



**ERSEL**  
Gestion Internationale

# SYSTEMATICA

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Mutual Fund

**Annual Report and audited financial statements  
as at 31/12/22**

R.C.S. Luxembourg K 1123

# SYSTEMATICA

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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.

# SYSTEMATICA

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## Organisation and administration

### MANAGEMENT COMPANY

Ersel Gestion Internationale S.A.  
17, Rue Jean l'Aveugle  
L - 1148 Luxembourg, Grand Duchy of Luxembourg

### ADMINISTRATIVE AGENT

CACEIS Bank, Luxembourg Branch  
5, Allée Scheffer  
L - 2520 Luxembourg, Grand Duchy of Luxembourg

### CUSTODIAN AGENT

CACEIS Bank, Luxembourg Branch  
5, Allée Scheffer  
L - 2520 Luxembourg, Grand Duchy of Luxembourg

### INDEPENDENT AUDITOR

Ernst & Young S.A.  
35E, Avenue John F. Kennedy  
L - 1855 Luxembourg, Grand Duchy of Luxembourg

### DELEGATED INVESTMENT MANAGER

4Timing SIM SPA  
44, Corso Vittorio Emanuele II  
I - 10123 Torino, Italy

### LEGAL ADVISOR

NautaDutilh Avocats Luxembourg S.à.r.l.  
2, Rue Jean Bertholet,  
L - 1233 Luxembourg, Grand Duchy of Luxembourg

## Board of Directors of the Management Company

### CHAIRMAN

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

### DIRECTORS

Mr. Antoine Gilson de Rouvrex,  
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

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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## Report of the Board of Directors of the Management Company

### GLOBAL OVERVIEW

2022 was an out of common year in the markets for a number of reasons: central banks embarked on an aggressive path of raising rates to combat inflation, ending years of accommodative policy stance; interest rates rose, yield curves flattened and risky assets suffered as monetary policy tightened; geopolitics dominated the markets with Russia's invasion of Ukraine, rising commodity prices, continued uncertainty over COVID policy in China and the Italian elections. Market volatility remained high throughout the year, with movements of more than 10 basis points per day in rates becoming the norm rather than the exception.

#### United States

The year 2022 was heavily impacted by the inflation produced by the overheating of the US economy and the change in attitude of central banks that stopped declaring the phenomenon transitory.

Already in the first months of the year, inflation reached its highest level since 1981 and showed no signs of abating throughout the first half of the year, supported by an American economy that, although it decelerated also due to the restrictive monetary policy regime, continued to prove solid. The labour market also proved to be strong, fueling concerns about a potential wage-price spiral, with a high new-hire figure that did not seem to show any particular signs of weakening and an unemployment rate close to reaching historic lows.

In the second half of the year, headline inflation, after having peaked again with the June figure at 9.1%, started to decline, while core inflation continued to grow due to the resilience of the services sector, and in particular the housing component, until the October CPI, when the price deflationary effect on goods started to prevail. After 2 quarters of negative growth, the 3<sup>rd</sup> quarter GDP reported a growth of 3.2 % quarter-on-quarter, confirming the resilience of the US economy. However, PMIs suggest a slowing trend and the entry of the manufacturing sector into contraction.

The Federal Reserve's interventions since the first half of 2022 have demonstrated a very responsive approach geared towards curbing inflation as quickly as possible through the use of the Quantitative Tightening program and sharp policy rate hikes even exceeding the stated guidance.

In the second half of the year, the Federal Reserve shifted from a particularly aggressive stance aimed at suppressing any moderation of tightening expectations to a more cautious attitude when, at the November meeting, it shifted the focus from the speed of the rate hikes to the length of time it remained in restrictive territory. The Federal Reserve, after raising rates by 425 bps in the year, continued until the end of 2022 to maintain restrictive guidance determined to bring inflation back on target.

#### Europe

In the first 2 quarters of 2022, the European economy was negatively affected by geopolitical tensions stemming from the Russia-Ukraine conflict, the prospects of an energy crisis and inflationary pressures. Although the GDP experienced a growth over the first 3 quarters, mainly linked to the reopening of the economy and the easing of covid 19 restrictions, the PMI started since July to signal the entry into contraction for the manufacturing sector and since August also for the services. Among the main causes were expectations of rationing of energy supplies, despite progress on the accumulation of reserves in many countries, and concern about the potential effect of a late and excessive monetary tightening. In contrast, the labour market proved stable throughout the year with the unemployment rate at an all-time low. Headline inflation, which had been growing strongly since the beginning of the year, showed a slight decline after reaching 10.6% in October. However, the Core component continued to remain at 5%. The fall in gas and energy prices in general allowed the region to avoid a technical recession again this year.

