

**AFH**

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**SICAV with sub-funds under Luxembourg law A Luxembourg  
Investment Fund (Société d'Investissement à Capital Variable)**

Management Company  
**Amundi Luxembourg S.A.**

Administrative agent and Depositary  
**CACEIS Bank, Luxembourg Branch**

Auditor  
**PricewaterhouseCoopers, Société coopérative**

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# ***AFH***

***Annual report and audited financial statements***

***R.C.S. Luxembourg B 223 412***

As at 31/12/24

No subscriptions can be received on the basis of financial statements alone. Subscriptions can only be received on the basis of the latest prospectus accompanied by the latest annual report including audited financial statements as well as by the latest semi-annual report, if published after the latest annual report including audited financial statements and the Key Information Document (KID).

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## Quarter 1

Economic activity remained strong in the United States in Q1 2024, less so in Europe, though it improved slightly compared to the last quarter of 2023. The trend was also slightly better in emerging economies. Inflation continued to fall, albeit gradually. Both the US Federal Reserve and the European Central Bank (ECB) indicated that they would wait a little longer before lowering their rates. On the markets, bond yields bounced back while equities continued their good momentum at the end of 2023.

### United States

The US economy continued to demonstrate remarkable strength, although many observers expected the key rate hikes of 2022 and 2023 to lead to recession. At the end of March, a third official estimate of Q4 2023 GDP showed growth of 3.4% at an annualised rate. Turning now to more recent data, labour market figures indicated the creation of more than 500,000 net jobs in January and February, which represents a strong and accelerating pace compared to Q4. For their part, business climate indicators for industrials signalled a slowdown in their decline over the first two months of the quarter, with the services sector still improving. Inflation continued to fall, albeit gradually. In February, the general consumer price index was 3.2% over 12 months after coming in at 3.4% in December, and the underlying index was 3.8% compared to 3.9% previously. At the start of the quarter the Federal Reserve's message sought to calm market expectations of a reduction in key rates in Q1. It indicated that the next move was highly likely to be a reduction, but it would only happen after more signs of a lasting slowdown in inflation.

### Eurozone

After near stagnation throughout 2023, some faint signs of improvement appeared in Q1. Q4 GDP figures showed zero growth. They were slightly negative in Germany, slightly positive in Italy and France and more positive in Spain. However, in March, PMI indices rose to a level that indicated an expansion in activity in the services sector, with a less severe contraction than at the end of 2023 in industry. Other indicators, such as Germany's IFO business climate index, also reported a very slight improvement. Likewise, the labour market continued to resist the economic gloom as the unemployment rate remained at 6.5% in February, its lowest level since the creation of the eurozone. Inflation continued to slow, with the 12-month consumer price index dropping to 2.6% in February (from 2.9% in December) and the underlying index fell to 3.1% from 3.4%. Like the US Fed, the ECB has sought to dispel expectations of a rapid lowering of key rates. The message from its monetary policy committee meeting on 7 March was widely interpreted as a sign of a first reduction in June.

### Emerging Markets

The economic upturn in China was moderate and deflationary pressures persist. The Chinese authorities have preferred to lower interest rates instead of using budgetary weapons to target the reduction of local authority debt. Since the start of the year, growth has improved in emerging countries, even though it has remained in negative territory in central and eastern Europe. Inflation fell sharply in most countries in January, but in February some upside surprises and concerns about expectations emerged. Emerging countries' currencies were extremely volatile as they waited for greater visibility on US monetary policy, equities were not spared either. Central banks, most of which had started to ease their monetary policy, once again reacted quickly by holding off rate cuts in March and/or keeping them unchanged. Obviously, the geopolitical context continues to weigh heavily on investors' sentiment, who are particularly concerned about possible repercussions on global inflation.

### Rates

Rates remain on the high side, volatility remains strong. The German 10-year Bund yield exceeded 2.3% and that of the 10-year US bond 4.3%. There are two factors still driving markets — inflation's progress and what central bankers are saying. Markets are very confident that the ECB will lower rates in June. During its last committee meeting the ECB did indeed keep the door open for a rate reduction in June. However, Christine Lagarde has reiterated her call for patience when it comes to monetary policy. The ECB remains cautious about the pace of disinflation, particularly in the services sector, and will continue to monitor labour market development, which has shown great resilience. On the other hand, markets are less sure that the Fed will cut rates in June. The Fed is in no hurry to lower rates. It considers that underlying economic growth is more likely to bounce back and is stronger than in December. The Fed's rhetoric has not changed, despite the recent acceleration in inflation. It maintains the story that "inflation is gradually falling on a sometimes rocky path towards 2%".

### Equities

Risky assets started the year in the green. Investors bought into the "soft landing" scenario, causing equities markets to rise. In addition, good quarterly corporate results supported equities markets this quarter. The knock-on effect is that global stocks have benefited — the MSCI ACWI is up 9.1%. The US increased by 10% and outperformed Europe, which was up 7.6%. Eurozone markets are doing better, up 9.9%, with the Netherlands (up 17.9%) and Italy (up 15.7%) being the main contributors. Outside the eurozone, the UK market is doing less well this quarter, only gaining 2.9%. Sticking with developed markets, the Japanese market was impressive this quarter, rising 18.3%. MSCI emerging markets index progressed (up 4.0%) driven by the outperformance of the Taiwanese market, which rose 16.9%. At the European sector level, so-called cyclical shares (up 10.4%) prevail over defensive stocks (up 2.9%). These were led by technology (up 17.9%), cyclical consumer goods (up 12.3%) and the insurance sector (up 11.9%). Utilities (-5.6%) and the property sector (-1.4%) were the main detractors this quarter. In Europe growth stocks (up 10.7%) are outperforming value stocks (up 4.4%).

### T2 2024

Economic figures showed diverging trends on both sides of the Atlantic. In the US, activity is slowing slightly from a previously vigorous dynamic and inflation has resumed its downward trend. In the Eurozone the business climate is improving after several difficult quarters and inflation has reaccelerated modestly after several months of decline. The ECB initiated a first rate reduction on 6 June, while the Fed did not make any precise statement about the date of its first move. On the markets, bonds performed negatively and remain volatile, particularly in Europe, whereas stocks continue to rise.

## Quarter 2

### United States

After several quarters of good resilience, the US economy has started to show signs of weakness in the second quarter. Although US figures continued to be a testament to powerful activity (the ISM manufacturing index returned to positive territory for the first time since November 2022 and retail sales were up), the first signs of weakness came with Q1 GDP growth being below expectations. US indicators released in May, for the most part, signalled a moderate slowdown in activity, with the ISM indices returning to a slight contraction in industry. This trend was confirmed in June. The message was different in services, where prospects improved. The labour market was also contradictory with good progress in jobs creation but the unemployment rate moved up to 4%. The downturn in prospects for consumption was, however, confirmed with disappointing retail sales which foreshadowed weak growth in Q2.

Inflation's downward trend seemed to halt at the start of the quarter. It was finally validated with PCE inflation (the Federal Reserve's preferred measure) at an annualised rate of 2.6%. However, inflationary pressures were confined to services. In this context the Federal Reserve refrained from announcing any timetable for rate cuts, indicating it first needs more signs of disinflation. Fed officials raised their inflation forecasts for 2024 slightly and shifted the sequence of key rate cuts over time without changing the total value of -250 bps by the end of 2026. At the end of June, several Fed governors seemed reluctant to support rate cuts before the end of the year.

## Europe

The improvement in the European economic situation was the nice surprise of the second quarter. Although still weak in absolute terms, figures from the Eurozone clearly surprised on the upside in April from very pessimistic expectations. Thus the major indicators of the economic climate (Sentix, ZEW and PMI) overall signalled a slight improvement in activity, despite a situation that remains eroded in the manufacturing sector. June confirmed a slight recovery in economies with notable signs of improvement, which augurs moderate expansion in the second quarter.

Even if the overall inflation trend in the Eurozone is downward, it is resisting in service activities, which are its main driver. Inflation statistics for May indicate an uptick to 2.6% year-on-year, compared to 2.4% in April, falling again to 2.5% in June at an annualised rate. This is mainly due to inflation in services which is only expected to decrease gradually. The annual base inflation rate, which excludes volatile food and energy prices, reached 2.7% in April and 2.9% in June, above market expectations. Among the major economies, inflation (harmonised at EU level) fell in Germany (2.5%), France (2.5%) and Spain (3.5%), while it rose in Italy (0.9%).

Despite the backdrop of volatile inflation and resumption of economic activity, the ECB reduced its headline rates on 6 June by 25 basis points for the first time in almost five years, cutting the deposit rate to 3.75% from 4% in line with market expectations. Christine Lagarde, however, did not comment on future rate cuts. The temporary divergence between the Fed and the ECB had a limited effect on the euro which fell from 1.09 to 1.07 against the US dollar.

Although inflation is back down at 2% in the United Kingdom, the Bank of England maintained its rates at 5.25% before the UK elections on 4 June, which revealed the uncertainty about how it would perform in the short term.

## Asia

In Japan inflation data for May was lower than consensus expectation and growth statistics for Q1 have been lowered. Inflation (excluding energy and fresh produce) was at 2.1% year-on-year, lower than the 2.2% forecast. Inflation's return to the Bank of Japan's (BoJ) target was slightly quicker than forecast. The market is logically anticipating the BoJ should maintain its short-term interest rates, leading to a further fall in the yen (the USD/JPY broke 160 at the end of the quarter).

China remains in the grip of a property market that is failing to stabilise, with a continued decline in volumes and prices. The latest measures announced by the Chinese government suggest a turnaround to this situation which has been weighing on consumption and employment for several quarters. Moving from low-impact technical measures to more engaging policies towards the construction sector, the Chinese authorities are looking to confirm their desire to achieve the 5% growth target this year. In a tense geopolitical context, China is accused by its trading partners of unfair competition in many sectors, leading to an increase in US customs tariffs and a potentially similar move by the EU. But the most significant risk remains weak interior demand, confirmed by the June PMI indicators.

