

Registre de Commerce et des Sociétés

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LIMMAT CAPITAL SICAV

An Investment Company with variable capital
("SICAV" governed by Luxembourg law)

Luxembourg R.C.S. B221969

Annual Report including audited financial statement as of
December 31, 2023

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Important Notice

No subscription may be accepted on the basis of the annual report. Subscriptions shall only be made on the basis of the current Prospectus accompanied by the Key Investor Information Document and the latest annual and semi-annual reports.

The current sales prospectus, the key investor information and the annual and semi-annual reports are available free of charge on the website www.fundinfo.com.

The current Prospectus, the Key Investor Information Document and the annual and semi-annual reports are also available free of charge in paper form at the registered office of the Investment Company, the Management Company, the Depositary, the Distributor, if any, the Paying Agents and the local representatives in the countries in which the SICAV is registered.

Management and Administration

Investment Company

LIMMAT CAPITAL SICAV
Investment Company with Variable Capital
4, rue Peternelchen, L-2370 Howald
R.C.S. Luxembourg B221969

Board of Directors of the Investment Company

Daniel Van Hove, Chairman of the Board of Directors
Managing Director, Orionis Management S.A.

Eric Grenouillet, Member of the Board of Directors
Managing Director, Orionis Management S.A.

Laurence Jodogne, Member of the Board of Directors
Managing Director, Orionis Management S.A.

Independent Auditor

KPMG Audit S.à r.l.
39, avenue John F. Kennedy, L-1855 Luxembourg

Management Company

ONE Fund Management S.A.
4, rue Peternelchen, L-2370 Howald
R.C.S. Luxembourg B240884

Board of Directors of the Management Company

Aron Brown, Chairman of the Board of Directors
ONE Fund Management S.A.

Steve Bernat, Member of the Board of Directors
ONE Fund Management S.A.

Lydie Bini, Member of the Board of Directors
ONE Fund Management S.A.

Auditor of the Management Company

Ernst & Young S.A.
35E, avenue John F. Kennedy, L-1855 Luxembourg

Depository and Paying Agent in Luxembourg

Elavon Financial Services DAC, Luxembourg Branch
4, rue Albert Borschette L-1246 Luxembourg

Fund Manager

Limmat Capital Alternative Investments AG
Riesbachstrasse 57, CH-8008 Zürich

Central Administration, Registry and Transfer Agent

U.S. Bank Global Fund Services (Luxembourg) S.à r.l.
4, rue Albert Borschette, L-1246 Luxembourg

Representative in Switzerland

1741 Fund Solutions AG
Burggraben 16, CH-9000 St. Gallen

Paying agent in Switzerland

Tellco AG
Bahnhofstrasse 4, CH-6430 Schwyz

Information Agent in Liechtenstein and Austria

1741 Fund Management AG
Bangarten 10, 9490 Vaduz, Liechtenstein

Tax representative in Luxembourg

KPMG Tax and Advisory S.à r.l.
39, avenue John F. Kennedy, L-1855 Luxembourg



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To the Shareholders of
LIMMAT CAPITAL SICAV
4, Peternelchen
L-2370 Howald
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the financial statements

Opinion

We have audited the financial statements of LIMMAT CAPITAL SICAV and each of its sub-funds ("the Fund"), which comprise the statement of net assets, the list of the securities portfolio, statement of forward exchange transactions as at 31 December 2023 and statement of operations/ development of net assets for the year then ended, and 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 LIMMAT CAPITAL SICAV and each of its sub-funds as at 31 December 2023, 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 ("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 "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 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 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 of the Fund and Those Charged with Governance for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the 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 any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund’s financial reporting process.

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 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 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 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 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 notes, 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.

Luxembourg, 30 April 2024

KPMG Audit S.à r.l.
Cabinet de révision agréé

A handwritten signature in blue ink, appearing to read 'Michaela Saar', with a stylized flourish at the end.