In the first 2 quarters, the ECB followed the American example with the declared intention of taking monetary policy to more neutral levels, but with less room for manoeuvre than the Federal Reserve in an economic environment more fragile than that of the USA. Complicating the European Central Bank's task is the risk of a widening of spreads between peripheral and core countries, and the fact that a significant component of inflation stems from exogenous factors outside its sphere of action. In the second half of the year, the European Central Bank continued to maintain a restrictive stance and presented the Transmission Protection Instrument (TPI), a complementary instrument to the PEPP, APP and OMT, as suitable for containing an unwarranted widening of spreads that could render the transmission of monetary policy ineffective. During the last meeting of the year, the European Central Bank increased the aggressiveness of its tone by reminding that rates will still have to rise and at a steady 50 bps pace in the coming meetings and indicated that Quantitative Tightening will start in March 2023, reducing the Central Bank's balance sheet at a pace of 15 billion per month for the first 3 months.

#### Emerging Countries

2022 was a complicated year for the emerging markets, mainly due to the conflict between Russia and Ukraine and the general rise of interest rates by the major central banks globally. The emerging markets reached a debt-to-GDP ratio of 55% in 2022, which was up by about 3% year-on-year, due to China's increase of about 7.5%. In terms of growth, the region posted +3.1% in real terms, with Latin America contributing significantly less than potential, around 3.9%, Asia, 3.7%, still due to the continuation of mobility restriction measures, and finally EMEA (Europe, the Middle East, and Africa) with 1%.

### BOND MARKETS

During 2022, the bond markets were characterized by a very high volatility on rates: if we take Merrill Lynch's 'Move' interest rate volatility index as a reference, there are few episodes in the last twenty years that come close to what was currently experienced. The US 10-year interest rate went from 1.50% in January to 3.9% at the end of the year, with a peak of 4.25%. Similar trends were observed also for rates in the Eurozone, with the German 10-year starting the year with a negative yield of 15bps and then reaching a yield of 2.5%. As these numbers suggest, 2022 was a unique year: these are movements that were not even seen in the 1970s. The central banks themselves, used to moving with adjustments of 25bps per meeting, soon had to change their perspective, bringing in increases of 50 and even 75 basis points.

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For the year as a whole, the Federal Reserve raised rates by 425bps, while the European Central Bank, which had not raised rates since 2011, raised rates from -0.50% to 2%. In respect to credit the year was rather bad and only improved in the second half: January started with decidedly unattractive valuations, with the European CDS Main hovering in the 50bps spread area and the index used to hedge the risk on investment in high-yield bonds in Europe, which was below 250bps spread. By the end of the year, the former reached 90bps and the latter 475bps spread, with peaks in September of 140bps and 670bps respectively, predicting an economic slowdown but not a full-blown recession.

## EQUITY MARKET

The year 2022 will be remembered as the worst in 20 years for global equity markets. The MSCI World index in EUR lost about 13%, partly due to the performance of the dollar. The MSCI USA index, which gave up around 15% (in EUR), a result that puts it in a worse position than the MSCI Europe (-9.7%). However, in USD, the US stock market fell more than 20%. The lesser 15% decrease was only due to the depreciation of the EUR towards the USD (5%).

The New York Stock Exchange's performance was weighed down by the poor performance of the technology, consumer cyclical and telecommunication sectors, and in particular by the strong divestments that hit the so-called FAANG stocks (Facebook, Apple, Amazon and Google, now called Meta Platforms, Apple, Amazon.com and Alphabet).

Apple, Amazon.com and Alphabet together account for more than 10 per cent of the market capitalisation of the index and recorded losses of 7.4 %, 36 % and 23 % respectively (in EUR) during the period under review.

Partially offsetting the negative result reported by these sectors were the performance of energy stocks, up 87%, and healthcare and consumer defensive goods stocks, which together account for around 23% of the index's market capitalisation.

The European markets suffered from the disappointing performance of some Nordic countries' stock markets: Germany, Sweden and the Netherlands, which account for about a quarter of the market capitalisation of the MSCI Europe index suffered the biggest losses (-14%, -24% and -16%, respectively), while the Mediterranean countries, the United Kingdom and Denmark were the ones that managed to limit the damage better.