## Emerging Markets

Although inflation generally seems to be under control in emerging economies, all eyes are on the Federal Reserve, which is expected to cut rates only in the second half of 2024, and which in turn determines moves of the central banks of emerging economies. Malaysia, Mexico, the South Africa Reserve Bank (SARB) the National Bank of Poland (NB) and the Turkish Central Bank (TCMB) are among the central banks that have kept their rates unchanged, while the Czech National Bank (CNB) and the National Bank of Hungary (NBH) have reduced their rates by 50 basis points, with the Central Bank of Bulgaria (BCB) and the Central Bank of Peru (BCRP) lowering theirs by 25 bps. The People's Bank of China, is still constrained by its preference for currency stability and continues to keep rates constant.

On 4 June, India announced the results of its national elections. The national democratic alliance, led by the Bharatiya Janta Party (BJP) was re-elected with a very narrow majority. Even so, Modi obtained the support of his allies in the coalition which allowed him to form a government for the third consecutive time. After the good performance of Indian stocks over several quarters, investors will be sensitive to the progress of ambitious economic reforms and public finances.

## Rates

Bond markets remain volatile, following a halt to the decline in inflation in the advanced economies, the absence of a landing for the US economy but an acceleration in European economies. The US 10-year bond yield is approaching 4.5% while 2-year rates remain close to 5%. In Europe the German 10-year bond yield has exceeded 2.6% and 3% for the OAT. Rate spreads among the main European sovereign issuers have remained stable, but we note an unfavourable move for France after its rating was downgraded by Standard & Poor's and the announcement of the dissolution of the national assembly following the defeat of the presidential movement in the European elections.

Since the start of the year, with US inflation proving more stubborn than forecast, the US Federal Reserve's rhetoric is now "not to be in a hurry to lower rates". This has been a source of volatility on the bond markets. In contrast, inflation in Europe now appears to be more or less under control and the ECB has initiated a first rate cut. Credit markets are developing positively thanks to resilient economic activity, strong balance sheets and the expectation of rate cuts by the central banks.

### Equities

Despite a temporary correction in April following the release of US inflation data which many feared would lead to a new hike in the Fed rates, equities markets have rebounded through the quarter thanks to the publication of reassuring Q1 results.

The MSCI World index rose 2.6% with extremely contrasting regional performances. The US market was up 4.1%, significantly outperforming Europe (up 1.65%) and Japan (down 2.5%) in dollar terms. The French market was impacted by the national political context, dropping around 6% in June.

The S&P500 (TR) index was up 4.3% in the second quarter and 3.6% in June alone. The quarter did not start well, with a fallback in April as a series higher-than-expected inflation reports pushed interest rates higher and fuelled concerns of a new rate hike by the Fed. Concerns about inflation were later dispelled and the stock market reached new highs.

We note a change in the dynamics of equity markets with less concentration in very large US stocks (magnificent 7) and an outperformance in Europe in certain phases, investors looking for sectors or regions less expensive than the United States. However, the political uncertainty in France followed by the dissolution of the national assembly led to non-European investors retreating. But the big surprise must be the rebound in the Chinese market (up 5.4%) following government announcements of greater support for the property sector and despite profit-taking in June. Despite the rise in long-term rates, growth stocks continue to significantly outperform the *value* segment, even though we note renewed interest in discounted sectors and the rebound of European banking stocks in the first part of the quarter.

### Quarter 3

Q3 ended with a marked drop in inflation, signs of an economic slowdown and changes in monetary policies by the central banks. The US economy, which had surprised with its resilience for several quarters, started to show signs of weakness. The market has factored in the risk of recession. Europe, notably Germany, started to disappoint with a lack of dynamism translating into very sluggish growth. Financial markets, despite strong volatility in August, bounced back at the end of the quarter, fuelled by expectations of a cut in interest rates and the Chinese economy recovery plan. This quarter has also been marked by political uncertainty, above all the coming US elections, the ongoing conflict in Ukraine and the risk of all-out war in the Middle East. Gold hit record highs, above \$2600 an ounce.

### United States

The US economy showed signs of slowing and inflation continued to ease. The consumer price index (CPI) dropped from 3% in June to 2.5% in August on an annual basis and the PCE inflation measure used by the Federal Reserve (Fed) fell to 2.2% (2.7% for the core index). Forecasts indicate a return to the 2% target in 2025. The main change came from the labour market with worse-than-expected unemployment figures in August and signs of fragility persisting in September. Job creation slowed, while unemployment claims increased slightly, creating uncertainty about the strength of the US economy. Moreover, the manufacturing sector continued to contract, with the ISM index falling to 47.2 in August, marking the fifth consecutive month of contraction in activity. Household consumption also showed signs of slowing, particularly due to the drop in consumer confidence, impacted by fears of a downturn in the labour market.

The downward trend in inflation combined with a deterioration in the labour market convinced the Fed to change course. Its president, Jerome Powell, prepared people for this at the Jackson Hole Symposium. In September, the Fed reduced its key rates by 50 basis points, from 5.25% to 4.75%, confirming its intent to support the economy and ensure full employment.

The US elections on 5 November are adding a dose of uncertainty. Kamala Harris has successfully transitioned as successor to Joe Biden. She has given a new boost to the Democrat campaign and is now neck and neck with Donald Trump. The former president has been the victim of two assassination attempts, which has exacerbated tensions in an already deeply divided country. Candidate proposals, particularly on taxation, economic regulation and environmental policies, are being closely scrutinised by investors. The environmental policies proposed by Harris, and Trump's promise of tax cuts, could have a powerful influence on the country's economic trajectory.

### Eurozone

In Europe Q3 saw consolidation of the recovery that began in the spring. However, growth remains modest. Eurozone GDP only advanced 0.6% in August, with significant divergence between the main economies. Forecast surveys such as the HCOB PMI (Hamburg Commercial Bank PMI) are now pointing to a contraction in activity with a negative shift in services. Germany, the eurozone's largest economy, continues to show signs of weakness, with near-zero growth and a sluggish industrial sector. The Bundesbank thinks that the economy is close to recession. The German manufacturing PMI continued its slump in August from 42.4 to 40.3. Things are more positive in France and Spain, where domestic consumption has sustained growth, above all in the tourism and consumer sectors (helped by the "Olympics effect" for France).

Eurozone inflation continued its downward trend, with an average rate of 2.2% in August, compared to 2.6% in July. Underlying inflation remains stable at 2.8% and the services sector remains the main source of inflationary pressure, whereas manufactured goods and energy are contributing to the decline. At the end of September, the French inflation figure was largely below expectations at 1.5% on an annual basis, compared to the 2% forecast by economists (the European measure).

Against this backdrop of weak growth and ongoing falling inflation, the European Central Bank (ECB) cut its key interest rates again in September, reducing the deposit rate from 3.75% to 3.5%. However, Christine Lagarde warned that the extent of future reductions would depend on how inflation evolved, and wage dynamics.

### Emerging Markets

In China, data fell short of expectations in Q3, with industrial production growing 4.5% instead of the 4.7% expected in August, and retail sales disappointing. The real estate market remains the heart of the problem, with falling prices and declining transaction volumes. This situation is weighing on consumption and employment. In an attempt to revive depressed domestic demand, Beijing announced several strong measures at the end of September to stimulate mortgage credit, consumption and to support the Chinese stock market.

In India, activity remains dynamic with growth of 6.7% between April and June and an expected trajectory above 6% this year, but is lower than the previous year. Economic reforms and interior demand are supporting this dynamic, although inflationary pressures persist, particularly in the food sector. The other emerging markets posted contrasting results, particularly Latin America, where inflation remains a major headache. In Brazil the central bank wants to tighten financial conditions, contrary to the government's advice.

## Rates

The third quarter of 2024 marked a turning point for bond markets with the start of the central bank rate-cutting cycle. In the US, bond yields fell, with the 10-year rate initially rising to 4.5% before falling straight back to around 3.75%. Yields on 2-year Treasury notes, which are more sensitive to Fed decisions, fell from 4.8% to 3.6% between June and September. This movement has been accelerated with disappointing employment data and the re-emergence of recession risk, with the market pricing in more Fed rate cuts. We are therefore seeing a steepening of the American yield curves as the Fed reduces its balance sheet and the market anticipates cuts in its key rates.

In Europe, rate-cutting moves have been less aggressive but the trend remains the same. The German 10-year rate fell back to around 2.1%, joined by the 2-year yield, while the French rate hovered below 3%, penalised by the downgrade in the country's credit rating, a notable deterioration in the 2024 deficit approaching 6.3% of GDP and strong uncertainty over the budget in the absence of a majority government. Rate spreads between European countries remained relatively stable, but the France-Germany spread jumped to around 80 basis points. Credit markets are still volatile, but performance has been positive. Investors are paying particular attention to balance sheet quality and margin developments, in an economic environment that is now more uncertain.

## Equities

On the stock markets the quarter was marked by increased volatility, particularly in the technology sector. There was a short correction in early August following the unexpected rate hike by the Bank of Japan and disappointing US unemployment statistics. The semi-conductor sector also suffered a severe correction after the perceived disappointing results of Nvidia in August, one of the backbones of the sector. Moreover, doubts are being raised about the profitability of massive investments in AI. But the S&P 500 (in USD) continues its progression, supported by the health and consumer staples sectors (+20% since the start of the year). We are seeing a rebalancing of performance across sectors and styles.

In Europe, the Euro Stoxx 50 saw a sharp rise, thanks to a strong rebound in luxury goods stocks, driven at the end of the quarter by the Chinese economic recovery plan which suggests better data in terms of consumption. The banking sector continued its growth over the quarter against a background of steepening yield curves. The CAC 40 is slightly catching up at the end of the period, encouraged by the luxury sector. The German Dax 30 and the UK FTSE 100 finished the period up.

In Japan, share indices, weighed down the rapid revaluation of the yen and the mini stock-market crash at the beginning of August, following the surprise rate hike by the Bank of Japan, finished the period in sharp decline. After months of under-performing and indices being at their lowest for 5 years, Chinese stocks rebounded very strongly at the end of September, gaining 20% in a few sessions, following announcements by the central bank and market support measures. For its part, India continues breaking records, with a significant rise in the NIFTY 50, the main Indian share index, which was up 7.5% over the quarter.