Michaela Saar

Notes to the financial statements

General

LIMMAT CAPITAL SICAV (the "Investment Company") is a public limited liability company with variable capital (*société d'investissement à capital variable*), incorporated under the laws of Luxembourg and established under Part I of the law of 17 December 2010 on undertakings for collective investment. The Investment Company was established on 13 February 2018 for an indefinite period and in the form of an umbrella fund. The registered office of the Company is 4, rue Peternelchen, L-2370 Howald as at 31 December 2023, Grand Duchy of Luxembourg and the Company is registered in the Registre de Commerce et des Sociétés (Trade and Companies Register, Luxembourg) under number B221969.

As of 31.12.2023, the Investment Company consisted of one sub-fund: LIMMAT CAPITAL SICAV - LC Equity Fund (UCITS).

Significant accounting and valuation principles

a) Presentation of the financial statements

The audited financial statements of the Investment Company have been prepared in accordance with Luxembourg legal and regulatory requirements relating to undertakings for collective investment and on a going concern basis.

As LIMMAT CAPITAL SICAV consists of only one sub-fund, LIMMAT CAPITAL SICAV - LC Equity Fund (UCITS), as at 31 December 2023, the Statement of Net Assets, the Statement of Changes in Net Assets and the Statement of Operations of LIMMAT CAPITAL SICAV - LC Equity Fund (UCITS) are also the consolidated statements of LIMMAT CAPITAL SICAV referred to above.

b) Calculation of the Net Asset Value

The Net Asset Value per Share is calculated on each day which is a Banking Day in Luxembourg except 24 December in each year ("Valuation Day") and rounded to two decimal places.

These financial statements reflect the net asset value as at 31 December 2023 and have been prepared taking into account all information relevant to the preparation of the financial statements as at 31 December 2023.

c) Valuation of the securities portfolio

- i. Securities, money market instruments, derivative financial instruments and other investments that are officially listed on a stock exchange are valued at the last available closing price that ensures a reliable valuation.

If securities, money market instruments, derivative financial instruments and other investments are officially listed on several stock exchanges, the stock exchange with the highest liquidity shall be decisive.

- ii. Securities, money market instruments, derived financial instruments (derivatives) as well as other investments that are not officially listed on a stock exchange (or whose stock exchange prices are not considered representative e.g. due to a lack of liquidity) are valued at a price not lower than the bid

price and not higher than the ask price on the valuation day (or whose stock exchange prices are not considered representative, e.g. due to a lack of liquidity), but which are traded on a regulated market, shall be valued at a price which may not be lower than the bid price and not higher than the ask price on the valuation day and which the Management Company considers in good faith to be the best possible price at which the securities, money market instruments, financial derivative instruments (derivatives) and other investments can be sold.

- iii. OTC Derivatives shall be valued daily on a verifiable basis to be determined by the Management Company.
- iv. Units in UCITS or UCIs are generally valued at the last determined redemption price or at the last available price that ensures a reliable valuation. If the redemption of investment units is suspended or no redemption prices are set, these units, like all other assets, are valued at the respective market value as determined by the Management Company in good faith and in accordance with generally recognised and verifiable valuation rules.
- v. If the respective prices are not in line with the market, if the financial instruments mentioned under ii) are not traded on a regulated market and if no prices have been determined for financial instruments other than those mentioned under i) to iv), these financial instruments, as well as the other legally permissible assets, shall be valued at the respective market value as determined by the Management Company in good faith and in accordance with generally recognised and verifiable valuation rules (e.g. suitable valuation models taking into account current market conditions).
- vi. Cash and cash equivalents are valued at their nominal value plus interest.
- vii. Receivables, e.g. accrued interest claims and liabilities, are generally recognised at nominal value.