Japan suffered from the poor performance of the technology, cyclical consumer goods, and industrials sectors, which together account for more than 55% of the benchmark's market capitalisation. The country's index fell just under 10% (in EUR terms), but again this figure was affected by an appreciation of over 10% in the EUR/yen exchange rate (in base currency the index lost only 0.95%).

Looking at the results in EUR, the MSCI EM Latam ("Emerging Markets Latin America") index was the only one to achieve a positive performance (+4.77% in EUR terms) that allowed it to outperform the average of the world stock exchanges by more than 15 percentage points.

The largest contribution to this result came from the Brazilian market, which accounts for some 64% of the total market capitalisation of the region's index and rose 26.6% (in EUR) during the period under review. Mexico, which accounts for 24.3% of the benchmark's performance, gained 17%, while Chile (which accounts for 6.5%) recorded the best result, registering +34%. These results were strongly affected by the depreciation of the EUR against the currencies of the region. Over the past 11 months, the EUR has lost more than 10% against the Mexican peso and Brazilian real, while the EUR/Chilean peso exchange rate has fallen by about 3%.

The MSCI Emerging Europe index suffered from the collapse of the Moscow Stock Exchange following the start of the conflict in Ukraine (subsequently, securities listed on the Russian stock exchanges were removed from the Morningstar index), and the extraordinary performance of the Turkish market, which accounts for around 45% of the index's market capitalisation, and which doubled its stock market value (+156% in local currency terms) during the period under review, was not enough.

The negative performance of Emerging Asia is attributable to the divestments recorded on the China, Taiwan and South Korea markets, which together weigh about 70% of the market capitalisation of the benchmark. In particular, the losses accumulated by the Chinese stock exchanges can be attributed to the poor performance of the consumer cyclical and telecommunication sectors, which suffered from the strong divestments that affected the stocks of Internet companies such as Alibaba, Tencent and Baidu following the new regulations introduced by the Chinese Communist Party regarding both the transparency of their activities and antitrust. In the case of emerging Asian markets, returns are only slightly distorted by the strengthening of the EUR against the Chinese, Taiwanese and Korean currencies, which can be estimated at around 3%.

## ITALIAN EQUITY MARKET

After a very positive end to the year 2021, the Italian stock market started the new year on an uncertain note and hopes for an improvement came to an abrupt halt with Russia's invasion of Ukraine, which caused severe economic consequences worldwide.

In particular, a surge in oil and gas prices occurred that resulted in a sharp rise in electricity prices especially in Europe, which was heavily dependent on Russian gas supplies. This situation led to a sharp rise in inflation with a consequent increase in interest rates, and the central banks began a policy of rapidly raising interest rates after so many years. There has also been a marked slowdown in economic growth, with fears of a recession.

At the sector level, the most interest rate sensitive sectors such as utilities and pharmaceuticals as well as high valuation and high-growth stocks such as technology were primarily impacted. Industrials were also penalised on fears of rising costs and an economic slowdown. Oil stocks, on the other hand, moved higher, helped by rising commodity prices and defence stocks.

From September onwards, there was a gradual recovery that allowed the stock markets to recover part of their descent. This recovery was fostered on the one hand by the hope that the conflict, still far from a solution, could remain in a "stalemate" situation with the Russian advance now blocked, and on the other hand by the idea that the valuations reached with the correction already incorporated most of the negative effects of the economic crisis.

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Analysing company results, it can be seen that most companies managed to contain the rise in costs and to increase their prices in order to defend their margins and, especially in the second half of the year, it appeared that analysts had cut estimates too severely. In respect to individual sectors, effects of interest rate increases were not yet visible on the utilities neither on companies involved in the generation and sale of electricity and gas. On the contrary, with reference to banks, the positive effect of interest rates increases on their margin were already detectable. Even for the industrial sector, there were encouraging data on both margins and revenues. For consumer-related stocks, fears of a continuation of the slowdown persisted, especially for those related to electronics and household goods, which had performed very well in the Covid period.

Even in such a difficult year, delistings have continued, such as that of Atlantia, among the major stocks, and that of Dea among the small caps. Finally, the case of banking mergers remains, with Popolare di Sondrio, Banco BPM and Desio as potential targets, as well as Monte dei Paschi, after another series of recapitalization

## OUTLOOK 2023

The central scenario for the financial markets in 2023 is still based on the assumption of positive global macroeconomic growth in light of the recent decisions taken by the Chinese authorities in terms of health care even though there is a slowing trend in the USA as a result of monetary tightening and in Europe as a consequence of the energy crisis induced by the war between Russia and Ukraine. Inflation is seen slowing down in the so-called developed countries, although the trajectory towards the central banks' targets remains to be seen in the light of tensions in the labour market. Monetary policies have embarked on a path of normalisation compared to the pre-Covid situation and in the light of inflationary dynamics that appear capable of triggering a price-wage spiral, particularly in the so-called developed countries.