## Quarter 4

The fourth quarter of 2024 was marked by Donald Trump's Republican victory in the US and America's continued growth. This momentum is in contrast to the weakness in Europe and China. Central banks continued with their rate-reduction cycles while remaining vigilant about the risk of a resurgence of inflation. Geopolitical risks are still very present. Financial markets have generally continued their positive trends, and 2024 will ultimately be a good year for investors.

### 1. Macro Economy

#### US: political changeover and economic resilience

The US economy once again showed resilience in Q4, even if certain weaknesses persist. GDP growth bounced back by 2.8% in Q3, confirming its positive trend for 2024. Leading indicators, such as the ISM manufacturing index, remained in contraction territory at 48.4 in November, reflecting a lack of dynamism in industry, but improved in December (49.3). However, the services sector which had held up well until then, is showing signs of weakness. The ISM services index stood at 52.1 in November, down from the 56 recorded in October, disappointing for a consensus of 55.5. Consumption, a key driver of the economy, remains strong thanks to stable household incomes, but it faces persistent inflationary pressures. Consumer sentiment remains high, as shown by the Michigan Consumer Sentiment index, which rose 2.8 points in December compared to November. In the labour market, job creation significantly exceeded expectations, reaching 227,000 positions in November, demonstrating remarkable resilience and contributing to the positive consumer outlook. However, the unemployment rate rose slightly, reaching 4.2% (up 0.1% over the period), but remains under control.

The consumer price index stopped falling at the end of the year, rising to 2.6% in October and 2.7% in December, and underlying pressures remain high. But the Federal Reserve continued with its policy of gradually reducing rates, lowering its key rate by 0.5 percentage points to 4.5% over the quarter. The Fed no longer considers the labour market to be an inflationary factor and that the contribution of housing is a delayed effect that will fade. But it still remains cautious as its favourite inflation measure, the Core PCE index, remains at 2.8%. The Fed is looking to return to neutral while monitoring the risk of a return of inflation with the implementation of customs and immigration policies by the new Trump administration.

#### Europe: weak growth and political instability

Europe continues to navigate a gloomy economic environment, marked by weakened external demand, growing trade tensions, internal economic divergences and relative political instability. Growth momentum improved with the publication of Eurozone GDP for Q3 confirmed as being up 0.9% year-on-year. The labour market continued to improve with the Eurozone unemployment rate at 6.3%. Leading indicators (HCOB) for the manufacturing sector in the Eurozone remained contracted and were below expectations when released at the end of the year. There was also disappointment regarding services, which are heading for a short-term slowdown. Germany remains in recession for the second consecutive year, with GDP contracting by 0.3% year-on-year in Q3. The industrial sector, the mainstay of the German economy, is facing sluggish demand, exacerbated by trade tensions with China and the US. The automotive sector has been particularly affected, and is witnessing increasing job cuts. Olaf Scholz's government has lost its majority, leading to new legislative elections on 23 February, 2025. In France, the "Olympics effect" has faded, giving way to political uncertainty. Forecasts for the public deficit continue to deteriorate, reaching 6.1% of GDP in 2024. The Barnier government, which failed to pass the 2025 budget, has been criticised. French debt was ultimately downgraded by Moody's a few hours after the nomination of F. Bayrou as prime minister.

While inflation ticked up from 2% in October to 2.3% in November (annual variation of the harmonised price index) the European Central Bank lowered its key rates by 50 basis points over the quarter, bringing the deposit rate to 3.00%. The Bank of England lowered its key rate by 25 basis points to 4.75%.

### Emerging markets:

In China, the government continued its support for the real estate sector, focussing its efforts on cleaning up bank balance sheets and local public finances. However, the weakness in the real estate sector continues to weigh on household confidence. China is also confronted with the risk of deflation (inflation at 0.3% in October then 0.2% in November, year-on-year) as export momentum runs out of steam and could deteriorate further with a rise in US customs tariffs with Donald Trump's return to power. This environment continues to put the brakes on growth, and it will probably be lower than the 5% target.

In India overall economic momentum remains positive (supported by major investments in infrastructure) despite disappointing Q3 2024 GDP of 5.4% compared to the expectation of 6.5%. Tensions in the labour market and a slowdown in some strategic sectors such as technology, are reducing the outlook for growth.

In Brazil, sustained growth continues, leading the International Monetary Fund to increase its forecast for 2024 from 2.1% to 3%. The central bank, facing a resurgence in inflation, has raised its interest rates 50 points to bring the Selic rate to 12%.

## 2. Financial Markets

### Bond Markets: Divergent trends between the US and Europe

In the US, Treasury bond yields continued to rise, reaching 4.58% at the end of the period. This trend is explained by the resilience of the US economy, and anticipation of a widening in the budget deficit, linked to the announcements of tax cuts by the future president, Donald Trump, as well as the risk of a return to inflation in 2025. 2-year, short-term rates have continued along a similar path, climbing to 4.36% in December, and reflecting a persistent inflationary environment, which limited the Fed's cycle of rate cuts.

In Europe the disparity is significant, against a background of a faster-than-expected decline in inflation and weak growth, suggesting additional rate cuts by the ECB. German 10-year bond yields moved back to 2.1%, while French bonds (OATs) reached 2.9%, before going back up to 3.20% at the end of the period. The spread between French and German bonds widened exceeding 80 basis points after the vote of censure of the Barnier government. Conversely, the spread between Italian and Spanish sovereign bond rates and those of Germany has narrowed, leading to a shift in French debt. Eurozone short-term rates are volatile: in Germany they fluctuated throughout the quarter, stabilising at 2.09% in December, while French rates ended the quarter at 2.28%. These movements reflect adjustments in the face of economic divergences between the member states and the accommodative policy of the ECB.

### Share Markets: contrasting performances across the world

In the US stock market indices reached new highs, driven by expectations of a tax policy and deregulation favourable to American companies, and the performance of technology stocks. The S&P 500 crossed the 6,000-point threshold before dropping back, posting a gain in USD of 3.03% over the quarter. Mega Caps soared more than 14%, strongly driving the market. The Nasdaq — particularly exposed to the Big Tech companies and to Artificial Intelligence — outperformed, rising 6.27% (in USD). The Republican victory in the elections led to significant international flows into US stocks. These performances illustrate the pursuit of "Trump Trade" and renewed confidence in the American economy, as well as investors being attracted to growth stocks.

In Europe, indices were punished by political uncertainty and disappointing economic data. The Eurostoxx 50 ended the quarter down 1.17% (in EUR). Sector divergences were marked and European giants (the "Granolas") fell 7.6%. The CAC 40 closed down 2.55% over the quarter, due to disappointing performances from the luxury goods and automotive sectors, combined with a discount linked to political uncertainty. The German DAX, more exposed to technology and financials, stood out with a noteworthy positive performance of 3.8%.

In Asia, the Nikkei 225 fell 5.6% (in USD) in the fourth quarter, following Yen volatility and the unpredictability of the Bank of Japan's choices. The rebound in Chinese shares that began at the end of September, after the announcement of significant measures to stabilise the real estate sector, continued to the beginning of October, then faded. Investors are now waiting for concrete action. Yet this rebound illustrates a return of confidence in Beijing's ability to stabilise its economy after several quarters of slowdowns.

## 3. 2025 Outlook

The beginning of 2025 will be shaped by Donald Trump's early policies. Depending on whether he favours a fiscal axis (massive tax cuts) and the deregulation of certain sectors, or reinforced protectionist and migration policies, the economic implications could be very different. Against this background the central banks, the Fed in particular, will remain cautious, while investors will have to deal with uncertain economic outlooks and increased volatility in financial markets.

**Securities Portfolio as at 31/12/24**

Quantity	Market Value	% of NAV
	EUR	
<b>Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market</b>	<b>351,739.01</b>	<b>32.14</b>
<b>Shares/Units in investment funds</b>	<b>351,739.01</b>	<b>32.14</b>
<b>France</b>	<b>351,739.01</b>	<b>32.14</b>
3 AMUNDI EURO LIQUIDITY SELECT PART E	70,881.05	6.48
10,112 AMUNDI SHORT TERM YIELD SOLUTION EC	105,987.51	9.68
16 BFT CREDIT 6 MOIS ISR P C	174,870.45	15.98
<b>Undertakings for Collective Investment</b>	<b>727,722.23</b>	<b>66.49</b>
<b>Shares/Units in investment funds</b>	<b>727,722.23</b>	<b>66.49</b>
<b>France</b>	<b>727,722.23</b>	<b>66.49</b>
19 AMUNDI ENHANCED ULTRA SHORT TERM BOND SELECT PART E	209,155.10	19.11
1 AMUNDI ENHANCED ULTRA SHORT TERM BOND SELECT PART P	107.25	0.01
18 AMUNDI EURO LIQUIDITY-RATED RESPONSIBLE PART E	194,772.06	17.79
20 AMUNDI ULTRA SHORT TERM BOND RESPONSIBLE PART E C	214,631.41	19.61
1,037 BFT CREDIT 12 MOIS ISR P CAP	109,056.41	9.96
<b>Total securities portfolio</b>	<b>1,079,461.24</b>	<b>98.62</b>