The calculation of the net asset value per share shall be made in accordance with the criteria set out above. However, to the extent that share classes have been created within the respective sub-fund, the resulting calculation of the net asset value per share within the respective sub-fund shall be made separately for each share class in accordance with the criteria set out above.

d) Bank balances

Bank balances with banks and brokers include cash on hand, margin calls and short-term deposits with banks and other short-term investments in an active market with original maturities of three months or less and bank overdrafts.

e) Net realised gain/loss from securities

The realised gains or losses resulting from the sales of securities are calculated based on the average cost price.

f) Conversion of foreign currencies

The Sub-Fund Currency of the Sole Sub-Fund and the currency of the Fund is EUR.

The bank balances, the other net assets as well as the valuation of the securities denominated in currencies other

than the reference currency of the respective sub-fund are converted into the reference currency at the exchange rate of the valuation date.

Income and costs in foreign currencies are converted into the reference currency at the exchange rate on the settlement date.

The currency gains or losses are included in the report in the "Statement of Operations / Changes in Net Sub-Fund Assets". The cost value of securities denominated in currencies other than the reference currency of the respective sub-fund is converted into the reference currency at the exchange rate applicable on the date of acquisition.

- g) Booking of transactions in the securities portfolio
The securities transactions are booked on the transaction days.
- h) Valuation of the financial futures contracts
The financial futures contracts that have not yet matured are valued at the market prices valid on the valuation date, and the resulting changes in unrealised gains or losses are recorded in the "Development of the sub-fund's net assets in EUR" and reported under "Net unrealised gain (loss) on financial futures contracts" in the "Statement of net sub-fund assets". The resulting gains or losses are also recognised in the "Development of net sub-fund assets in EUR" under "Net realised gain (loss) on financial futures contracts".
- i) Valuation of contracts for difference
The contracts for difference not yet matured are valued at the market prices valid on the valuation date and the resulting change in unrealised gains or losses are recorded in the "Development of the net sub-fund assets in EUR" under "Change in net unrealised gain (loss) on contracts for difference" and reported under "Net unrealised gain (loss) on contracts for difference" in the "Statement of net sub-fund assets". The resulting gains or losses are also recorded under "Net realised gain (loss) on contracts for differences" in the "Statement of Changes in Net Sub-Fund Assets in EUR".
- j) Allocation of expenses
Expenses directly attributable to each Sub-Fund shall be charged to that Sub-Fund. Expenses that are not directly attributable shall be allocated based on reasonableness.
- k) Migration costs of the respective sub-fund
The migration costs are amortised over a period of 5 years.
- l) Income booking
Dividends are booked on an ex-date basis, after deduction of withholding tax. Interest is booked daily.

Management company fee

For the management of the Fund, the Management Company shall receive a fixed fee of the sub-fund's net assets, but no less than 40,000 euros p.a. This fee will be calculated pro rata monthly and paid at the end of each month.

The current percentage of this fee is further included in the technical data. The fixed fees charged at the umbrella level are:

Up to EUR 100m	40,000.00
From EUR 100m to EUR 250m	60,000.00
From EUR 250m to EUR 500m	75,000.00
From EUR 500m to EUR 750m	95,000.00

From EUR 750m to EUR 1000m 110,000.00

The fees are automatically increased in accordance with the most recent Luxembourg Consumer Price Index (CPI).

Fund management remuneration and performance fee

For the fund management, the fund manager receives a remuneration of up to 0.25% p.a. of the net sub-fund assets for the share classes A-CHF, A-EUR and A-USD, and a remuneration of up to 0.50% p.a. of the net sub-fund assets for the share classes B-CHF, B-EUR and B-USD, which is calculated monthly pro rata at the end of the month and paid monthly in arrears.

In addition, the Fund Manager shall receive an additional performance fee for the share classes A-CHF, A-EUR and A-USD in the amount of 5% of the performance of the net asset value per share and for the share classes B-CHF, B-EUR and B-USD in the amount of 10% of the performance of the net asset value per share.