These dynamics are felt differently according to the geographical areas and more specifically: the USA, post Covid is expected to continue along a moderate growth path, which will have to deal with increasingly evident imbalances in both the public budget and the current account and with a higher inflation and thus a more proactive Federal Reserve in countering price spiral risks.

As far as EUR is concerned, the post-recession growth dynamics after the Covid and the energy crises of 2022 should be further confirmed due to the effects of still expansive fiscal policies, the reopening of the Chinese economy, and monetary policies aimed at containing inflation. On the inflationary front, in fact, Europe has been impacted by the increase in energy prices due to Russia's invasion of Ukraine and by bottlenecks in the production chains, but it has not yet experienced particularly accelerating wage pressures.

Japan has embarked on a strongly expansionary monetary and fiscal policy, it is believed that only if these policies are accompanied by credible structural reforms and a favorable international environment can the country break out of the spiral of low growth and deflation that has lasted for many years;

For the emerging countries, the reference framework is very differentiated and not without uncertainties. Overall, the dynamics of economic growth are still less brilliant than those in the developed countries, due to a combination of less fiscal and monetary stimulus, in addition to the lower growth in international trade, and difficulties in the management of the covid pandemic due to the lower availability of vaccines.

With reference to China, which has the largest weight among the emerging countries, the country remains engaged in a complex rebalancing of growth towards domestic consumption and strengthening of know-how, and it is having to face a crisis in the real estate sector in a phase of less international cooperation.

In light of the above, it is believed that equity investment is correctly valued in relation to prevailing interest rates, but there is still room for correction due to the uncertainty about earnings and, in particular, corporate profit margins. For this reason, equity investment should be contained with a weighing consistent with its overall risk profile, favoring the developed countries over the emerging ones and the high quality companies, leaders in their respective sectors which are therefore able to maintain adequate levels of profitability (pricing power).

Among bond investments, it seems appropriate to keep portfolio duration low relative to benchmarks, particularly in EUR. Corporate issues present spreads that are on the whole narrow, particularly in the investment grade segment, or in any case not sufficient to offset the associated risk, and therefore it is considered that the approach should be flexible and extremely selective.

In such a context, it is considered that alternative and/or flexible and dynamic investment approaches should find a place in asset allocation.

## COMMENTS ON THE SUB-FUND

### Systematica Global Trend

The sub-fund recorded a negative performance of - 9.10 % in 2022.

Regarding the management of Systematica Global Trend, the first 7 months (until 30.7/2022) were characterised by the reduction of equity and bond allocations that allowed the sub-fund losses to be contained within -6.7%, with a maximum negative movement of -7.2% while the benchmark indexes fare worse: the MSCI AC WORLD INDEX in local currency for the global stock market had a negative performance of -12.45% and a maximum negative swing of -20.71% during the worst moments around end of June. On the other hand, the ICE BofA ML EMU Corporates 5+ Years in local currency for bonds had a negative performance of -12.75% and -19.61% during the worst time around end of June.

The sub-fund closed 2022 with an equity exposure of 15.7 % and a bond exposure of 4.6 % with a net performance since the beginning of 2022 of - 9.10 %, while the benchmark index for the equity market, MSCI AC WORLD INDEX in local currency marked -17.14 % and the benchmark index for the bond market, ICE BofA ML EMU Corporates 5+ Years in local currency experienced a negative -21.58 %.

Liquidity has been increased and has been allocated to short-term, high rated bond instruments that offer the highest level of safety. In the current scenario of rising rates, the sub-fund benefited from the remuneration generated by the portion allocated to liquidity while avoiding the decrease in the downturn in markets.

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## **MAIN FACTS ABOUT SYSTEMATICA IN 2022**

There has been no specific fact related to Systematica in 2022.

## **BEGINNING 2023**

No significant event has occurred to date since the beginning of 2023 with markets relatively well oriented after a certain volatility due to the crisis affecting certain regional banks in the USA and Crédit Suisse in Europe. However this crisis has been rapidly contained and the markets returned on a positive positive mode.

No change has occurred at the level of the fund's structure since the beginning of 2023.

Nothing substantial occurred either at the level of the fund management, organisation and assets under management since the beginning of 2023 to date which need to be commented.