**Securities Portfolio as at 31/12/24**

Quantity	Market Value	% of NAV
	EUR	
<b>Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market</b>	<b>27,351,704.89</b>	<b>4.77</b>
<b>Shares/Units in investment funds</b>	<b>27,351,704.89</b>	<b>4.77</b>
<b>Luxembourg</b>	<b>27,351,704.89</b>	<b>4.77</b>
13,869 ALLIANZ GIF ALLIANZ DYN MULTI ASSET STRAT SRI 50 WT EUR	15,681,642.08	2.73
1 VONTOBEL FUND II ACTIVE BETA I EUR	0.02	0.00
640,779 WELLINGTON GLOBAL INNOVATION FUND EUR CLASS S AC	11,670,062.79	2.04
<b>Undertakings for Collective Investment</b>	<b>541,227,285.73</b>	<b>94.38</b>
<b>Shares/Units in investment funds</b>	<b>541,227,285.73</b>	<b>94.38</b>
<b>France</b>	<b>2,906,584.40</b>	<b>0.51</b>
3 AMUNDI EURO LIQUIDITY-RATED RESPONSIBLE PART I	2,906,584.40	0.51
<b>Ireland</b>	<b>260,417,612.00</b>	<b>45.41</b>
16,750,216 ISHARES GLOBAL GOVT BOND UCITS ETF EUR HEDGED (DIST)	68,751,261.57	11.99
6,037,471 ISHARES J.P. MORGAN \$ EM BOND UCITS ETF USD (ACC)	32,909,046.93	5.74
752,154 ISHARES MSCI WORLD EUR HEDGED UCITS ETF ACC	69,664,503.48	12.15
1,174,497 PIMCO - GLOBAL BOND-INSEURHEDACC	32,052,030.53	5.59
2,218,575 SPDR BBG BARCL EURO GOV BD UCI ETF EUR	57,040,769.49	9.95
<b>Italy</b>	<b>5,576,456.35</b>	<b>0.97</b>
41,670 NORDEA 1 - EUROPEAN HIGH YIELD STARS BOND FUND BI EUR	5,576,456.35	0.97
<b>Luxembourg</b>	<b>272,326,632.98</b>	<b>47.49</b>
10,676 AMUNDI FUNDS GLOBAL AGGREGATE BOND I EUR H C	12,481,142.88	2.18
79,878 AXA IM FIXED INCOME INVESTMENT STRATEGIES FCP - US CORPORAT	11,134,127.65	1.94
173,732 AXA WLD EURO BDS CL.I C.3DEC	27,369,697.69	4.77
20,981 AXIOM OBLIGATAIRE SC EUR(V)	30,660,516.31	5.35
6,222,775 AZ FUND 1 - AZ ALLOCATION - EUROPEAN DYNAMIC A-INS EUR C	32,482,887.37	5.66
176,040 BLUEBAY INV GRADE D G AG BD-IEBH	18,860,925.17	3.29
32,069 CS GLOBAL HIGH YLD B-EBH EUR	7,354,361.30	1.28
109 DNCA INVEST GLOBAL EMERGING EQUITY M CAP	8,144,970.90	1.42
177,971 EUROPEAN SPECIALIST INVESTMENT FUNDS - M&G EUROPEAN CREDIT	17,747,547.94	3.09
131,828 GENERALI INV EURO BD -B- CAP	29,099,683.36	5.07
524,961 PICTET-MULTI ASST GL OP-IEUR	76,990,772.41	13.43
<b>Total securities portfolio</b>	<b>568,578,990.62</b>	<b>99.15</b>

The accompanying notes form an integral part of these financial statements

## Securities Portfolio as at 31/12/24

Quantity	Market Value	% of NAV	Quantity	Market Value	% of NAV
	EUR			EUR	
<b>Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market</b>	<b>36,356,336.34</b>	<b>33.14</b>	4,498,000 ITALY BUONI ORDINARI DEL TESORO BOT ZCP 14-03-25	4,469,452.12	4.07
<b>Shares</b>	<b>17,734,164.36</b>	<b>16.17</b>	<b>Undertakings for Collective Investment</b>	<b>65,807,610.54</b>	<b>59.99</b>
<b>France</b>	<b>5,801,037.88</b>	<b>5.29</b>	<b>Shares/Units in investment funds</b>	<b>65,807,610.54</b>	<b>59.99</b>
12,437 COMPAGNIE DE SAINT GOBAIN	1,065,850.90	0.97	<b>Ireland</b>	<b>37,471,947.26</b>	<b>34.16</b>
557 HERMES INTERNATIONAL	1,293,354.00	1.18	33,296 FIRST TRUST CLOUD COMPUTING UCITS ETF CLASS A USD ACCUMULAT	1,623,512.96	1.48
1,761 LVMH MOET HENNESSY LOUIS VUI	1,119,115.50	1.02	55,993 FIRST TRUST NASDAQ CYBERSECURITY UCITS ETF CLASS A USD ACCU	2,233,840.74	2.04
12,042 SANOFI	1,128,817.08	1.03	186,369 HSBC ETFS PLC HSBC EMERGING MARKET SUSTAINABLE EQUITY UCITS	2,753,210.60	2.51
4,956 SCHNEIDER ELECTRIC SE	1,193,900.40	1.09	3,641 INVESCO HEALTH CARE S&P US SELECT SECTOR	2,342,582.99	2.14
<b>Ireland</b>	<b>1,192,734.43</b>	<b>1.09</b>	111,827 ISHARES EURO GOVT BOND 0-1YR UCITS ETF EUR (DIST)	11,188,291.35	10.20
2,950 LINDE PLC	1,192,734.43	1.09	21,938 ISHARES S&P 500 EUR-ACC SHS EUR ETF	2,701,188.65	2.46
<b>Netherlands</b>	<b>1,763,262.60</b>	<b>1.61</b>	12,165 ISHARES VII PLC - ISHARES CORE EURO STOXX 50 ETF EUR ACC	2,202,351.60	2.01
2,598 ASML HOLDING NV	1,763,262.60	1.61	61,576 SSGA SPDR BLOOM BARCLAYS EU CORPO BD	3,320,910.67	3.03
<b>Spain</b>	<b>1,157,565.50</b>	<b>1.06</b>	12,615 UBS (IRL) FUND SOLUTIONS PLC - CMCI COMPOSITE SF UCITS ETF	1,262,509.20	1.15
87,035 IBERDROLA SA	1,157,565.50	1.06	30,606 VANGUARD SP 500 ETF	3,306,335.57	3.01
<b>United States of America</b>	<b>7,819,563.95</b>	<b>7.13</b>	84,992 VANGUARD US TREASURY 0-1 YEAR BOND UCITS ETF USD ACC	4,537,212.93	4.14
5,225 AMAZON.COM INC	1,107,013.76	1.01	<b>Italy</b>	<b>18,368,608.43</b>	<b>16.75</b>
4,356 AMERICAN EXPRESS CO	1,248,495.64	1.14	515,326 BOND CORPORATE ITALIA C	5,642,299.85	5.14
4,788 APPLE INC	1,157,905.32	1.06	397,924 BOND STRATEGIA CONSERVATIVA C	2,753,634.07	2.51
1,432 ELI LILLY & CO	1,067,604.06	0.97	631,596 BOND STRATEGIA CORPORATE ESG C	7,206,514.63	6.57
4,845 JPMORGAN CHASE & CO	1,121,578.90	1.02	92,933 INVESTIMENTI AZIONARI ITALIA C	2,766,159.88	2.52
2,649 MICROSOFT CORP	1,078,274.75	0.98	<b>Luxembourg</b>	<b>9,967,054.85</b>	<b>9.09</b>
15,003 NEXTERA ENERGY INC	1,038,691.52	0.95	279,416 FIDELITY FUNDS - CHINA RMB BOND FUND I-ACC-EUR	3,392,109.51	3.09
<b>Bonds</b>	<b>11,954,195.39</b>	<b>10.90</b>	22,692 LUX IM VER CAPITAL SHORT TERM B X	2,426,354.10	2.21
<b>Austria</b>	<b>1,473,113.18</b>	<b>1.34</b>	116,039 LYXOR CORE MSCI WORLD (DR) UCITS ETF	2,196,257.97	2.00
1,829,000 AUSTRIA GOVERNMENT BOND 1.85% 23-05-49	1,473,113.18	1.34	1 LYXOR INDEX FUND - LYXOR STOXX EUROPE 600 INDUSTRIAL GOODS	-	0.00
<b>Italy</b>	<b>3,324,825.54</b>	<b>3.03</b>	92,139 MULTI UNITS LUXEMBOURG SICAV AMUNDI MSCI CHINA ESG LEADERS	1,952,333.27	1.78
2,000,000 BANCA SELLA 4.5% 03-03-32	1,973,400.00	1.80	<b>Total securities portfolio</b>	<b>106,633,399.00</b>	<b>97.21</b>
1,292,000 ITALY BUONI POLIENNALI DEL TESORO 3.85% 15-12-29	1,351,425.54	1.23			
<b>Jersey</b>	<b>4,956,932.76</b>	<b>4.52</b>			
31,902 XTRACKERS PHYSICAL GOLD EUR HEDGED ETC	4,956,932.76	4.52			
<b>Spain</b>	<b>2,199,323.91</b>	<b>2.01</b>			
2,546,000 SPAIN GOVERNMENT BOND 0.7% 30-04-32	2,199,323.91	2.01			
<b>Shares/Units in investment funds</b>	<b>6,667,976.59</b>	<b>6.08</b>			
<b>Ireland</b>	<b>4,477,018.94</b>	<b>4.08</b>			
172,465 SPDR BLOOMBERG SASB U.S. CORPORATE ESG UCITS ETF EUR H	4,477,018.94	4.08			
<b>Luxembourg</b>	<b>2,190,957.65</b>	<b>2.00</b>			
7,013 EAST CAPITAL GLOBAL EMERGING MKTS SUS P	2,190,957.65	2.00			
<b>Money market instruments</b>	<b>4,469,452.12</b>	<b>4.07</b>			
<b>Treasury market</b>	<b>4,469,452.12</b>	<b>4.07</b>			
<b>Italy</b>	<b>4,469,452.12</b>	<b>4.07</b>			