The Fund Manager is entitled to receive a performance fee on net realised and net unrealised gains and losses as at the end of each calendar year (the "Calculation Period") and as a result, performance fees may be paid on unrealised gains, which may subsequently never be realised. The Calculation Period begins on January 1 and ends on December 31 of a calendar year. The Calculation Period may be shortened in the event of a merger or dissolution of the Sub-fund.

The Performance Fee is calculated on a share-by-share basis in relation to a High Water Mark (defined below) principle so that each class of Shares is charged a Performance Fee which equates precisely with that Share's performance. This method of calculation ensures that (i) any Performance Fee paid to the Fund Manager is charged only to that class of Shares which have appreciated in value, (ii) all holders of Shares of the same class have the same amount of capital per Share at risk in the Investment Company, and (iii) all Shares of the same class have the same Net Asset Value per Share.

The High Water Mark (HWM) is the higher of: (a) the initial issue price, when shares in the relevant class were first issued, or the subscription price, as applicable, and (b) the highest value of the Net Asset Value attributable to each Class at the end of each Calculation Period. For each Calculation Period, the Performance Fee in respect of each Share will be equal to a percentage (the "Relevant Percentage") of the appreciation in the Net Asset Value per Share of that class during the relevant Calculation Period above the Base Net Asset Value per Share of that class. The Base Net Asset Value per Share is the greater of the Net Asset Value per Share of the relevant class at the time of issue of that Share and the highest Net Asset Value per Share achieved as at the end of any previous relevant Calculation Period (if any) during which such Share was in issue. Shares which are acquired via a transfer or an exchange or in the secondary market will be treated as if they were issued on the date of the acquisition at the most recent Subscription Price for these purposes. The Performance Fee in respect of each relevant Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fee.

The Performance Fee will normally be payable to the Fund Manager in arrears within fourteen (14) calendar days of the end of each relevant Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares is payable within fourteen (14) calendar days after the date of redemption. In the event of a partial redemption, Shares will be treated as redeemed on a FIFO basis.

If the Investment Management Agreement is terminated during a Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period.

Share classes	Performance fee percentage	Amount in EUR	in % of the average assets of the share class
A-CHF	5%	-	0.00%
A-EUR	5%	-	0.00%
B-CHF	10%	-	0.00%
B-EUR	10%	-	0.00%
B-USD	10%	273,73	0.0004%

Depository fee

The Depository shall receive a fee of up to 0.01% p.a. of the net assets of the sub-fund, but no less than 24,000 euros p.a., for the performance of its duties out of the sub-fund's assets. In addition, the Depository receives a basic fee of EUR 4,800 p.a. for custody account maintenance services. This fee will be calculated pro-rata monthly and paid at the end of each month. This fee is subject to VAT.

Central administration remuneration

For the fulfillment of its tasks, the central administration shall receive a remuneration from the sub-fund's assets of up to 0.05% p.a. of the sub-fund's net assets, but at least 30,000 euros p.a.. In addition, the Central Administration Agent shall receive a fee of up to 0.05% p.a. of the net assets of the respective share class from the net assets of the sub-fund for the fulfillment of its tasks regarding the currency hedging of all share classes that are denominated in currencies other than the respective sub-fund currency. This remuneration shall be calculated and paid pro rata monthly in arrears at the end of the month.

Register and transfer agent fee

For the fulfillment of its responsibilities, the Registrar and Transfer Agent receives a fee of EUR 3,000 per active share class p.a. (the first six share classes are included in the base fee) from the net Sub-fund assets as well as any transaction costs.

This fee will be calculated pro rata monthly and paid at the end of each month. This compensation is subject to VAT.

Taxe d'abonnement and taxation

The Company's assets are subject to a tax in the Grand Duchy of Luxembourg, the so-called taxe d'abonnement, currently amounting to 0.05% p.a. or 0.01% p.a. for the sub-fund assets or a share class whose shares are issued exclusively to institutional shareholders, payable quarterly on the net Company assets reported at the end of each quarter. If the sub-fund's assets or the portion of the sub-fund's assets are invested in other Luxembourg investment funds that are themselves already subject to the taxe d'abonnement, this tax does not apply to the portion of the sub-fund's assets invested in such Luxembourg investment funds.

