



Annual Report, including Audited Financial Statements
as at 31/12/19

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 1, Piazza Lagrange I - 10123 Torino, Italy
<u>LEGAL ADVISOR</u>	Bonn Steichen & Partners 2, Rue Peternelchen L - 2370 Howald, Grand Duchy of Luxembourg

Board of Directors of the Management Company

<u>CHAIRMAN</u>	Mr. Umberto Giraudo, 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 Mr. Max Meyer, Independent Director Mr. Alberto Pettiti, Co-General Manager, Ersel Asset Management SGR S.p.A. Piazza Solferino, 11 I - 10121 Torino Italy Mr. Edoardo Tubia, Independent Director Mr. Henri Ninove, (since 25 March 2019) Conducting Officer, Ersel Gestion Internationale S.A. 17, Rue Jean l'Aveugle L - 1148 Luxembourg, Grand Duchy of Luxembourg

SYSTEMATICA
Mutual Fund

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

DIRECTORS

Mr. Andrea Nascè
(since 25 March 2019)
Manager
Ersel Asset Management SGR S.p.A.
Piazza Solferino, 11
I - 10122 Torino
Italy

SYSTEMATICA Mutual Fund

Directors' Report of the Management Company

GLOBAL OVERVIEW

The growth rate of the global economy slowed down in 2019, with a global GDP growing 2.9% over the year as opposed to 3.6% the previous year.

A major cause of this slowdown has been the ongoing tension stemming from the trade war between the USA and China, which has led to a reduction in volumes of international trade following the increase in tariffs imposed by both countries.

On aggregate, central banks are globally pursuing once again expansion policies, with a new surge in global liquidity.

United States

The US economy remained solid throughout the year, albeit with a fall in growth from 2.9% to 2.3%. Growth was adversely affected by declining exports (due to the ongoing trade war with China) and by a low level of private investment, offset, however, to a large extent, by domestic consumption, which was higher than the previous year.

A further factor favouring domestic consumption was the strength of the labour market, where unemployment rate continued to fall, settling at a figure of 3.5%.

The core component of the inflation rate, disregarding more volatile goods such as food and energy products, remained stable throughout the year at 2.3%, whereas the overall index climbed from 1.9% to 2.3% due to the effect of the price of oil. Indeed, the latter fell by almost 50% during 2018, but then recovered most of this lost ground during the early part of 2019.

During 2019 the Federal Reserve cut interest rates (from 2.50% to 1.75%) and interrupted the quantitative tightening initiated the previous year, in the light of the risk of a weakening growth.

At the end of the year the USA and China reached a draft agreement to limit the introduction of new tariffs, which was then signed in January 2020.

Politically, the year was marked by the beginning of an impeachment process against President Trump who, however, was cleared of charges in February this year by a Senate with a Republican majority.

Europe

In Europe, the economy grew at a slower rate, with an increase in GDP (according to the latest available estimates) of 1.2% as opposed to 1.9% in 2018, due, among others to the ongoing trade tensions.

Within the Eurozone this slowdown affected every country, with a sharp fall in industrial production (-1.5 to 2% on a year-on-year average) and in sectors linked to manufacturing. Domestic consumption, however, remained solid and continued to grow.

The countries that most contributed to the GDP increase were Ireland and Spain, with increases in GDP of 5.4% and 2% respectively. Growth rates were lower in Germany (0.6%) and Italy (0.2%), i.e. the two Eurozone countries most actively engaged in international trade.

On aggregate, the unemployment rate continued to fall, settling at 7.4% (similar to the minimum seen in 2008), with wages rising 2.5% annually. The fall in the unemployment rate was widespread among many countries.

Inflation fell from 1.6% to 1.3% in 2019. However, if core inflation is considered (disregarding more volatile products such as oil and food), it actually rose, though marginally, from 1.1% to 1.3%.

Given the global uncertainty affecting growth and the fact that inflation was below its own target of 2%, the European Central Bank left interest rates unchanged throughout the year and once again began to purchase bonds (both government and corporate bonds) and to continue to reinvest maturing bonds.

On the political side, the main event end of 2019 was in United Kingdom, where December elections confirmed Boris Johnson in office and cleared the way for final approval of Brexit, which took place in a vote before the end of January.