**Securities Portfolio as at 31/12/24**

Quantity	Market Value	% of NAV	Quantity	Market Value	% of NAV
	EUR			EUR	
<b>Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market</b>	<b>7,514,829.23</b>	<b>6.95</b>	ACC EUR		
<b>Shares/Units in investment funds</b>	<b>7,514,829.23</b>	<b>6.95</b>	49,103 JPMORGAN FUNDS GLB AGGREGATE BD FD I HDG ACC	4,113,317.10	3.80
<b>Ireland</b>	<b>1,624,553.92</b>	<b>1.50</b>	5,184 JPMORGAN FUNDS GLOBAL FOCUS FUND I EUR	2,577,940.39	2.38
113,224 ISHARES EDGE MSCI USA MOMENTUM FACTOR UCITS ETF USD (ACC)	1,624,553.92	1.50	2,845 KEMPEN INTERNATIONAL FUNDS - KEMPEN (LUX) EURO CREDIT FUND	4,248,302.50	3.93
<b>Luxembourg</b>	<b>5,890,275.31</b>	<b>5.45</b>	3,076 LOOMIS SAYLES U.S. GROWTH EQUITY FUND S1 A EUR	1,228,046.73	1.14
689 CANDRIAM BONDS EURO HIGH YIELD V EUR ACC	1,631,770.92	1.51	10,811 MFS MER EM D I1USD	2,825,512.06	2.61
59,760 GS-GL CO E-IEURSNA	2,627,067.49	2.43	7,087 MIROVA GLB SUST EQTY FD S1 NPF EUR CAP	1,140,985.07	1.05
9,006 UBS LX-EURHY-I-A1A	1,631,436.90	1.51	205,591 MORGAN STANLEY INVESTMENT FUNDS GLOBAL FIXED INC O-ZH	6,297,265.68	5.82
<b>Undertakings for Collective Investment</b>	<b>97,738,941.09</b>	<b>90.37</b>	81,964 MSIF-EURO STRAT BOND-Z EUR	3,570,362.38	3.30
<b>Shares/Units in investment funds</b>	<b>97,738,941.09</b>	<b>90.37</b>	37,646 NORDEA 1 - EUROPEAN HIGH YIELD BOND FUND BI EUR	1,631,769.44	1.51
<b>Belgium</b>	<b>1,144,144.23</b>	<b>1.06</b>	13,955 ROBECO CAPITAL GROWTH FUNDS SICAV - ROBECO EURO CREDIT BONDS	2,272,212.59	2.10
3,077 DPAM INVEST B EQUITIES NEWGEMS SUSTAIN F	1,144,144.23	1.06	18,671 VONTOBEL FUND - TWENTYFOUR STRATEGIC INCOME FUND HI (HEDGED)	2,329,938.24	2.15
<b>France</b>	<b>2,044,912.25</b>	<b>1.89</b>	<b>Total securities portfolio</b>	<b>105,253,770.32</b>	<b>97.32</b>
844 GROUPAMA ENTREPRISES - IC	2,044,912.25	1.89			
<b>Ireland</b>	<b>14,719,889.51</b>	<b>13.61</b>			
30,398 INVESCO SP 500 ESG INDEX ETF	2,362,611.59	2.18			
76,450 NEUBERGER BRM EM DB HC-EURIA	973,972.17	0.90			
13,296 NOMURA FUNDS IRELAND PLC - US HIGH YIELD BOND FUND CLASS I	2,123,733.54	1.96			
193,385 PIMCO - GLOBAL BOND-INSEURHEDACC	5,277,466.55	4.88			
32,286 UBS (IRL) ETF PLC - FACTOR MSCI USA QUALITY UCITS ETF (USD)	1,646,586.00	1.52			
192,999 WELLINGTON GLOBAL BOND FUND EUR S ACH	2,335,519.66	2.16			
<b>Luxembourg</b>	<b>79,829,995.10</b>	<b>73.81</b>			
30,046 AB - SELECT US EQUITY PORTFOLIO S1 EUR ACC	2,421,134.96	2.24			
42,427 AXA IM FIXED INCOME INVESTMENT STRATEGIES FCP - US CORPORAT	5,913,864.68	5.47			
8,179 AXA WLD US HIG.YI.BDS I C.3DEC	2,111,904.69	1.95			
23,442 BLUEBAY INV GRADE BOND -I BASE-	4,473,829.93	4.14			
36,857 BLUEBAY INV GR EUR AGG BD-I	6,503,761.87	6.01			
5,701 BNP PARIBAS FUNDS EURO HIGH YIELD BD I CAPITALISATION	1,633,460.26	1.51			
9,318 BNP PARIBAS FUNDS - US SMALL CAP I EUR	1,233,144.12	1.14			
7,308 BRGF EUROPEAN FD CL.D2 EUR C.	1,583,657.20	1.46			
838 ELEVA UCITS FUND - FONDS ELEVA EUROPEAN SELECTION I EUR ACC	1,868,006.39	1.73			
59,668 EUROPEAN SPECIALIST INVESTMENT FUNDS - M&G EUROPEAN CREDIT	5,950,142.57	5.50			
20,540 EUROPEAN SPECIALIST INVESTMENT FUNDS - M&G SUSTAINABLE TOTA	2,339,852.88	2.16			
959 GSF III GOLDMAN SACHS US DOLLAR CREDIT IH1 CAP EUR	5,899,827.98	5.46			
21,185 JPMORGAN FUNDS AMERICA EQUITY FUND I	5,661,755.39	5.24			

The accompanying notes form an integral part of these financial statements

**Securities Portfolio as at 31/12/24**

Quantity	Market Value	% of NAV	Quantity	Market Value	% of NAV
	USD			USD	
<b>Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market</b>	<b>70,089,487.47</b>	<b>95.76</b>	9,279 VALERO ENERGY CORP	1,137,512.61	1.55
<b>Shares</b>	<b>70,089,487.47</b>	<b>95.76</b>	9,476 WALT DISNEY CO/THE	1,055,152.60	1.44
<b>Ireland</b>	<b>2,568,467.78</b>	<b>3.51</b>	<b>Undertakings for Collective Investment</b>	<b>813,262.08</b>	<b>1.11</b>
4,290 ACCENTURE PLC-CL A	1,509,179.10	2.06	<b>Shares/Units in investment funds</b>	<b>813,262.08</b>	<b>1.11</b>
13,261 MEDTRONIC PLC	1,059,288.68	1.45	<b>Ireland</b>	<b>813,262.08</b>	<b>1.11</b>
<b>United States of America</b>	<b>67,521,019.69</b>	<b>92.25</b>	11,136 SPDR SP US DIVIDEND ARISTOCRATS UCITS	813,262.08	1.11
3,871 AIR PRODUCTS & CHEMICALS INC	1,122,744.84	1.53	ETF DIS		
14,200 ALPHABET INC-CL A	2,688,060.00	3.67	<b>Total securities portfolio</b>	<b>70,902,749.55</b>	<b>96.87</b>
7,858 AMAZON.COM INC	1,723,966.62	2.36			
4,292 AMGEN INC	1,118,666.88	1.53			
6,680 ANALOG DEVICES INC	1,419,232.80	1.94			
15,728 APPLE INC	3,938,605.76	5.38			
47,409 BANK OF AMERICA CORP	2,083,625.55	2.85			
1,700 BLACKROCK INC	1,742,687.00	2.38			
14,820 BROADCOM INC	3,435,868.80	4.69			
10,738 CHEVRON CORP	1,555,291.92	2.12			
28,233 CISCO SYSTEMS INC	1,671,393.60	2.28			
22,756 COCA-COLA CO/THE	1,416,788.56	1.94			
2,431 COSTCO WHOLESALE CORP	2,227,452.37	3.04			
34,036 CSX CORP	1,098,341.72	1.50			
5,444 EATON CORP PLC	1,806,700.28	2.47			
2,999 ELI LILLY & CO	2,315,228.00	3.16			
3,917 HOME DEPOT INC	1,523,673.83	2.08			
9,004 JOHNSON & JOHNSON	1,302,158.48	1.78			
10,161 JPMORGAN CHASE & CO	2,435,693.31	3.33			
5,625 MASTERCARD INC - A	2,961,956.25	4.05			
4,946 MCDONALD'S CORP	1,433,795.94	1.96			
7,241 MERCK & CO. INC.	720,334.68	0.98			
10,415 MICROSOFT CORP	4,389,922.50	6.00			
21,506 NEXTERA ENERGY INC	1,541,765.14	2.11			
12,085 NIKE INC -CL B	914,471.95	1.25			
8,985 PEPSICO INC	1,366,259.10	1.87			
34,355 PFIZER INC	911,438.15	1.25			
8,435 PROCTER & GAMBLE CO/THE	1,414,127.75	1.93			
4,421 PRUDENTIAL FINANCIAL INC	524,021.13	0.72			
7,238 QUALCOMM INC	1,111,901.56	1.52			
13,092 STARBUCKS CORP	1,194,645.00	1.63			
3,849 STRYKER CORP	1,385,832.45	1.89			
15,775 SYSCO CORP	1,206,156.50	1.65			
10,382 TARGET CORP	1,403,438.76	1.92			
6,732 TEXAS INSTRUMENTS INC	1,262,317.32	1.72			
11,862 TJX COMPANIES INC	1,433,048.22	1.96			
5,177 UNION PACIFIC CORP	1,180,563.08	1.61			
4,638 UNITEDHEALTH GROUP INC	2,346,178.68	3.21			

**Securities Portfolio as at 31/12/24**

Quantity	Market Value	% of NAV
	USD	
<b>Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market</b>	<b>3,280,708.92</b>	<b>9.78</b>
<b>Shares/Units in investment funds</b>	<b>3,280,708.92</b>	<b>9.78</b>
<b>Luxembourg</b>	<b>3,280,708.92</b>	<b>9.78</b>
49,806 CAP GRP EMERG MK DEBT-Z USD	859,651.56	2.56
14,578 ROBECO CAPITAL GROWTH FUNDS SICAV - ROBECO FINANCIAL INSTIT	2,421,057.36	7.22
<b>Undertakings for Collective Investment</b>	<b>29,916,626.15</b>	<b>89.16</b>
<b>Shares/Units in investment funds</b>	<b>29,916,626.15</b>	<b>89.16</b>
<b>Ireland</b>	<b>12,142,374.72</b>	<b>36.19</b>
5,035 ISHARES CORE SP 500 UCITS ETF USD ACC	3,140,933.31	9.36
3,101 MAN GLG JAPAN COREALPHA EQUITY CLASS I USD	693,213.02	2.07
16,628 MUZINICH ENHANCEDYIELD SHORT TERM FUND CL H ACC USD	2,079,768.08	6.20
176,650 NEUBERGER BERMAN US LARGE CAP VAL FD IC	1,951,978.84	5.82
97,676 PIMCO GIS INCOME FUND INSTITUTIONAL USD ACCUMULATION	1,767,938.93	5.27
116,797 WELLINGTON GLOBAL STEWARDS FUND S USD	2,508,542.54	7.48
<b>Luxembourg</b>	<b>17,774,251.43</b>	<b>52.97</b>
972 AF US EQU FUNDAMENTAL GROWTH J2 USD C	3,249,055.94	9.68
701 AMUNDI FUNDS CASH USD I2 USD C	866,441.92	2.58
10,778 AXA WORLD FD-GL INFL-IH USDA	1,365,847.59	4.07
4,505 AXA WORLD FDS US H.Y.BDS I C.	1,419,660.65	4.23
3,564 BNP PARIBAS FUNDS US SMALL CAPIR	1,739,727.55	5.18
100,287 FIDELITY-USD BOND-Y ACCUSD	1,695,854.86	5.05
14,736 MSIF GLOBAL BRANDS FUND Z CAP	1,684,762.08	5.02
12,724 NORDEA 1 SICAV - US TOTAL RETURN BOND FUND	1,504,839.34	4.48
1,314 PICTET-USD GOVERNMENT BONDS-I	882,565.14	2.63
72,989 SCHRODER INTERNATIONAL SELECTION FUND GLOBAL EMERGING MARKE	1,639,834.88	4.89
13,136 VONTOBEL FUND TWENTYFOUR STRATEGIC INCOME FUND HG HEDGED USD	1,725,661.48	5.14
<b>Total securities portfolio</b>	<b>33,197,335.07</b>	<b>98.93</b>