The income of the respective sub-funds of the Investment Company from the investment of its assets shall not be taxed in the Grand Duchy of Luxembourg. However, this income may be subject to withholding tax in countries in which the sub-fund's assets are invested. In such cases, neither the Depository nor the Investment Company shall be obliged to obtain tax certificates.

Changes in the composition of the securities portfolio

The report on all changes in the composition of the securities portfolio occurring during the financial period may be obtained free of charge by investors at the registered office of the Investment Company or from the local representatives in the countries in which the Investment Company is registered.

Transaction costs

Transaction costs include brokerage, stamp duties, local taxes and other foreign fees incurred during the reporting period. Transaction fees are included in the cost of securities bought and sold.

For the year ended 31 December 2023, the Sub-Fund charged transaction costs relating to the purchase or sale of securities and similar transactions (including financial derivative instruments or other eligible investments) as follows:

Sub-fund	Currency	Transaction costs
LIMMAT CAPITAL SICAV - LC Equity Fund (UCITS)	EUR	3,423.14

Not all transaction costs are individually identifiable. For fixed income investments, forward currency contracts and some other derivative contracts, transaction costs are included in the purchase and sale price of the investment. Although not individually identifiable, transaction costs are included in the performance of each Sub-Fund.

Total Expense Ratio (TER)

(see detail at sub-fund level)

The TER (Total Expense Ratio) refers to the sum of all periodically levied costs and commissions charged to the net sub-fund assets, retrospectively as a percentage of the average net sub-fund assets. The TER is calculated in accordance with the AMAS Directive.

Foreign exchange rates

For the valuation of assets in foreign currencies, they were converted into euros at the following exchange rate as of 31 December 2023:

1 EUR =	0.92973	CHF
1 EUR =	1.45666	CAD
1 EUR =	0.86655	GBP
1 EUR =	1.10465	USD

Fund performance

(see detail at sub-fund level)

The performance of year N is based on the year-end net asset values of year N and N-1, respectively, which were determined based on the market prices of the investments at the end of the year N-1 and N, respectively.

Historical performance is not an indicator of current or future performance.

The performance data do not consider the commissions and costs charged on the issue and redemption of shares. The YTD (Year-To-Date) performance calculation includes the period from 01.01.2023 to 31.12.2023.

Details of the calculation can be found in the sales prospectus.

Derivative financial instruments

The Sub-Fund may enter into derivative transactions to enhance the efficiency of portfolio management.

Depending on the type of derivative, collateral can be received from various counterparties to minimise the exposure to the counterparty. Margin accounts can be used for other derivative forms.

As of 31 December 2023, the Sub-Fund had not accepted any collateral to mitigate counterparty risk.

Activity Report

We are long term investors, or to be more precise, investors who consider the long-term prospects of companies in deriving an approximate fair value in order to have an understanding of expected return profile scenarios. For mathematically inclined people, the expected return is a function of the fair value, which in turn is a function of the growth and multiple. Therefore, December 31st always strikes us as an arbitrary cut off date. However, since some measurement period is a required the 31st shall be as a good a date as any. When all was said and done, market participants were looking back on an exceptional year on December 31st 2023. Index returns across the board were impressive. With a total return of 55.1% the Nasdaq 100 was the leader of the pack, followed by 26.4% in the S&P 500, 23.7% in the MSCI World, 23.2% in the Euro Stoxx 50 and 20.3% in the Dax.