SYSTEMATICA Mutual Fund

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

Emerging countries

2019 was adversely affected by greater long-term uncertainty concerning the growth of the Chinese economy, thrown into doubt because of the ongoing trade war with the USA. China growth was revised downwards during the year, with GDP growth settling at 6.1% compared to 6.7% in 2018. The slowdown in the Chinese economy had a tangible impact on emerging countries as a whole, which registered a growth of 4.1% in 2019 as opposed to 4.9% in 2018.

Inflation in emerging countries continued to fall even though, in the wake of Federal Reserve monetary policy, central banks policies in emerging countries were more accommodating than would have been expected given the depreciation of local currencies and, consequently, the negative effect of such depreciation on domestic financial conditions.

BOND MARKETS

2019 was an exceptional year for bonds, both government and corporate bonds.

The Federal Reserve cut interest rates 3 times in a row from the end of July to October and settling between 1.50 and 1.75%. The Federal Reserve managed to increase the slope of the yield curve, which in August had inverted, largely dispelling fears of recession. US 10-year treasury bonds began the year at 2.8% and went on to close at 2%.

In the Eurozone the deterioration in the manufacturing sector and inflation still substantially below target led the European Central Bank to reintroduce the purchase of government and corporate bonds in September at a rate of EUR 20 billion per month and to cut interest rates by 10 basis points to -0.50% together with the introduction of tiering, which exempts a portion of excess reserves from the deposit at the European Central Bank. The German 10-year Bund rate fell less sharply than the corresponding US rate, from 0.20% to -0.20%. Also spreads in the Eurozone narrowed significantly as a result of the European Central Bank's approach and of the reduction in Italy's credit risk: in Spain the spread fell from 120 bps to 70 bps, in Portugal from 140 bps to 70 bps whereas in Italy it settled at 160 bps after starting out at 240 bps.

Also, credit spreads in Europe and in the United States fell as a result of markets hopes of a cyclical upturn and favourable technical factors. Investment-grade spreads in Europe fell from 140 to 90 basis points and high yields fell from 450 to 280; in the US the movement was similar with investment-grade spreads dropping from 170 to 100 basis points and high yields from 520 to 340.

AT1 bank bonds achieved an exceptional performance of 18%, the highest since the creation of this new asset class.

Emerging market bonds performed well in 2019, with an increase of 12.4% in government bonds denominated in hard currencies, 12.1% in corporate bonds in hard currencies and 9.7% in bonds denominated in local currencies. Local currencies – given their complexity and isolated from their carry – are clear outliers, given the lack of any appreciation in 2019 with respect to the dollar. On the other hand, the performance of the credit spreads of corporate bonds in emerging countries, which fell by 68 basis points, was excellent as was that of government bonds, 79 basis points less than the previous year.

EQUITY MARKETS

2019 was an excellent year for stock markets as a result of central banks accommodating monetary policies and of the easing in USA – China trade tensions at the end of the year. MSCI World gained 30.0% in 2019; Euro stoxx, 26.8%; S&P 500 34.1% and MSCI Emerging Markets in USD, 15.4%.

Sector wise, returns were positive across the board, particularly with technology stocks such as Mastercard, Microsoft or Taiwan Semiconductor and materials and consumer discretionary sectors were strong as well.

SYSTEMATICA Mutual Fund

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

ITALIAN EQUITY MARKET

Following global equity markets, the Italian stock market, recovered in 2019 following the heavy fall at the end of 2018 and turned out to be one of the best performing markets in Europe, with the FTSE MIB up 33.8%.

On the domestic front, the collapse of the Lega-M5S government has been a temporary factor of uncertainty until the formation of a new majority between the 5-Star Movement and the Democratic Party. On the other hand, the process of reducing the number of non-performing bank loans went on unabated, hence reducing the perceived systemic risk. All of this was reflected in the evolution of the spread, which rose from 100 to 150 points when the government fell but then gradually returned to minimum levels. This made the budget package at the end of the year all the easier.

The best performing sectors were technology, with firms such as STM, and luxury goods, which now include Ferrari. Some of the worst-performing shares were oil and certain industrial stocks such as Pirelli. Mid- and small-cap stocks underperformed with respect to larger stocks until November, when the revision of the law on PIR (individual savings plans) resulted in a return of interest for lower cap stocks.