Luxembourg, April, 17 2022

## **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 2022, 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 2022, 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.



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.
- 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 the 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, 28 April 2023

## **SYSTEMATICA - GLOBAL TREND**

## SYSTEMATICA - GLOBAL TREND

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### Statement of net assets as at 31/12/22

	Note	Expressed in EUR
<b>Assets</b>		<b>29,364,035.89</b>
Securities portfolio at market value	2.2	25,409,487.12
<i>Cost price</i>		25,091,750.05
Cash at banks and liquidities		3,862,050.47
Receivable for investments sold		50,642.99
Net unrealised appreciation on financial futures	2.7	38,697.59
Dividends receivable, net		3,157.72
<b>Liabilities</b>		<b>133,283.21</b>
Management fees payable	3	111,123.94
Depository and sub-depository fees payable		1,385.31
Audit fees payable		16,672.50
Subscription tax payable ("Taxe d'abonnement")	7	1,878.98
Other liabilities		2,222.48
<b>Net asset value</b>		<b>29,230,752.68</b>

# SYSTEMATICA - GLOBAL TREND

## Statement of operations and changes in net assets from 01/01/22 to 31/12/22

	Note	Expressed in EUR
<b>Income</b>		<b>110,109.93</b>
Dividends on securities portfolio, net		90,997.44
Bank interests on cash accounts		18,904.01
Other income		208.48
<b>Expenses</b>		<b>714,318.36</b>
Management fees	3	489,901.73
Depositary fees		6,107.36
Administration fees	5	10,795.37
Domiciliary fees		979.80
Audit fees		11,528.65
Legal fees		17,195.74
Transaction fees	6	91,627.16
Subscription tax ("Taxe d'abonnement")	7	7,760.74
Interests paid on bank overdraft		22,277.54
Banking fees		3,520.33
Other expenses		52,623.94
<b>Net income / (loss) from investments</b>		<b>-604,208.43</b>
<b>Net realised profit / (loss) on:</b>		
- sales of investment securities	2.2,2.3	-2,037,602.50
- financial futures	2.7	-1,492,620.32
- foreign exchange	2.4	1,110,677.85
<b>Net realised profit / (loss)</b>		<b>-3,023,753.40</b>
<b>Movement in net unrealised appreciation / (depreciation) on:</b>		
- investments	2.2	-153,932.06
- financial futures	2.7	-62,171.68
<b>Net increase / (decrease) in net assets as a result of operations</b>		<b>-3,239,857.14</b>
Subscriptions of capitalisation units		103,370.13
Redemptions of capitalisation units		-3,984,140.29
<b>Net increase / (decrease) in net assets</b>		<b>-7,120,627.30</b>
<b>Net assets at the beginning of the year</b>		<b>36,351,379.98</b>
<b>Net assets at the end of the year</b>		<b>29,230,752.68</b>

## SYSTEMATICA - GLOBAL TREND

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### Statistics

		31/12/22	31/12/21	31/12/20
<b>Total Net Assets</b>	<b>EUR</b>	<b>29,230,752.68</b>	<b>36,351,379.98</b>	<b>36,519,775.79</b>
<b>Class A</b>				
Number of units		295,793.851	334,387.268	350,259.710
Net asset value per unit	EUR	98.82	108.71	104.26

## SYSTEMATICA - GLOBAL TREND

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Changes in number of units outstanding from 01/01/22 to 31/12/22

	Units outstanding as at 01/01/22	Units issued	Units redeemed	Units outstanding as at 31/12/22
Class A	334,387.268	1,013.417	39,606.834	295,793.851