Indices are becoming too concentrated to reflect the median stock which is why we usually refrain from reading too much into those aggregated movements. When looking at 2023 performance we do feel compelled to dig a bit deeper how it was generated. Let's have a close look at the S&P 500 and NDX. For the S&P, forward PE stood at roughly 17x at the beginning of January with an earnings forecast of USD 218 for 2023. At the end of the year the corresponding figures were roughly 20x (+18%) and EPS (2024) estimate of USD 242 (+11%). The NDX Composite traded at forward PE of roughly 21x with forward EPS of USD 446 and ended the year at 26x (+24%) and forward EPS of USD 564 (+26%). We like round numbers and conclude that 2/3 of the SPX return was due to multiple expansion and 1/3 due to earnings growth. For the Nasdaq the split was roughly 50/50.

What caused the earnings growth? For tech stocks, the unprecedented focus on cost efficiency across the board after slower revenue growth in 2022 played a significant role. After witnessing Elon Musk's tour de force on efficiency several Silicon Valley companies took a page out the playbook, most notably Meta. As far as revenues are concerned, "The recession, that never came" would be an appropriate title for a chapter in the 2023 book. Mark Twain is famous for saying, "It is not what you don't know that gets you into trouble but what you think you know, that just

ain't so". At the beginning of the year too many investors (including us) knew we were about to enter a recession at any moment. After all, weren't we told that higher rates would slow down the economy sooner or later? It just wasn't so. We are not economists, but suspect that the unprecedented stimulus and deficits, that never went away might have played a large role. US nominal GDP clocked in at +6% in December 2023. We are reminded of one of your favourite doctors who equated drinking coffee while medicating with anti-reflux pills to taking aspirin while hitting yourself in the head with a hammer against a headache. It might be an appropriate analogy to the rates vs government spending situation if inflation really is a malady. The 10-year yield finished the year up 50bps at around 4.20% and the federal funds rate was up 100bps to 550bps. While we witnessed a few episodes such as the regional banking crisis, when higher rates showed their teeth, overall, the impact was not as significant as expected.

No 2023 review would be complete without a few comments

on the emergence of AI. While the revenue impact, with a few exceptions like NVDA, TSMC is yet to be felt in earnest, we are without doubts in the first innings of revolution which will dwarf social media and the smartphone ecosystem. Chat GPT turned us into hobby programmers overnight and the first use cases are already emerging on a corporate level. We recommend everyone take out two hours of their busy schedule and listen to the most recent NVDA GTC conference, where Jenson Huang talked about the replacement of the USD 2trn datacentre infrastructure over the next several years from general purpose to accelerated computing. In a nutshell, accelerated computing will turn the data raw material into a precious end-product for many industries. At this point it is important to note one important difference in mood between 2022 and 2023. While 2022 was a near death experience for the startup scene in Silicon Valley, we are suddenly talking about hundreds of billions of US Dollars capital being allocated to a new secular growth area. This confirms our view that it is always to the detriment of investors to bet against the US. We are convinced the upcoming election will shine a light on the dysfunctionality of the US political system. This is something journalists and the media will, as usual, gladly pick up on. Nevertheless, the power of the US economic machine, currently being represented by two immigrants from South Africa and Taiwan will be unbroken.

How did our portfolio fare in this environment. Gross performance amounted to 25% in 2023, after -14.5% in a difficult 2022. Investors are often told that it is not the omissions that matter, but the commissions. We never subscribed to this way of thinking. While we got many things right in size, like Apollo Global Management after the regional banking crisis and Salesforce.com pre an overdue restructuring @ 12x EV/EBITDA, there were some glaring omissions. First and foremost, the low gross exposure in the 60% range until March. On an individual company level, there were a few companies on our list, where we should have known better. There are certain times in the markets when one does not have to believe anything and has to prioritize speed over extensive research. One such situation was Spotify at an EV of USD 10bn with 600m subscribers and an unimpressive 1% weighting in the portfolio. Another company in our hall of omissions will forever be Meta @ 5x EV/EBITDA pre a year of efficiency. Deckers Outdoor Corp, whose products we love @ sub 10x ex cash PE also deserves an honourable mention. Last but not least, despite being aware of NVDA's substantial technology lead even before the AI craze and wondering about the trough valuation over and over, we invested too late and acted like a deer in headlights while earnings estimates increased fivefold on our watch.

