMATICA has no legal status. The Fund is an undivided collection of assets, jointly owned by the unitholders, and representing net assets that are separate from those of the Management Company, Ersel Gestion Internationale S.A. (the “Management Company”), which manages the Fund according to management rules. The Management Company’s registered office is in Luxembourg, at 17, rue Jean l’Aveugle. It is registered under number B30350 with the Register of Companies of the District of Luxembourg.

As at 31 December 2020, only one sub-fund, denominated in Euro (EUR), was open for subscriptions and redemptions:

<u>Sub-fund</u>	<u>Launch date</u>
SYSTEMATICA - GLOBAL TREND	02/12/13

2. Main accounting policies and valuation rules

The financial statements of SYSTEMATICA - GLOBAL TREND are expressed in EUR, the reference currency.

The financial statements are presented in accordance with Luxembourg legal and regulatory requirements relating to investment funds. The following accounting policies and valuation rules have been used:

1. Valuation of the securities portfolio

Securities listed on an official stock exchange or on another organised market are valued at the last known price.

Securities that are not traded on an organised market, or securities traded on such a market for which the last price is not deemed to be representative of their fair value are valued by the Management Company at their probable realisable value, estimated with caution and in good faith, and in compliance with generally accepted valuation accounting principles, under the responsibility of the Management Company’s Board of Directors.

Units or shares issued by open-ended investment funds are valued at their last available Net Asset Value.

A Valuation Committee assists the Management Company in monitoring the valuation of the securities portfolio.

The Committee:

- identifies the securities portfolio that require specific monitoring in terms of their valuation;
- gathers the necessary data for their valuation;
- suggests valuations for the Management Company’s Board of Directors approval.

2. Profit and loss realised on the sales of investments in securities

Investments in securities are accounted for on a trade date basis. Profit and loss realised on the sales of securities are determined according to the weighted average acquisition cost basis.

3. Foreign exchange conversion

The market value of securities portfolio and of other assets and liabilities expressed in currencies other than the reference currency are converted into that currency at the exchange rates prevailing at year-end. The acquisition cost of securities portfolio, and transactions expressed in currencies other than the reference currency are converted into that currency at the exchange rate prevailing at the respective acquisition or transaction date. Foreign exchange profits and losses are recorded in the statement of operations and changes in net assets.

4. Financial future contracts and forward foreign exchange contracts

Forward foreign exchange contracts open are valued at the forward exchange rate applicable at each valuation date, or at the financial year-end.

Financial future contracts open are valued at the last known available price at each valuation date or at the financial year-end.

Movement in net unrealised appreciation and depreciation on financial future and forward foreign exchange contracts are recorded in the statement of operations and changes in net assets.

SYSTEMATICA Mutual Fund

Other notes to the financial statements as at 31 December 2020 (cont'd)

2. Main accounting policies and valuation rules (cont'd)

4. Financial future contracts and forward foreign exchange contracts (cont'd)

Realised profit and loss on financial future contracts and forward foreign exchange contracts are recorded in the statement of operations and changes in net assets.

For the details of outstanding future contracts, please refer to section "Notes to the financial statements - Schedule of derivative instruments".

No forward foreign exchange contracts were traded over the year ended 31 December 2020.

5. Income from securities portfolio

Dividends are recognised as soon as they are declared. Interests are recognised on a pro rata basis, at each Net Asset Value calculation date. Dividends and interests are recorded net of any potential withholding taxes that are not recoverable, in the statement of operations and changes in net assets.

6. Formation expenses

Formation expenses are amortised over five years and have been fully amortised as of 31 December 2020.

7. Options

Options are valued at their last known price on each valuation date or financial year-end.

Options purchased

When the Fund purchases an option, the premium paid is recorded as an asset in the statement of net assets, and therefore considered at its market value. In the event that a purchased option reaches maturity without being exercised, the loss realised will be equivalent to the premium paid.

If a purchased put option is exercised, a profit or loss will be realised on the sale of the underlying, and the original premium paid will be deducted from the sale proceeds. If a purchased call option is exercised, the original premium paid will be added to the market value of the underlying purchased.

Options sold

When the Fund sells an option, the premium received is recorded as a liability in the statement of net assets and therefore considered at its market value. In the event that a sold option reaches maturity without being exercised, the profit realised will be recorded in an amount equivalent to the premium received.

If a sold put option is exercised, the original premium received will be deducted from the profit or loss corresponding to the difference between the strike price and the market value of the underlying. If a sold call option is exercised, the original premium received will be deducted from the difference between the market value of the underlying sold and the acquisition cost of that underlying.

Movements in net unrealised appreciation and depreciation on option contracts, if any, are recorded in the statement of operations and changes in net assets.

Realised profit and loss on option contracts are recorded in the statement of operations and changes in net assets.

3. Exchange rates

The exchange rates used as at 31 December 2020 for the calculation of the Net Asset Value and the financial statements are as follows:

1 EUR =	1.08155	CHF
1 EUR =	1.22355	USD
1 EUR =	10.04850	SEK

4. Taxes and duties

According to the tax laws currently in force, no Luxembourg tax is payable by the Fund on income or capital gains. However, the Fund is subject to an annual subscription tax of 0.05%, calculated on the total net assets of the sub-fund SYSTEMATICA - GLOBAL TREND at the end of every quarter, and payable in quarterly instalments. The portion of assets in other UCIs/UCITS, in which that sub-fund may invest, organised under Luxembourg law is totally exempt from subscription tax if it is already subject to this tax.