# SYSTEMATICA - GLOBAL TREND

## Securities portfolio as at 31/12/22

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market			<b>3,991,695.87</b>	<b>13.66</b>
<b>Shares</b>			<b>3,991,695.87</b>	<b>13.66</b>
<b>Curacao</b>			<b>65,118.76</b>	<b>0.22</b>
SLB	USD	1,300	65,118.76	0.22
<b>Germany</b>			<b>573,047.38</b>	<b>1.96</b>
ALLIANZ SE REG SHS	EUR	178	35,760.20	0.12
BASF SE REG SHS	EUR	590	27,370.10	0.09
BEIERSDORF AG	EUR	310	33,232.00	0.11
BMW AG	EUR	410	34,185.80	0.12
COVESTRO AG	EUR	610	22,295.50	0.08
DEUTSCHE BANK AG REG SHS	EUR	1,510	15,987.88	0.05
DEUTSCHE BOERSE AG REG SHS	EUR	234	37,767.60	0.13
DEUTSCHE TELEKOM AG REG SHS	EUR	1,760	32,802.88	0.11
HANNOVER RUECK SE	EUR	224	41,552.00	0.14
HEIDELBERGCEMENT AG	EUR	350	18,648.00	0.06
HENKEL AG & CO KGAA PFD	EUR	500	32,510.00	0.11
INFINEON TECHNOLOGIES REG SHS	EUR	640	18,195.20	0.06
MERCEDES-BENZ GROUP	EUR	330	20,262.00	0.07
MERCK KGAA	EUR	147	26,592.30	0.09
MTU AERO ENGINES HOLDING AG	EUR	106	21,433.20	0.07
MUENCHENER RUECKVERSICHERUNGS AG REG SHS	EUR	200	60,800.00	0.21
RWE AG	EUR	700	29,113.00	0.10
SAP AG	EUR	184	17,735.76	0.06
SIEMENS AG REG	EUR	265	34,354.60	0.12
ZALANDO SE	EUR	376	12,449.36	0.04
<b>Ireland</b>			<b>32,988.60</b>	<b>0.11</b>
LINDE PLC	EUR	108	32,988.60	0.11
<b>Luxembourg</b>			<b>23,960.63</b>	<b>0.08</b>
ARCELORMITTAL SA	EUR	975	23,960.63	0.08
<b>Netherlands</b>			<b>195,830.14</b>	<b>0.67</b>
AIRBUS SE	EUR	158	17,541.16	0.06
ASML HOLDING NV	EUR	27	13,602.60	0.05
BESI -REGISTERED SHS	EUR	205	11,594.80	0.04
ING GROUP NV	EUR	1,390	15,829.32	0.05
QIAGEN REGD EUR	EUR	698	32,812.98	0.11
RANDSTAD BR	EUR	700	39,872.00	0.14
SIGNIFY NV	EUR	656	20,585.28	0.07
WOLTERS KLUWER NV	EUR	450	43,992.00	0.15
<b>United Kingdom</b>			<b>49,213.50</b>	<b>0.17</b>
UNILEVER	EUR	1,050	49,213.50	0.17
<b>United States of America</b>			<b>3,051,536.86</b>	<b>10.44</b>
ABBVIE INC	USD	580	87,827.41	0.30
AMERICAN INTL	USD	1,205	71,402.39	0.24
AMGEN INC	USD	250	61,522.60	0.21
BAKER HUGHES RG-A REGISTERED SHS -A-	USD	1,563	43,247.03	0.15
BIOGEN IDEC INC	USD	73	18,941.35	0.06
BLACKROCK INC	USD	39	25,895.12	0.09
BRISTOL-MYERS SQUIBB CO	USD	1,007	67,888.17	0.23
CATERPILLAR - REGISTERED	USD	180	40,403.65	0.14
CHARLES SCHWAB CORP/THE	USD	1,230	95,956.71	0.33
CHEVRON CORP	USD	440	73,999.16	0.25
CISCO SYSTEMS INC	USD	1,344	59,993.59	0.21