The Samurai is told to mind his surroundings. Looking at 2024 and beyond, there are a few situations where we chose to pay a little closer attention. First, while the consensus clearly points to several rate cuts in 2024, a longer than anticipated pause or even hikes if inflation continues to run hot, would come as a major surprise if not shock to markets. Should yields approach the > 5% level again, market multiples will likely come under pressure. On the geopolitical front, we sometimes wonder if we are the proverbial frog in boiling water when looking at Russia and the Middle East. There is an evolutionary tendency to adjust to certain developments rather quickly and with complacency.

Finally, we have a long portfolio of exceptional companies which are trading a reasonable multiples and still offer outsized expected returns despite impressive performance over the last year. While we do not consider ourselves thematic investors, the structural growth in Cloud, AI, US Infrastructure and Aerospace coupled with worldclass management teams and business models will accelerate the earnings growth of our holdings for years to come.

The Investment Manager

Zürich, 29 April 2024

Technical data and explanations

Technical data

		Valoren	ISIN	Fund Management-remuneration	Total expense ratio
A - Accumulating	EUR	39850784	LU1749419120	0.25%	4.44%
B - Accumulating	EUR	39850793	LU1749419559	0.50%	4.69%
A - Accumulating	CHF	39850625	LU1749419047	0.25%	4.50%
B - Accumulating	CHF	39850790	LU1749419476	0.50%	4.74%
B - Accumulating	USD	39850796	LU1749419633	0.50%	4.75%

Fund performance

		YTD	ITD	2022	2021
A - Accumulating	EUR	20.22%	-0.64%	-17.68%	-1.50%
B - Accumulating	EUR	19.90%	-4.32%	-18.28%	-2.24%
A - Accumulating	CHF	17.54%	-4.98%	-18.02%	-1.86%
B - Accumulating	CHF	17.26%	-8.61%	-18.69%	-2.59%
B - Accumulating	USD	22.42%	6.37%	-16.04%	-1.58%

Statement of forward exchange transactions*

Forward exchange transactions

All Contracts have been concluded with Morgan Stanley London as a Counterparty

CCY Purchased	Amount bought	CCY sold	Amount sold	Maturity	Unrealised result (In EUR)
USD	239,440	EUR	-221,106	20.03.2024	- 5,074.42
CHF	4,593,438	EUR	4,888,684	20.03.2024	77,567.04
CHF	99,961	EUR	106,386	20.03.2024	1,687.91
EUR	923,880	USD	-1,000,000	20.03.2024	21,642.50
Total					95,823.03

Regarding the commitment please refer to the amount sold.

Statement of Net Assets (in EUR) *

	31.12.2023
Assets	
Securities portfolio and options at market value	6,073,154.33
Equity Swap	34,219.63
Bank balances and other	1,328,570.95
Receivables resulting from sales of securities	118,031.34
Other receivables	93,481.81
Unrealised net additional value from Forward foreign exchange transactions	95,823.03
	7,743,281.09
Liabilities	
Payables resulting from purchases of securities	329,450.94
Other liabilities	33,558.13
	363,009.07
Net assets	7,380,272.02

Fund development		31.12.2023	31.12.2022	31.12.2021
Sub-fund assets	EUR	7,380,272.02	5,493,221.62	17,940,228.72
Net asset value per share				
A - Accumulating	EUR	99.36	82.65	100.40
B - Accumulating	EUR	95.68	79.80	97.65
A - Accumulating	CHF	95.02	80.84	98.61
B - Accumulating	CHF	91.39	77.97	95.85
B - Accumulating	USD	106.37	86.89	103.49

Number of shares outstanding		At the end of the financial period	At the beginning of the financial year	Number of shares issued	Number of withdrawn Shares
A - Accumulating	EUR	20,066.000	12,776.000	8,000.000	710.000
B - Accumulating	EUR	960.001	1,160.001	0.000	200.000
A - Accumulating	CHF	48,614.231	49,614.231	0.000	1000.000
B - Accumulating	CHF	1,100.000	1,250.000	0.000	150.000
B - Accumulating	USD	2,265.000	2,265.000	0.000	0.000