The accompanying notes form an integral part of these financial statements

	Note	AFH - TECHNICAL BOND INVESTMENT	AFH - MULTI ASSET ONE	AFH - AEQUITAS FLEXILE	AFH - QTC MULTI ASSET
		31/12/24 EUR	31/12/24 EUR	31/12/24 EUR	31/12/24 EUR
<b>Assets</b>		<b>1,094,638.65</b>	<b>573,509,364.31</b>	<b>110,518,283.20</b>	<b>111,896,300.32</b>
Securities portfolio at market value	2	1,079,461.24	568,578,990.62	106,633,399.00	105,253,770.32
<i>Acquisition cost</i>		<i>1,012,104.89</i>	<i>534,933,959.93</i>	<i>96,412,721.86</i>	<i>97,903,099.49</i>
<i>Unrealised gain/loss on the securities portfolio</i>		<i>67,356.35</i>	<i>33,645,030.69</i>	<i>10,220,677.14</i>	<i>7,350,670.83</i>
Cash at banks and liquidities		15,177.41	4,930,373.69	3,815,703.26	3,080,760.25
Interest receivable		-	-	69,180.94	-
Dividends receivable	2	-	-	-	-
Receivable on sales of securities		-	-	-	3,561,769.75
<b>Liabilities</b>		<b>72.93</b>	<b>77,541.88</b>	<b>827,050.27</b>	<b>3,744,626.12</b>
Payable on purchase of securities		-	-	-	3,724,676.69
Management fees payable	3	-	56,074.47	65,131.27	8,622.82
Performance fees payable	4	-	-	734,709.48	-
Administration fees payable		45.57	14,439.77	14,738.02	8,622.82
Subscription tax payable	5	27.36	7,027.64	12,471.50	2,703.79
<b>Net asset value</b>		<b>1,094,565.72</b>	<b>573,431,822.43</b>	<b>109,691,232.93</b>	<b>108,151,674.20</b>

AFH - SABADELL US CORE EQUITY (launched on 15/05/24)	AFH - SABADELL GLOBAL BALANCED ALLOCATION (launched on 15/05/24)	Combined
31/12/24 USD	31/12/24 USD	31/12/24 EUR
<b>73,297,750.42</b>	<b>33,592,993.74</b>	<b>900,244,800.05</b>
70,902,749.55	33,197,335.07	882,076,847.27
67,516,212.09	32,187,349.67	826,547,315.20
3,386,537.46	1,009,985.40	55,529,532.08
2,347,178.83	395,658.67	14,490,819.53
-	-	69,180.94
47,822.04	-	46,182.56
-	-	3,561,769.75
<b>102,044.94</b>	<b>38,045.53</b>	<b>4,784,578.95</b>
-	-	3,724,676.69
86,723.03	33,643.86	246,068.92
-	-	734,709.48
6,172.45	2,839.17	46,548.85
9,149.46	1,562.50	32,575.01
<b>73,195,705.48</b>	<b>33,554,948.21</b>	<b>895,460,221.10</b>

The accompanying notes form an integral part of these financial statements

## AFH - TECHNICAL BOND INVESTMENT

	ISIN	Number of shares	Currency	NAV per share	NAV per share	NAV per share
		31/12/24		31/12/24	31/12/23	31/12/22
Class OE EUR capitalisation	LU1807499428	31.00	EUR	1,057.79	1,016.44	980.73
Class OE1 EUR capitalisation	LU2074682159	1,000,000.00	EUR	1.06	1.02	0.98
Total Net Assets			EUR	1,094,565.72	1,051,772.61	1,014,825.53

## AFH - MULTI ASSET ONE

	ISIN	Number of shares	Currency	NAV per share	NAV per share	NAV per share
		31/12/24		31/12/24	31/12/23	31/12/22
Class IE EUR distribution	LU1860407755	532,033.91	EUR	1,077.81	1,013.02	944.23
Class IE EUR capitalisation		-	EUR	-	-	944.23
Total Net Assets			EUR	573,431,822.43	529,293,375.38	468,903,021.47

## AFH - AEQUITAS FLEXILE

	ISIN	Number of shares	Currency	NAV per share	NAV per share	NAV per share
		31/12/24		31/12/24	31/12/23	31/12/22
Class A EUR capitalisation	LU2230866910	993,004.05	EUR	107.86	96.65	88.83
Class I EUR capitalisation	LU2230868023	2,359.59	EUR	1,094.53	974.38	889.80
Total Net Assets			EUR	109,691,232.93	110,866,712.60	104,482,665.10

## AFH - QTC MULTI ASSET

	ISIN	Number of shares	Currency	NAV per share	NAV per share	NAV per share
		31/12/24		31/12/24	31/12/23	31/12/22
Class I EUR capitalisation	LU2385095059	105,000.00	EUR	1,030.02	942.16	864.02
Total Net Assets			EUR	108,151,674.20	98,926,287.78	90,721,970.50

## AFH - SABADELL US CORE EQUITY (launched on 15/05/24)

	ISIN	Number of shares	Currency	NAV per share	NAV per share	NAV per share
		31/12/24		31/12/24	31/12/23	31/12/22
Class U USD capitalisation	LU2636793346	390,940.33	USD	187.23	-	-
Total Net Assets			USD	73,195,705.48	-	-

## AFH - SABADELL GLOBAL BALANCED ALLOCATION (launched on 15/05/24)

	ISIN	Number of shares	Currency	NAV per share	NAV per share	NAV per share
		31/12/24		31/12/24	31/12/23	31/12/22
Class U USD capitalisation	LU2636793429	265,439.83	USD	126.41	-	-
Total Net Assets			USD	33,554,948.21	-	-

# Statement of Operations and Changes in Net Assets for the year ended 31/12/24

	Note	AFH - TECHNICAL BOND INVESTMENT	AFH - MULTI ASSET ONE	AFH - AEQUITAS FLEXILE	AFH - QTC MULTI ASSET
		31/12/24 EUR	31/12/24 EUR	31/12/24 EUR	31/12/24 EUR
<b>Income</b>		<b>478.20</b>	<b>1,682,409.37</b>	<b>1,128,345.48</b>	<b>349,158.41</b>
Dividends on securities portfolio, net	2	-	1,370,918.35	488,462.57	233,135.50
Bond interest	2	-	-	483,473.19	-
Bank interest on cash accounts	2	478.20	136,467.48	156,409.72	104,566.49
Other income		-	175,023.54	-	11,456.42
<b>Expenses</b>		<b>646.97</b>	<b>860,643.28</b>	<b>2,338,949.35</b>	<b>210,181.74</b>
Management fees	3	-	642,778.90	1,327,685.67	98,854.86
Performance fees	4	-	-	734,709.48	-
Administration fees		538.75	165,522.37	185,872.39	98,854.86
Custodian fees		-	32,320.54	-	-
Subscription tax ("Taxe d'abonnement")	5	108.22	19,936.47	52,207.77	3,419.53
Transaction fees	2	-	85.00	36,055.65	9,049.53
Bank interest and similar charges		-	-	-	2.96
Other expenses		-	-	2,418.39	-
<b>Net realised profit/(loss) from investments</b>		<b>-168.77</b>	<b>821,766.09</b>	<b>-1,210,603.87</b>	<b>138,976.67</b>
Net realised profit/(loss) on securities sold	2	-	-186,599.37	5,907,672.65	3,292,168.14
Net realised profit/(loss) on foreign exchange	2	-	-	408,864.59	231,901.38
<b>Net realised profit/(loss)</b>		<b>-168.77</b>	<b>635,166.72</b>	<b>5,105,933.37</b>	<b>3,663,046.19</b>
Net change in unrealised appreciation/(depreciation) on investments	2	42,961.88	33,503,281.07	7,538,645.58	5,562,340.23
<b>Result of operations</b>		<b>42,793.11</b>	<b>34,138,447.79</b>	<b>12,644,578.95</b>	<b>9,225,386.42</b>
Subscriptions of shares		-	9,999,999.26	696,147.83	-
Redemptions of shares		-	-	-14,516,206.45	-
<b>Net increase / (decrease) in net assets</b>		<b>42,793.11</b>	<b>44,138,447.05</b>	<b>-1,175,479.67</b>	<b>9,225,386.42</b>
<b>Net assets at the beginning of the year</b>		<b>1,051,772.61</b>	<b>529,293,375.38</b>	<b>110,866,712.60</b>	<b>98,926,287.78</b>
<b>Net assets at the end of the year</b>		<b>1,094,565.72</b>	<b>573,431,822.43</b>	<b>109,691,232.93</b>	<b>108,151,674.20</b>

The accompanying notes form an integral part of these financial statements

AFH - SABADELL US CORE EQUITY (launched on 15/05/24)	AFH - SABADELL GLOBAL BALANCED ALLOCATION (launched on 15/05/24)	Combined
31/12/24 USD	31/12/24 USD	31/12/24 EUR
<b>689,870.69</b>	<b>16,617.91</b>	<b>3,842,659.54</b>
664,140.12	-	2,733,887.85
-	-	483,473.19
25,730.57	14,225.25	436,507.91
-	2,392.66	188,790.59
<b>684,732.58</b>	<b>267,682.56</b>	<b>4,330,184.89</b>
611,104.91	237,710.40	2,889,034.85
-	-	734,709.48
43,495.02	20,059.95	512,164.49
-	-	32,320.54
26,267.68	4,645.24	105,525.13
3,353.30	1,141.65	49,531.03
37.77	-	39.44
473.90	4,125.32	6,859.93
<b>5,138.11</b>	<b>-251,064.65</b>	<b>-487,525.35</b>
89,437.98	190,647.61	9,283,724.85
395.85	-6,893.10	634,491.47
<b>94,971.94</b>	<b>-67,310.14</b>	<b>9,430,690.97</b>
3,386,537.46	1,009,985.40	50,893,025.83
<b>3,481,509.40</b>	<b>942,675.26</b>	<b>60,323,716.80</b>
72,385,287.54	33,994,267.78	113,428,696.89
-2,671,091.46	-1,381,994.83	-18,430,340.96
<b>73,195,705.48</b>	<b>33,554,948.21</b>	<b>155,322,072.73</b>
-	-	<b>740,138,148.37</b>
<b>73,195,705.48</b>	<b>33,554,948.21</b>	<b>895,460,221.10</b>

## 1 - GENERAL

AFH (the "Fund") is an open-ended investment company organised as a société anonyme and qualifying as a "Société d'Investissement à Capital Variable" ("SICAV") under the laws of the Grand Duchy of Luxembourg.