There were several interesting corporate events during 2019: the acquisition of SIS by Autostrada Torino Milano, between Ima and Gima, the sale of Gedi to Exor and the merger between Fiat and Peugeot, which led to what is now the fourth largest carmaker worldwide.

2020 OUTLOOK

As of January 2020, the central economic scenario for the year was a continuation of world growth though at a lower pace and positive expectations on stock prices. given the low level of interest rates forecasted to continue throughout 2020. However the brutal fall in all stock markets that was triggered by the COVID-19 health crisis and the decision by most governments of developed countries and several governments in emerging countries, not the least China, to instruct home confinement to workers as well as to the rest of the population and even in certain countries, like Italy, to stop non-essential economic activities has put this positive outlook in question.

At this stage, it is not yet possible to re-formulate reliable projections for 2020 as it is not at all possible yet to predict how long the confinement measures will remain in place. If they will be for a short period, the economical recovery could be rapid and the fundamentals on which the positive 2020 forecast were made at the beginning of the year would still be the foundation for a re-bounce later this year. However, with the confinement measured protracting, it appears more and more possible that they will last for a certain period of time which will then affect more drastically world economies and would cause them to plunge into recession not only because the slow down in economic activity will persist but also because bankruptcies of small and medium businesses forced to stop their activity would multiply and have a negative impact on the financial sector.

COMMENTS ON THE SUB-FUND

Systematica Global Trend

The performance of Systematica Global Trend has been 3.58% last year.

One of the keys to the market's 2019 success was starting from a low base. A steep sell-off in December 2018 left the S&P 500 just 0.2% from officially hitting a bear market, defined as a 20% decline from its closing peak.

After the sharp drop in the last month of 2018, that led Systematica Global Trend risk control model to decrease the assets at risk, the 2019 started with an allocation of only 4% in US equities and 96% in liquidity.

In the first months of the year, with the consolidation of the positive trend, the model decreased strongly the share of liquidity that passed at the end of the first quarter to 21.9%, while equity and bonds increased respectively to 35.8% and 42.3%

The equity and bond at the end of the second quarter remained almost unchanged at 32.3% and 40.4%.

At the end of the third quarter, in the absence of a clear upward trend, the model reduced the assets at risk bringing the share of equity to 29.3% and the bond to 27.2%

2019 closed with an allocation of 57.4% of equity and 38.9% of bonds

SYSTEMATICA Mutual Fund

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

MAIN FACTS ABOUT SYSTEMATICA IN 2019

There has been no substantial change in Systematica in 2019.

SUBSEQUENT EVENTS

The main event of the first 3 months of the year 2020 is obviously the COVID-19 health crisis which generated a substantial fall in world financial markets and has required corporations, businesses and administrations to test their business continuity plans and re-organize work processes in order to adapt to home working, as required by governments in order to slow down the spread of COVID-19.

The fall in world financial markets not only affected stocks in developed countries (Eurostoxx 600: - 23%; S&P 500: - 20%; MSCI World: - 27%; all 3, YTD 31.3.2020) but also stocks in emerging markets (MSCI EM Index -24%; YTD 31.3.2020) and certain classes of bonds such as corporate bonds (Global Corporate Bond Index -3.5% YTD 31.3.2020). Among the few asset classes that performed positively is the class of A+ bonds which was in high demand as a refuge value.

In such circumstances, Systematica Global Trend was definitely affected. However, being a flexible fund that invests in equity as well as in bonds, it succeeded to limit the impact of the fall in stock exchanges and its loss over the first quarter 2020 was limited to - 7.4% compared to - 27% for the MSCI World

The situation has been under the continuous control of Ersel Gestion Internationale Risk Manager and of the Investment Committee, with frequent escalations to the Board of Directors. In terms of liquidity, an analysis made in mid-February showed that sub funds liquidity did not deteriorate substantially and redemptions were limited.

In terms of work organization, Ersel Gestion Internationale complied immediately with the recommendations of the Government of the Grand Duchy of Luxembourg: all staff switched to home working except for those who had to remain in office to assure the continuity of contacts and communications with counterparts or because their tasks required a physical presence. All meetings were conducted by tele conference. Given the company's long preparation for business continuity, all activities proceeded normally and all corporate functions were covered as usual.

EGI service providers in Luxembourg, mainly Caceis as depository and fund administrator, Ernst&Young as Auditor and Deloitte as Internal Auditor complied as well with the recommendations of the Government of the Grand Duchy of Luxembourg and all their staff went on home working. However, business continuity was well assured as well and that change in work organization did not impact EGI and its funds.