# SYSTEMATICA - GLOBAL TREND

## Securities portfolio as at 31/12/22

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
DEERE AND CO	USD	183	73,518.93	0.25
DOWDUPONT - REGISTERED SHS WI	USD	540	34,724.95	0.12
ELI LILLY & CO	USD	345	118,261.70	0.40
EXXON MOBIL CORP	USD	530	54,775.36	0.19
FREEMPORT MCMORAN COPPER AND GOLD INC	USD	1,620	57,680.96	0.20
GENERAL ELECTRI	USD	547	42,945.07	0.15
GENERAL MILLS INC	USD	1,774	139,376.81	0.48
GILEAD SCIENCES INC	USD	1,590	127,900.21	0.44
GOLDMAN SACHS GROUP INC	USD	148	47,617.93	0.16
HALLIBURTON	USD	1,120	41,294.92	0.14
HOME DEPOT INC	USD	221	65,406.47	0.22
HONEYWELL INTERNATIONAL INC	USD	232	46,584.77	0.16
IBM CORP	USD	494	65,214.02	0.22
JOHNSON & JOHNSON	USD	500	82,759.43	0.28
JPMORGAN CHASE CO	USD	550	69,107.52	0.24
KIMBERLY-CLARK CORP	USD	521	66,269.15	0.23
LOWE'S CO INC	USD	325	60,672.76	0.21
MARATHON PETROLEUM	USD	445	48,529.91	0.17
MCDONALD'S CORP	USD	216	53,335.66	0.18
MERCK & CO INC	USD	1,632	169,660.72	0.58
MONDELEZ INTERNATIONAL INC	USD	1,100	68,695.24	0.24
MORGAN STANLEY	USD	647	51,541.76	0.18
NETFLIX INC	USD	335	92,560.13	0.32
NEWMONT CORPORATION	USD	1,875	82,923.40	0.28
ONEOK INC (NEW)	USD	840	51,710.47	0.18
PEPSICO INC	USD	480	81,252.57	0.28
PFIZER INC	USD	1,635	78,498.38	0.27
PHILLIPS 66	USD	700	68,265.17	0.23
SHERWIN WILLIAMS CO	USD	232	51,591.06	0.18
STARBUCKS CORP	USD	1,000	92,949.17	0.32
T MOBILE USA INC	USD	746	97,858.98	0.33
UNITED AIRLINES HOLDINGS INC	USD	1,050	37,090.65	0.13
US STEEL	USD	1,295	30,395.64	0.10
VALERO ENERGY CORP	USD	450	53,489.81	0.18
<b>Undertakings for Collective Investment</b>			<b>21,417,791.25</b>	<b>73.27</b>
<b>Shares/Units in investment funds</b>			<b>21,417,791.25</b>	<b>73.27</b>
<b>France</b>			<b>218,680.00</b>	<b>0.75</b>
L FT IMC PDRU E - ACT -C EUR-	EUR	1,540	218,680.00	0.75
<b>Ireland</b>			<b>7,000,216.27</b>	<b>23.95</b>
ANIMA ITALIAN EQUITY-I	EUR	43,950	371,228.07	1.27
BLACKROCK ICS US TREASURY FD ACC USDPLC	USD	32,860	3,286,357.92	11.24
ISHS EUR ULT BD EUR	EUR	23,765	2,367,350.48	8.10
SPDR BAR EUR HG EUR	EUR	19,580	975,279.80	3.34
<b>Luxembourg</b>			<b>14,198,894.98</b>	<b>48.58</b>
BGF WORLD HEALTHSCIENCE D2 EUR	EUR	29,870	362,920.50	1.24
BNPP INSTICASH SICAV EUR GOV -INS- CAP	EUR	18,647	1,862,154.12	6.37
CPR INVEST - GLOBAL RESOURCES I EUR A	EUR	1,680	245,431.20	0.84
FIDELITY EURO CASH FUNDS -Y-ACC-EUR CAP	EUR	346,269	3,464,244.71	11.85
PICTET SICAV EUR SOV LQTY -I- CAP	EUR	45,517	4,504,333.92	15.41
UBS LUX MONEY MKT FD EUR SUST QA	EUR	36,807	3,759,810.53	12.86
<b>Total securities portfolio</b>			<b>25,409,487.12</b>	<b>86.93</b>

## **SYSTEMATICA**

### **Notes to the financial statements - Schedule of derivative instruments**

# SYSTEMATICA

## Notes to the financial statements - Schedule of derivative instruments

### Financial futures

As at December 31, 2022, the following future contracts were outstanding:

#### SYSTEMATICA - GLOBAL TREND

Quantity Buy/(Sell)	Denomination	Currency	Commitment (in EUR) (in absolute value)	Unrealised (in EUR)	Broker
<b>Futures on currencies</b>					
56.00	EUR/USD (CME) 03/23	USD	7,000,000.00	38,697.59	UBS AG
				<b>38,697.59</b>	

## **SYSTEMATICA**

### **Other notes to the financial statements**

# SYSTEMATICA

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## Other notes to the financial statements

### 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 October 15, 2013, in accordance with Part I of the amended Law of December 17, 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 December 31, 2022, only one sub-fund, denominated in Euro (EUR), was open for subscriptions and redemptions:

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

### 2 - Principal accounting policies

#### 2.1 - Presentation of the financial statements

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:

#### 2.2 - Portfolio valuation

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 Valuation 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.

#### 2.3 - Net realised profits or losses on sales of investments

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.

#### 2.4 - Foreign currency translation

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.

1 EUR = 0.98745 CHF      1 EUR = 11.12025 SEK      1 EUR = 1.06725 USD

## Other notes to the financial statements

### 2 - Principal accounting policies

#### 2.5 - Valuation of options contracts

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.

No options were traded over the year ended December 31, 2022.

#### 2.6 - Valuation of 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.

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

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

No forward foreign exchange contracts were traded over the year ended December 31, 2022.