SYSTEMATICA Mutual Fund

Other notes to the financial statements as at 31 December 2020 (cont'd)

5. Management fees and performance fees

Management fee:

The Management Company receives a management fee as payment for its services. This fee is paid to the Management Company in quarterly instalments, and is calculated based on the average net assets of SYSTEMATICA - GLOBAL TREND during the relevant quarter. For this sub-fund, the maximum annual rate of management fee is 1.50%.

The maximum management fee charged in the target funds is 3%. No fee is charged for the portion of the assets invested in the target funds of the same promoter.

Performance fee:

For the sub-fund SYSTEMATICA - GLOBAL TREND, the Management Company applies a performance fee at a maximum rate of 15% calculated on the positive net return of the Sub-Fund in the reference calendar year ("Reference Period"). This fee is calculated only if the net value of the unit exceeds the highest value attained prior to the valuation date ("High Watermark"). This Performance fee is paid on an annual basis and recorded in the statement of operations and changes in net assets of the sub-fund. For the year ended 31 December 2020, the performance fees amounted to 79,054.91 EUR.

In addition of these fees above described, the Management Company applies a distribution fee for the Class B of that sub-fund. However the Class B was not active during the year.

6. Administrative fees and custodian fees

CACEIS Bank, Luxembourg Branch charges an annual commission as payment for its services, payable in monthly instalments and calculated on the basis of the SYSTEMATICA - GLOBAL TREND sub-fund's average net assets, in accordance with the usual practices in Luxembourg.

7. Changes in the composition of the securities portfolio

The details of the changes in the composition of the securities portfolio of the SYSTEMATICA - GLOBAL TREND sub-fund are available free of charge from its Management Company's registered office, on request.

8. Transactions with related parties

If the sub-fund SYSTEMATICA - GLOBAL TREND invests its entire or part of its assets in other mutual funds from the same group, no fee is charged for the portion of the assets invested in these funds, as mentioned in Note 5.

As at 31 December 2020, there was no investment in related parties.

9. Transaction fees

Transaction fees include mainly brokerage fees and custodian fees linked to transactions (purchase and sale) on securities portfolio, on options and other derivative instruments. The transaction fees included in bond spreads are directly included in the acquisition costs of those bonds and are therefore not included in the account "Transaction fees" in the statement of operations and changes in net assets.

No bonds were traded over year under review.

SYSTEMATICA Mutual Fund

Unaudited additional information

1. GLOBAL EXPOSURE CALCULATION METHOD

The commitment approach

The sub-fund SYSTEMATICA - GLOBAL TREND uses the commitment approach in order to monitor and measure the global exposure.

2. SECURITIES FINANCING TRANSACTIONS AND REUSE REGULATION (“SFTR”)

The fund does not use any instruments falling into the scope of “SFTR”.

3. REMUNERATION OF STAFF OF MANAGEMENT COMPANY AND DELEGATED INVESTMENT MANAGERS

Investment management services for Systematica are performed by Ersel Gestion Internationale S.A. as the Management Company of Systematica. However, day to day investment management is delegated to external managers. This Note 3 provides information on staff remuneration both for the staff at Ersel Gestion Internationale S.A. and staff at the delegated investment manager.

Ersel Gestion Internationale S.A. confirms that it has a Remuneration Policy that complies both with EU Directive 2014/91/EU (UCITS V) and EU Directive 2011/61/EU (AIFMD) as well as with regulatory requirements in Luxembourg. This policy defines, among other things, the Identified Staff in respect to the management of UCITS and AIFs and set rules regarding the variable part of the remuneration.

The Policy is available on the Company website, www.Ersel.it or on first written demand addressed to Ersel Gestion Internationale S.A.

ERSEL GESTION INTERNATIONALE S.A. Management Company

The split of salaries at the Management Company level into fixed and variable remuneration and the number of staff was as follows for the year ended 31/12/2020:

Number of staff as of the 31/12/2020	Total fixed salaries (gross) in EUR	Total variable portion (gross) in EUR	Total gross in EUR
15 ⁽¹⁾	1,091,426	125,345	1,216,771

⁽¹⁾ Including 4 part time

Break down between Identified Staff and other staff was as follows:

	Number - head count as of the 31.12.2020	Total gross in EUR
Identified Staff	7	708,628
Other staff	8	508,143

Note:

The tables above refer strictly to gross salaries and does not include other personnel costs such as the social security charges for the employer.

4TIMING SIM SPA Manager of Systematica Global Trend

Salaries split into fixed and variable remuneration and number of staff was as follows in 2020:

Number of staff as of the 31/12/2020	Total fixed salaries (gross) in EUR	Total variable portion (gross) in EUR	Total gross in EUR
11	746,545	-	746,545

SYSTEMATICA
Mutual Fund

Unaudited additional information (cont'd)

**3. REMUNERATION OF STAFF OF MANAGEMENT COMPANY AND DELEGATED
INVESTMENT MANAGERS (cont'd)**

Break down between Identified Staff and other staff was as follows:

	Number – head count	Total gross in EUR
Identified Staff	4	354,268
Other staff	7	392,277