EGI conducted as well a due diligence on all its delegated investment managers abroad in order to verify that they had proper business continuity plans which actually was the case for all of them.

Independent auditor's report

To the Unitholders of SYSTEMATICA
5, Allée Scheffer
L - 2520 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 2019, 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 2019, 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 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 Ethics Standards Board for Accountants’ Code of Ethics for Professional 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 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 of the Management Company for the financial statements

The Board of Directors of the Management Company 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 of the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Management Company is responsible for assessing the Fund’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Management Company 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 the 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.

Independent auditor's report (continued)

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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Management Company.

- Conclude on the appropriateness of Board of Directors of the Management Company 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



Bernard Lhoest

Luxembourg, 28 April 2020

SYSTEMATICA
- GLOBAL TREND

SYSTEMATICA - GLOBAL TREND
Financial Statements as at 31/12/19

Statement of net assets as at 31/12/19

Expressed in EUR

Assets		33,702,117.72
Securities portfolio at market value		30,671,212.39
<i>Cost price</i>		29,350,695.13
<i>Unrealised profit on the securities portfolio</i>		1,320,517.26
Cash at bank		2,946,629.48
Receivable on sales of securities		25,789.07
Dividends receivable		5,695.03
Unrealised net appreciation on financial futures	Note 2.4	52,791.75
Liabilities		1,643,372.01
Bank overdrafts and liquid liabilities		123.19
Payable on purchases of securities		1,293,691.10
Taxe d'abonnement payable	Note 4	1,947.13
Redemptions payable		208,446.06
Accrued management fees	Note 5	119,490.13
Accrued professional fees		15,795.00
Other liabilities		3,879.40
Net asset value		32,058,745.71

Changes in number of units outstanding from 01/01/19 to 31/12/19

	Units outstanding as at 01/01/19	Units issued	Units redeemed	Units outstanding as at 31/12/19
Class A	315,253.188	5,002.102	21,925.471	298,329.819

Key figures

	<i>Year ending as at:</i>	31/12/19	31/12/18	31/12/17
Net Assets	EUR	32,058,745.71	32,707,547.06	35,493,069.03
Class A				
Number of units		298,329.819	315,253.188	320,718.041
Net asset value per unit	EUR	107.46	103.75	110.67