The SICAV was incorporated on 5 April 2018 for an unlimited duration.

The SICAV functions as an "umbrella fund" under which the sub-funds are created and operate. The assets and liabilities of each sub-fund are segregated from those of other sub-funds (meaning that third-party creditors have recourse only to the assets of the sub-fund concerned).

The SICAV qualifies as an Undertaking for Collective Investment in Transferable Securities (UCITS) and is submitted to Part I of the law of 17 December 2010, as amended, relating to Undertakings for Collective Investment.

The SICAV is registered under number B 223.412 at the Commercial Register of Luxembourg, where its Articles are available for inspection and a copy thereof may be obtained upon request.

The combined financial statements are expressed in Euro (EUR).

At the date of the report, 6 sub-funds were open:

AFH - TECHNICAL BOND INVESTMENT

AFH - MULTI ASSET ONE

AFH - AEQUITAS FLEXILE

AFH - QTC MULTI ASSET

AFH - SABADELL US CORE EQUITY (launched on 15/05/24)

AFH - SABADELL GLOBAL BALANCED ALLOCATION (launched on 15/05/24)

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### ■ PRESENTATION OF FINANCIAL STATEMENTS

The Fund's financial statements are prepared and presented in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements. These financial statements are prepared under going concern basis of accounting.

### ■ DEFINITION AND NET ASSET VALUE CALCULATION

The NAV is calculated for each share class of each sub-fund as at the end of every day that is a business day for that sub-fund. The actual calculation of NAV occurs the following business day, immediately prior to the processing of transactions in sub-fund shares that were received and accepted before the cut-off time on the previous business day. Each NAV is stated in the designated currency of the share class and is calculated to at least two decimal points.

### ■ VALUATION POLICY

#### ■ Valuation of assets

• **Cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued but not yet received** : Valued at full value, minus any appropriate discount that may be applied under the responsibility of the Board of Directors and based on an assessment of any circumstances that make the full payment unlikely.

• **Transferable securities, money market instruments and derivatives that are quoted or dealt in on any stock exchange or traded in any other regulated market** : Generally valued at the last available market price for the NAV date.

• **Non-listed securities, or listed securities for which the price determined according to the above methods not representative of fair market value** : Valued in good faith at a prudent estimate of their sales price.

• **Shares of UCITS or UCIs** : Valued at the most recent NAV reported by the UCITS/UCI that is available at the time the sub-fund is calculating its NAV.

For any asset, the Board can choose a different valuation method if it believes the method may result in a fairer valuation. Trades made in a sub-fund's portfolio will be reflected on the business day they are made to the extent practicable. For complete information on how we value investments, see the articles of incorporation.

### ■ CONVERSION OF ITEMS EXPRESSED IN FOREIGN CURRENCIES

Bank deposits, other net assets and the value of portfolio securities denominated in currencies other than the base currency of the sub-fund are converted to the reference currency of the sub-fund at the exchange rate prevailing at the closing date. Income and expenses in a currency other than the base currency of the sub-fund are converted to the base currency of the sub-fund at the exchange rate prevailing at the date of recognition.

The combined financial statements are expressed in Euros (EUR), and are calculated by summing the net assets of each sub-fund.

The exchange rates as at closing date are the following:

1 EUR	=	0.93845	CHF	1 EUR	=	0.8268	GBP	1 EUR	=	162.7392	JPY
1 EUR	=	1.0355	USD								

### ■ TRANSACTION FEES

Transaction fees include fees resulting from the coding of each new trade (buy or sell) by the dedicated service within CACEIS Bank, Luxembourg Branch, forex fees,

## 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### ■ TRANSACTION FEES (continued)

stock exchange fees, handling charges linked to transactions on portfolio securities and forward foreign exchange contracts. The transaction fees are included in the item "Transactions fees".

## 3 - EXPENSES

Each sub-fund and/or class pays all costs it incurs directly and also pays its pro rata share (based on net asset value) of costs not attributable to a specific sub-fund or class.

The principal expenses paid out of shareholder assets are: fees of the management company, fees of investment managers, fees of sub-investment managers, fees of investment advisors, fees of distributors, fees of the depositary and of the administrative agent, registrar and transfer agent.

- The sub-fund AFH - TECHNICAL BOND INVESTMENT is subject to an administrative fee, at a maximum rate of 0.05% p.a.. It is not subject to management fees. Additional management fees representing up to 1.00% are charged at level of UCITS in which the sub-fund invests.

- The sub-fund AFH - MULTI ASSET ONE is subject to an "all-in fee" at a maximum rate of 0.1465% p.a.. This all-in fee includes the management fee (0.1165% p.a.) and the administrative fee (0.03% p.a.) as described below. Additional management fees representing up to 1.50% are charged at level of UCITS in which the sub-fund invests.

- The sub-fund AFH - AEQUITAS FLEXILE Class A is subject to a management fee at a maximum rate of 1.20% and an administrative fee of 0.21%. The Class I is subject to a management fee at a maximum rate of 0.50% and an administrative fee of 0.19%. Additional management fees are charged at level of UCITS in which the sub-fund invests.

- The sub-fund AFH - QTC MULTI ASSET is subject to an "all in fee" at a maximum rate of 0.19%. Additional management fees are charged at level of UCITS in which the sub-fund invests.

- The AFH - SABADELL US CORE EQUITY (launched on 15/05/24) is subject to a management fee at a maximum rate of 1.405% and an administrative fee of 0.10%. Additional management fees are charged at level of UCITS in which the sub-fund invests.

- The AFH - SABADELL GLOBAL BALANCED ALLOCATION (launched on 15/05/24) is subject to a management fee at a maximum rate of 1.185% and an administrative fee of 0.10%. Additional management fees are charged at level of UCITS in which the sub-fund invests.

The management fee is composed of fees of the management company, investment managers, and all other service providers, including distributors.

The administrative fee is composed:

- fees of the depositary and of the administrative agent, registrar and transfer agent
- fees of professional firms, such as the auditors and legal advisers
- government, regulatory, registration, local representatives and cross-border marketing expenses
- costs of providing information to shareholders, such as the costs of creating, translating, printing and distributing shareholder reports, prospectuses and KIIDs
- extraordinary expenses, such as any legal or other expertise needed to defend the interests of shareholders
- all other costs associated with operation and distribution, including expenses incurred by the management company, depositary and all service providers in the course of discharging their responsibilities to the SICAV.

Sub-funds	Share class	ISIN	Management fees
AFH - TECHNICAL BOND INVESTMENT	Class OE EUR capitalisation	LU1807499428	0.00
	Class OE1 EUR capitalisation	LU2074682159	0.00
AFH - MULTI ASSET ONE	Class IE EUR distribution	LU1860407755	0.12
AFH - AEQUITAS FLEXILE	Class A EUR capitalisation	LU2230866910	0.60
	Class I EUR capitalisation	LU2230868023	0.25
AFH - QTC MULTI ASSET	Class I EUR capitalisation	LU2385095059	0.10
AFH - SABADELL US CORE EQUITY (launched on 15/05/24)	Class U USD capitalisation	LU2636793346	1.41
AFH - SABADELL GLOBAL BALANCED ALLOCATION (launched on 15/05/24)	Class U USD capitalisation	LU2636793429	1.19

## 4 - PERFORMANCE FEES

The performance fees of the sub-fund AFH – AEQUITAS FLEXILE amounted to 734,709.48 EUR as at 31 December 2024. These performance fees are calculated at each Net asset Value calculation date in accordance with terms described in the prospectus and on the following basis:

- Performance fee benchmark: Euribor 3 Month act/360 + 2,50%
- Performance fee mechanism: 15% annual outperformance of the above reference asset
- Anniversary date: 31 December of each year.

There is no performance fee being calculated for the other sub-funds.

For the year ending 31 December 2024, there is a performance fee : 734,709.48 EUR.

In application of the ESMA Guidelines on performance fees (ESMA34-39-992) and Circular CSSF 20/764, the table below displays the actual amount of performance fees charged by each relevant Share Class and the percentage of these fees based on the Share Class Net Asset Value ("NAV"). Only the Share Classes for which performance fees have been charged are shown below.

Sub-fund	Share Class	Isin code	Sub-fund Currency	Amount of performance fees as at 31/12/24 (in EUR)	Average NAV of the Share Class (in EUR)	% in the Share Class average NAV
AFH - AEQUITAS FLEXILE	Class A EUR Capitalisation	LU2230866910	EUR	715,916.33	112,971,123.65	0.63
	Class I EUR Capitalisation	LU2230868023	EUR	18,793.15	2,473,146.30	0.76

## 5 - TAXE D'ABONNEMENT

The Fund is subject to an annual subscription tax (Taxe d'abonnement) of a maximum rate of 0.05% p.a. on the aggregate net asset value of the outstanding shares of the SICAV at the end of each quarter. The portion of assets invested in other UCIs organised under Luxembourg law is totally exempt from subscription tax if it is already subject to this tax.