#### 2.7 - Valuation of future contracts

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 are recorded in the statement of operations and changes in net assets.

Realised profit and loss on financial future 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".

#### 2.8 - Dividend and interest income

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.

# SYSTEMATICA

## Other notes to the financial statements

### 3 - Management fees

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.

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.

Sub-funds	Class of units	ISIN	Management fee (effective rate)
SYSTEMATICA - GLOBAL TREND	Class A	LU0987297479	1.50

### 4 - Performance fees

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 ending December 31, 2022, there was no performance fee.

### 5 - Administration 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.

### 6 - 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.

### 7 - Subscription tax ("*Taxe d'abonnement*")

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.

### 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 December 31, 2022, there was no investment in related parties.

### 9 - Changes in the composition of 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.

### 10 - Significant events during the year

#### Ukraine War

From a portfolio management perspective, the war in Ukraine had a general impact on financial markets which declined significantly in the first half of the year and on global economic activity via an increase in the price of commodities (exacerbating the inflation dynamics already in place due to the reopening of the economies following the COVID crisis), denting investors and consumer confidence (especially in Europe) and, more broadly, increasing economic uncertainty. All these elements had an impact on the performance of financial assets and therefore on the result of EGI's investment activity.

In addition to this general impact, certain sub-funds were affected by the crisis due to their direct exposure to Russian (and to a lesser extent) Ukrainian assets which were also included in the relevant benchmarks. The direct and indirect exposures of these sub-funds to Russian assets were heavily devaluated in the days and weeks following the Russian invasion of Ukraine.

# SYSTEMATICA

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## Other notes to the financial statements

### 10 - Significant events during the year

The Company created on the 3<sup>rd</sup> March 2022, a Joint Crisis Committee to monitor the impact on the Fund of the Ukraine – Russia crisis, to supervise the valuation of the illiquid Russian securities and to take mitigation measures. The Committee, consisted of representatives of the Executive Committee, the Risk Management Committee, the Compliance and Anti Money Laundering Committee, the Pricing Committee and the Investment Committee.

### 11 - Subsequent events

As of the date of signature of this report there are no subsequent events to be reported.



## **SYSTEMATICA**

### **Additional unaudited information**

# SYSTEMATICA

## Additional unaudited information

### Remuneration policy

Investment management services for Systematica are performed by Ersel Gestion Internationale S.A. as the Management Company of Systematica. However, the day to day investment management of Systematica Global Trend is delegated to 4Timing SIM S.p.A. This Note provides information on staff remuneration both for the staff at Ersel Gestion Internationale S.A. and for the 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 sets rules regarding the variable part of the remuneration.

The Policy is available on the Company website, [www.Ersel.it](http://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 Company level into fixed and variable remuneration and the number of staff was as follows as of the 31.12.2022:

Number of staff - head count as of the 31.12.2022	Total fixed salaries (gross) in EUR	Total variable portion (gross) in EUR	Total gross in EUR
14 *	1,053,808	178,112	1,231, 920

\*Including 3 part time.

Breakdown between Identified Staff and other staff was as follows:

	Number - head count as of the 31.12.2022	Total gross in EUR
Identified staff	7	752,578
Other staff	7	479,342

#### Note:

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

### 4TIMING SIM S.p.A Manager of Systematica Global Trend

Salaries split into fixed and variable remuneration and number of staff was as follows in 2022:

Number of staff as of the 31.12.2022	Total fixed salaries (gross) in EUR	Total variable portion (gross) in EUR	Total gross in EUR
12	793,493	-	793,493

Breakdown between Identified Staff and other staff was as follows:

	Number - head count as of the 31.12.2022	Total gross in EUR
Identified Staff	4	376,427
Other staff	8	417,066

# SYSTEMATICA

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## **Additional unaudited information**

### **Global Risk Exposure**

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

# SYSTEMATICA

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## **Additional unaudited information**

### **Securities Financing Transactions Regulation (SFTR) Disclosures**

The Fund does not use any instruments falling into the scope of "SFTR".

# SYSTEMATICA

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## Additional unaudited information

### SFDR (Sustainable Finance Disclosure Regulation)

The Fund takes into account ESG criteria as per Sustainable Finance Disclosure Regulation ("SFDR").

The fund is in line with **art. 6** of the SFDR. Nevertheless, the investments underlying the Fund do not take into consideration the environmental objectives as defined by Regulation 2020/852 ("EU Taxonomy") for environmentally sustainable economic activities.