SYSTEMATICA - GLOBAL TREND

Securities portfolio as at 31/12/19

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			9,048,298.17	28.22
Shares			9,045,997.43	28.21
<i>Belgium</i>				
889	GROUPE BRUXELLES LAMBERT GBL	EUR	154,394.24	0.48
686	SOLVAY	EUR	83,530.44	0.26
<i>Finland</i>				
2,230	ORION CORPORATION (NEW) -B-	EUR	70,863.80	0.22
2,108	SAMPO OYJ -A-	EUR	351,572.56	1.10
6,566	STORA ENSO -R-	EUR	92,032.10	0.29
2,989	UPM KYMMENE CORP	EUR	82,022.28	0.26
<i>France</i>				
1,020	ATOS	EUR	85,128.19	0.27
2,437	BOUYGUES	EUR	92,389.99	0.28
2,000	CASINO GUICHARD PERRACHON SA	EUR	508,824.02	1.59
6,340	ENGIE	EUR	75,806.40	0.24
963	SANOFI	EUR	92,313.56	0.29
1,620	TOTAL SA	EUR	83,400.00	0.26
<i>Germany</i>				
1,170	BASF SE REG SHS	EUR	91,296.00	0.28
826	BAYER AG REG SHS	EUR	86,304.06	0.27
1,150	BMW AG	EUR	79,704.00	0.25
4,590	DEUTSCHE LUFTHANSA AG REG SHS	EUR	552,651.86	1.72
8,425	E.ON AG REG SHS	EUR	78,799.50	0.25
711	HOCHTIEF AG	EUR	60,141.06	0.19
1,585	NEMETSCHKE	EUR	84,111.00	0.26
<i>Ireland</i>				
396	ACCENTURE - SHS CLASS A	USD	84,111.00	0.26
201	ALLERGAN	USD	75,321.90	0.23
947	MEDTRONIC HLD	USD	80,239.70	0.25
<i>Italy</i>				
36,445	INTESA SANPAOLO SPA	EUR	80,840.70	0.25
17,260	SNAM SPA	EUR	80,840.70	0.25
140,957	TELECOM ITALIA SPA	EUR	93,198.00	0.29
<i>Spain</i>				
1,116	AMADEUS IT -A-	EUR	204,229.88	0.64
4,144	ENDESA	EUR	74,285.72	0.23
<i>The Netherlands</i>				
2,958	SIGNIFY -REGISTERED SHS	EUR	34,231.78	0.11
2,791	STMICROELECTRONICS NV	EUR	95,712.38	0.30
<i>The Netherlands Antilles</i>				
1,550	SCHLUMBERGER LTD	USD	244,899.91	0.76
<i>United States of America</i>				
1,072	ABBOTT LABORATORIES LTD	USD	85,591.08	0.27
1,108	ABBVIE INC	USD	80,880.36	0.25
314	ADOBE INC	USD	78,428.47	0.24
879	ALLSTATE CORP	USD	179,830.56	0.56
73	ALPHABET -A-	USD	81,244.80	0.25
1,675	ALTRIA GROUP	USD	98,585.76	0.31
41	AMAZON.COM INC	USD	149,310.15	0.47
981	AMERICAN EXPRESS CO COM.	USD	82,409.88	0.26
1,962	AMERICAN INTERNATIONAL GROUP INC	USD	66,900.27	0.21
366	AMGEN INC	USD	55,510.02	0.17
404	APPLE INC	USD	55,510.02	0.17
2,845	AT&T INC	USD	6,644,774.23	20.72
2,600	BANK OF AMERICA CORP	USD	82,952.27	0.26
1,600	BANK OF NEW YORK MELLON CORP	USD	87,396.28	0.27
112	BIOGEN IDEC INC	USD	92,258.65	0.29
196	BLACKROCK INC	USD	88,056.61	0.27
46	BOOKING HLDG	USD	88,056.61	0.27
1,647	BRISTOL-MYERS SQUIBB CO	USD	87,105.10	0.27
960	CAPITAL ONE FINANCIAL CORP	USD	87,776.57	0.27
453	CATERPILLAR - REGISTERED	USD	84,161.76	0.26
193	CHARTER COMM -A-	USD	94,183.46	0.29
234	CHEVRON CORP	USD	88,012.12	0.27