## 6 - CHANGES IN THE COMPOSITION OF SECURITIES PORTFOLIO

The report on the changes in the composition of the portfolio is available upon simple request free of charge from the registered office of the Fund.

## 7 - SWING PRICING

On business days when it believes that trading in a sub-fund's shares will require significant purchases or sales of portfolio investments, the Board may adjust the sub-fund's NAV to more closely reflect the actual prices of the underlying transactions, based on estimated dealing spreads, costs, and other market and trading considerations. In general, the NAV will be adjusted upward when there is strong demand to buy sub-fund shares and downward when there is strong demand to redeem sub-fund shares. For any given business day, the adjustment will normally not be larger than 2% of NAV, but the Board can raise this limit when necessary to protect the interests of shareholders.

No Swing pricing adjustment has been applied neither during the year nor at year-end.

## 8 - SECURITIES FINANCING TRANSACTIONS AND OF REUSE REGULATION ("SFTR")

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

## 9 - SUSTAINABLE FINANCE DISCLOSURE REGULATION ("SFDR")

Information on environmental and/or social characteristics and/or sustainable investments are available under the (unaudited) Sustainable Finance Disclosure Regulation section and its relevant annexes where applicable.

## 10 - SUBSEQUENT EVENTS

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



## **Audit report**

To the Shareholders of  
**AFH**

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### **Our opinion**

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AFH (the "Fund") and of each of its sub-funds as at 31 December 2024, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### *What we have audited*

The Fund's financial statements comprise:

- the securities portfolio as at 31 December 2024;
- the statement of net assets as at 31 December 2024;
- the statement of operations and changes in net assets for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

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### **Other information**

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

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

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

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**Responsibilities of the Board of Directors of the Fund for the financial statements**

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

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

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;



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

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

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 17 April 2025

Frédéric Botteman

## REMUNERATION POLICY AND PRACTICES

### REMUNERATION POLICY AND PRACTICES

Amundi Luxembourg S.A. remuneration policy is compliant with the requirements detailed in the European Directive 2014/91/EU that come into force on March 18, 2016, and was transposed into Luxembourg Law of 10 May 2016. The remuneration policy is based on Amundi group remuneration framework, and it is reviewed annually and approved by the Board of Amundi Luxembourg. The policy is subject to independent review by the internal Compliance function.

There were no further material changes to the remuneration policy adopted from previous years, only wording modifications/precision, mainly to clarify the threshold to be used for deferral calculations and to underline that an appropriate balance between fixed and variable remuneration is sought.

The policy applicable for 2024 was approved by Amundi Luxembourg Board on September 26, 2024. Amundi group Remuneration Committee reviews on an annual basis the group remuneration policy. The 2024 review took place on February 6, 2024.

The remuneration policy and practices objectives are consistent with and promote sound and effective risk management, aligning remuneration with long-term performance and risks in order to avoid conflicts of interest. Fixed remuneration components are linked to the roles covered, the professional services rendered and the scope of responsibilities, reflecting the level of academic qualification, market pay levels, experience and skills required for each position, as well as the level of excellence demonstrated. Variable remuneration is designed to promote a sustainable long-term development of the Management Company and a solid and effective risk management system.

Variable remuneration awards consider the performance of the employee, her/his business unit and Amundi group as a whole, and it is based on both financial and non-financial criteria.

Amundi Luxembourg S.A. and Amundi group have defined all identified staff having authority or influence on the funds Amundi manages, and who consequently are likely to have an impact on the performance or the risk profile of the funds.

### AMOUNTS OF REMUNERATION AWARDED

Amundi Luxembourg S.A., the Management Company acts as of December 31, 2024 as Management Company or AIFM for several umbrella and standalone UCITS and AIFs.

The total remuneration expressed in Euro paid by Amundi Luxembourg S.A. to its staff during the calendar year 2024 is as follows:

	No of beneficiaries	Fixed remuneration	Variable remuneration	Total
Staff	106	9,237,821.73	1,719,726.79	10,957,548.52
Out of which				
- Identified staff	10	1,370,331.15	699,980.79	2,070,311.94
- All other staff	96	7,867,490.58	1,019,746.00	8,887,236.58

As of December 31, 2024, Amundi AFH represented around 0.28% of the Total Net Assets under Management of Amundi Luxembourg S.A.. The total remuneration figures shown above refer to activities in respect of all funds managed. Amundi Luxembourg S.A. and Amundi group employees who are appointed to the Board of Directors of the Management Company and/or of the Funds waive the right to any remuneration in respect of all funds managed. No employee of the Management Company receives any amount, including carried interest and performance fees, paid directly by the UCITS or AIFs managed.

**When made available to the Management Company, the 2024 remuneration data in respect of the Investment Managers are detailed below.**

- Amundi Asset Management managed EUR 1,215.95 billion AuM, out of which EUR 1 million represented by the sub-fund in the umbrella (respectively 0.08% of the total assets managed by the Investment Manager and 0.12% of the total umbrella's AuM). The pro-rata portion of the identified staff total remuneration attributable to the management of the sub-fund was EUR 34, out of which EUR 15 in fixed remuneration and EUR 19 in variable one. The pro-rata portion of staff total remuneration attributable to the management of the sub-fund was EUR 177, out of which EUR 124 in fixed remuneration and EUR 53 in variable one. Amundi Asset Management had a total of 109 identified staff out of a total of 1,988 staff in 2024.

- Amundi SGR S.p.A. managed EUR 92.38 billion AuM, out of which EUR 682 million represented by the sub-funds in the umbrella (respectively 0.74% of the total assets managed by the Investment Manager and 76.12% of the total umbrella's AuM). The pro-rata portion of the identified staff total remuneration attributable to the management of the sub-funds was EUR 101,448, out of which EUR 50,002 in fixed remuneration and EUR 51,446 in variable one. The pro-rata portion of staff total remuneration attributable to the management of the sub-funds was EUR 362,028, out of which EUR 230,939 in fixed remuneration and EUR 131,089 in variable one. Amundi SGR S.p.A. had a total of 45 identified staff out of a total of 376 staff in 2024.

- Banca Patrimoni Sella & C. S.p.A. managed EUR 9 billion AuM, out of which EUR 110 million represented by the sub-fund in the umbrella (respectively 1.22% of the total assets managed by the Investment Manager and 12.25% of the total umbrella's AuM). The pro-rata portion of the identified staff total remuneration attributable to the management of the sub-fund was EUR 10,302, out of which EUR 6,886 in fixed remuneration and EUR 3,416 in variable one. The pro-rata portion of staff total remuneration attributable to the management of the sub-fund was EUR 43,074, out of which EUR 33,528 in fixed remuneration and EUR 9,546 in variable one. Banca Patrimoni Sella & C. S.p.A. had a total of 4 identified staff out of a total of 40 staff in 2024.

- Sabadell Asset Management, S.A., S.G.I.I.C. managed EUR 19.41 billion AuM, out of which EUR 103 million represented by the sub-funds in the umbrella (respectively 0.53% of the total assets managed by the Investment Manager and 11.51% of the total umbrella's AuM). The pro-rata portion of the identified staff total remuneration attributable to the management of the sub-funds was EUR 13,830, out of which EUR 8,243 in fixed remuneration and EUR 5,587 in variable one. The pro-rata portion of staff total remuneration attributable to the management of the sub-funds was EUR 45,759, out of which EUR 33,698 in fixed remuneration and EUR 12,061 in variable one. Sabadell Asset Management, S.A., S.G.I.I.C. had a total of 13 identified staff out of a total of 112 staff in 2024.

**GLOBAL EXPOSURE CALCULATION METHOD**

The following sub-funds use the commitment approach in order to monitor and measure the global exposure :

AFH - TECHNICAL BOND INVESTMENT  
AFH - MULTI ASSET ONE  
AFH - AEQUITAS FLEXILE  
AFH - QTC MULTI ASSET  
AFH - SABADELL US CORE EQUITY  
AFH - SABADELL GLOBAL BALANCED ALLOCATION

## SUSTAINABLE FINANCE DISCLOSURE REGULATION ("SFDR")

### DISCLOSURE REGULATION

On 18 December 2019, the European Council and European Parliament announced that they had reached a political agreement on the Disclosure Regulation, thereby seeking to establish a pan-European framework to facilitate Sustainable Investment. The Disclosure Regulation provides for a harmonized approach in respect of sustainability-related disclosures to investors within the European Economic Area's financial services sector.

For the purposes of the Disclosure Regulation, the Management Company meets the criteria of a "financial market participant", whilst each Sub-Fund qualifies as a "financial product".

For further details on how a Sub-Fund complies with the requirements of the Disclosure Regulation please refer to the supplement for that Sub-Fund. Please also refer to the section on 'Sustainable Investment' in the Prospectus of the Fund and the Amundi Responsible Investment Policy available on [www.amundi.com](http://www.amundi.com).

As required by Art.11 of the Disclosure Regulation the Fund makes the following statements:

Under the Amundi Responsible Investment Policy, Amundi has developed its own ESG rating approach. The Amundi ESG rating aims to measure the ESG performance of an issuer, i.e. its ability to anticipate and manage Sustainability Risks and opportunities inherent to its industry and individual circumstances. By using the Amundi ESG ratings, portfolio managers are taking into account Sustainability Risks in their investment decisions. Amundi applies targeted exclusion policies to all Amundi's active investing strategies by excluding companies in contradiction with the Responsible Investment Policy, such as those which do not respect international conventions, internationally recognized frameworks or national regulations.

### Article 6 Sub-Funds

Given the investment focus and the asset classes/sectors they invest in, the investment managers of all other Sub-Funds, not classified pursuant to article 8 or 9 of the Disclosure Regulation did not integrate a consideration of environmentally sustainable economic activities into the investment process for the Sub-Fund. Therefore, it should be noted that the investments underlying these Sub-Funds did not take into account the EU criteria for environmentally sustainable economic activities.

### List of Art. 6 Sub-Funds as of 31 December 2024:

AFH - TECHNICAL BOND INVESTMENT

AFH - MULTI ASSET ONE

AFH - AEQUITAS FLEXILE

AFH - QTC MULTI ASSET

AFH - SABADELL US CORE EQUITY

AFH - SABADELL GLOBAL BALANCED ALLOCATION

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