SYSTEMATICA - GLOBAL TREND

Securities portfolio as at 31/12/19

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
591	CISCO SYSTEMS INC	USD	25,251.10	0.08
1,245	CITIGROUP	USD	88,608.51	0.28
2,263	COCA-COLA CO	USD	111,587.57	0.35
2,170	COMCAST CORP	USD	86,935.32	0.27
1,430	CONOCOPHILLIPS CO	USD	82,844.45	0.26
385	COSTCO WHOLESALE CORP	USD	100,809.98	0.31
1,440	CVS HEALTH	USD	95,302.98	0.30
632	DANAHER CORP	USD	86,413.68	0.27
962	DUKE ENERGY CORP	USD	78,168.39	0.24
786	ELI LILLY & CO	USD	92,030.27	0.29
1,037	EMERSON ELECTRIC CO	USD	70,451.33	0.22
266	FACEBOOK -A-	USD	48,638.31	0.15
9,960	FORD MOTOR	USD	82,519.38	0.26
465	GENERAL DYNAMICS CORP	USD	73,053.67	0.23
5,590	GENERAL ELECTRIC CO	USD	55,576.30	0.17
1,364	GILEAD SCIENCES INC	USD	78,960.11	0.25
528	GOLDMAN SACHS GROUP INC	USD	108,154.16	0.34
525	HONEYWELL INTERNATIONAL INC	USD	82,783.96	0.26
2,059	INTEL CORP	USD	109,782.76	0.34
873	JOHNSON AND JOHNSON	USD	113,447.22	0.35
762	JPMORGAN CHASE CO	USD	94,630.56	0.30
4,544	KINDER MORGAN	USD	85,698.42	0.27
284	LOCKHEED MARTIN - REGISTERED	USD	98,515.74	0.31
750	LOWE'S COMPANIES INC	USD	80,017.82	0.25
404	MASTERCARD INC -A-	USD	107,465.80	0.34
1,001	MERCK AND CO	USD	81,105.52	0.25
1,900	METLIFE INC	USD	86,274.39	0.27
771	MICROSOFT CORP	USD	108,317.77	0.34
1,556	MONDELEZ INTERNATIONAL INC	USD	76,351.43	0.24
1,760	MORGAN STANLEY	USD	80,152.52	0.25
183	NETFLIX INC	USD	52,751.28	0.16
586	NEXTERA ENERGY	USD	126,419.39	0.39
1,256	NIKE INC	USD	113,358.90	0.35
334	NVIDIA CORP	USD	70,013.54	0.22
853	PAYPAL HOLDINGS INC WI	USD	82,199.56	0.26
725	PEPSICO INC	USD	88,272.38	0.28
2,371	PFIZER INC	USD	82,757.93	0.26
1,192	PROCTER AND GAMBLE CO	USD	132,633.23	0.40
410	QUALCOMM INC	USD	32,226.55	0.10
459	RAYTHEON CO	USD	89,853.59	0.28
1,848	SOUTHERN CO	USD	104,870.91	0.33
1,001	TARGET CORP	USD	114,332.48	0.36
873	TEXAS INSTRUMENTS INC	USD	99,774.76	0.31
1,414	THE KRAFT HEINZ	USD	40,473.78	0.13
520	UNION PACIFIC CORP	USD	83,751.27	0.26
481	UNITED PARCEL SERVICE INC	USD	50,161.12	0.16
808	UNITED TECHNOLOGIES CORP	USD	107,800.52	0.34
318	UNITEDHEALTH GROUP INC	USD	83,283.42	0.26
1,570	US BANCORP	USD	82,926.77	0.26
1,966	VERIZON COMMUNICATIONS INC	USD	107,538.89	0.34
582	VISA INC -A-	USD	97,423.43	0.30
1,607	WALGREENS BOOTS ALLIANCE INC	USD	84,408.66	0.26
860	WALMART INC	USD	91,048.91	0.28
756	WALT DISNEY CO	USD	97,407.82	0.30
1,766	WELLS FARGO AND CO	USD	84,642.14	0.26
686	3M CO	USD	107,816.59	0.34
	Warrants, Rights		2,300.74	0.01
	<i>United States of America</i>		<i>2,300.74</i>	<i>0.01</i>
858	BRISTOL-MYERS XX.XX.XX RIGHTS	USD	2,300.74	0.01
	Shares/Units of UCITS/UCIS		21,622,914.22	67.45
	Shares/Units in investment funds		21,622,914.22	67.45
	<i>Ireland</i>		<i>5,141,209.11</i>	<i>16.04</i>
469,200	BNY JP SM CP EQ ACCUM I HDG EUR	EUR	957,121.08	2.99
16,730	ISHARES USD EM BD EUR SHS HEDGED EUR ETF	EUR	1,593,499.04	4.97
20,350	JA HE LF EUR-U-AC ACCUM -U- HEDGED EUR	EUR	415,547.00	1.30

The accompanying notes form an integral part of these financial statements

SYSTEMATICA - GLOBAL TREND

Securities portfolio as at 31/12/19

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
44,393	POLAR CAP GL INSUR-I-	EUR	394,627.13	1.23
30,497	SPDR BAR EUR HG EUR	EUR	1,780,414.86	5.55
	<i>Luxembourg</i>		<i>16,481,705.11</i>	<i>51.41</i>
3,467	CARMI PTF COMMO F EUR AC	EUR	387,298.57	1.21
25,650	FIDELITY FUNDS SICAV - GLOBAL CONSUMER I	EUR	389,880.00	1.22
1,331	HENDERSON HOR-G PRO EQ-I1EUR	EUR	219,761.41	0.69
47,831	INVESCO EMERGING MARKETS BD FD-C HDG ACC	EUR	1,793,662.50	5.59
32,542	INVESCO GL CONS TRNDS C EUR ACC	EUR	388,226.06	1.21
10,977	JH HOR EU HYB I2C SHS -I2- CAP	EUR	1,780,140.09	5.55
7,057	JH HOR G TECH I2HC SHS -I2 HEUR- CAP	EUR	416,363.00	1.30
1,118	LYXOR ETF MSCI WLD INDUSTRIALS	EUR	376,262.90	1.17
62,368	MSIF GLB HY BD ZH CAP	EUR	1,737,572.48	5.42
6,311	PICTET FD LUX VAR GLB EME DEBT -HI EUR-	EUR	1,805,892.65	5.63
10,913	PICTET SICAV JAPAN EQ OPP -HI EUR- CAP	EUR	950,085.78	2.96
14,032	SISF EURO CR C CC	EUR	1,932,039.42	6.03
74,390	SISF MIDD EAST CC	EUR	1,229,398.90	3.83
29,539	THR L P EU SCO -IE- CAP	EUR	1,678,382.35	5.24
6,410	UBS LUX EF GREATER CHINA USD	EUR	1,396,739.00	4.36

Total securities portfolio

30,671,212.39 **95.67**

SYSTEMATICA - GLOBAL TREND

Statement of Operations and Changes in Net Assets from 01/01/19 to 31/12/19

Expressed in EUR

Income				134,643.49
Net dividends				112,010.13
Bank interest on cash accounts				22,010.42
Other financial income				622.94
Expenses				622,091.48
Management fees		Note 5		483,969.06
Custodian fees		Note 6		6,033.42
Taxe d'abonnement		Note 4		5,824.19
Administrative fees		Note 6		4,194.40
Domiciliation fees				967.94
Professional fees				15,841.17
Bank interest on overdrafts				14,389.89
Legal fees				15,687.19
Transaction fees		Note 9		23,754.35
Other expenses				51,429.87
Net loss from investments				-487,447.99
Net realised profit / loss on:				
- sales of securities portfolio				425,927.56
- financial futures				-173,214.36
- foreign exchange				181,071.00
Net realised loss				-53,663.79
Movement in net unrealised appreciation / depreciation on:				
- securities portfolio				1,156,705.40
- financial futures				22,776.00
Increase in net assets as a result of operations				1,125,817.61
Subscription capitalisation units				528,253.93
Redemption capitalisation units				-2,302,872.89
Decrease in net assets				-648,801.35
Net assets at the beginning of the year				32,707,547.06
Net assets at the end of the year				32,058,745.71

SYSTEMATICA

Notes to the financial statements - Schedule of derivative instruments

SYSTEMATICA

FUTURES

As at 31 December 2019, the following future contracts were outstanding :

SYSTEMATICA - GLOBAL TREND

Quantity (purchase/(sale))	Denomination	Currency	Commitment (in EUR)	Unrealised (in EUR)	Broker
Futures on index					
3	S&P 500 EMINI INDEX 03/20	USD	431,730.07	1,917.59	UBS London
5	NASDAQ 100 E-MINI 03/20	USD	778,002.05	-4,899.78	UBS London
				-2,982.19	
Futures on currency					
63	EUR/USD (CME) 03/20	USD	7,015,590.20	55,773.94	UBS London
				55,773.94	

SYSTEMATICA

Other notes to the financial statements

SYSTEMATICA Mutual Fund

Other notes to the financial statements as at 31 December 2019

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 2019, 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 2019 (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 2019.

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 2019.

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 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.

No options were traded over the year ended 31 December 2019.

3. Exchange rates

The exchange rates used as at 31 December 2019 for the calculation of the Net Asset Value and the financial statements are as follows:

1 EUR =	1.08700	CHF
1 EUR =	1.12250	USD

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 2019 (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 may apply a performance fee at a maximum rate of 15% increase in the unit's net value, calculated monthly (the "Performance Period"). This fee is calculated only if the net value of the unit exceeds the highest end-of-month value attained prior to the calculation date. This Performance fee is payable in quarterly instalments and recorded in the statement of operations and changes in net assets of the sub-fund.

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 2019, 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

Supplementary information (unaudited)

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 managers.

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 as of the 31.12.2019:

Number of staff as of the 31.12.2019	Total fixed salaries (gross) in EUR	Total variable portion (gross) in EUR	Total gross in EUR
16	1,175,862	153,213	1,329,075

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

	Number – head count	Total gross in EUR
Identified Staff	8	782,229
Other staff	8	546,846

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 2019:

Number of staff as of the 31.12.2019	Total fixed salaries (gross) in EUR	Total variable portion (gross) in EUR	Total gross in EUR
11	1,202,927	-	1,202,927

SYSTEMATICA
Mutual Fund

Other notes to the financial statements as at 31 December 2019 (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	252,000
Other staff	7	950,927