*The notes form an integral part of these financial statements

Statement of Operations / Development of Net Sub-Fund Assets (in EUR)

	For the period from 01.01.2023 until 31.12.2023
Net assets at the beginning of the financial year	5,493,221.62
Income	
Interest on the securities portfolio (net)	11,191.46
Dividends (net)	56,545.10
Bank interest and commissions	5,908.39
	73,644.95
Expenses	
Fund management and administration fee	60,859.89
Performance Fee	274.73
Depositary fee	28,888.57
Administrative costs	42,164.26
Costs for audit, legal advice, representatives, etc.	144,173.38
Taxe d'abonnement	3,269.23
Depreciation of the formation costs	18,771.55
	298,401.61
Net income (loss)	- 224,756.66
Realised gain (loss)	
Net realised gain (loss) on securities and options	245,586.59
Net realised gain (loss) on financial futures contracts	- 24,103.49
Net realised gain (loss) on OTC Derivatives	23,166.71
Net realised gain (loss) on contracts for difference	-
Net realised gain (loss) on forward foreign exchange contracts	133,270.09
Net realised currency gain (loss)	-
	377,919.90
Net realised gain (loss)	153,163.24
Change in net unrealised appreciation (depreciation)	
Change in net unrealised appreciation (depreciation) on securities and options	1,198,635.85
Change in net unrealised appreciation (depreciation) on OTC Derivatives	34,219.66
Change in net unrealised appreciation (depreciation) on financial futures contracts	- 25,414.70
Change in net unrealised appreciation (depreciation) on forward foreign exchange contracts	42,859.32
	1,250,300.13
Net increase (decrease) in net sub-fund assets as per income and expense statement	1,403,463.37
Subscriptions / Redemptions	
Subscriptions	672,724.00
Redemptions	- 189,136.97
	483,587.03
Net assets at the end of the financial year	7,380,272.02

*The notes form an integral part of these financial statements

Unaudited Information

Risk management

The Sub-Fund uses the absolute Value-at-Risk (VaR) methodology to determine the risk measure of its investments. Under the absolute VaR approach, the VaR (99% confidence level, 20 days holding period) of the Sub-Fund shall not exceed a factor that depends on the level of the risk profile of the Sub-Fund. The regulatory maximum allowable limit is 20% of the sub-fund's net assets.

The leverage effect was calculated according to the nominal value method.
The following values result for the business year:

	VaR abs.	Leverage
Average	7.78%	95.66%
Min	5.19%	27.57%
Max	12.73%	209.00%

Securities Financing Transactions Ordinance

In relation to REGULATION (EU) 2015/2365 (SFTR) disclosures:

During the financial year, LIMMAT Capital Sicav did not engage in transactions which are subject to the publication requirements of SFTR. Accordingly, no information concerning the transparency of securities financing transactions and of reuse of cash collateral should be reported."

General information in connection with the regulation on sustainability-related disclosure requirements in the financial services sector ("SFDR")

In the context of the Regulation (EU) 2019/2088 of 27 November 2019 on the publication of information on sustainability in the financial services sector ("SFDR"), the Fund have been classified as falling under article 6 of SFDR and the investments of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Unaudited Information

Appendix III – remuneration policy of the management company

In accordance with the ESMA Questions & Answers on application of the UCITS Directive, the disclosure requirements also apply to staff of the delegate to whom investment management functions have been delegated, hence staff of Limmat Capital Alternative Investments AG.

<p>Remuneration of the Management Company</p>	<p>All staff and officers are subject to the remuneration policy of the Management Company (the “Remuneration Policy”), including identified staff, i.e.</p> <ul style="list-style-type: none"> – any member of the senior management of the Management Company; and; – any employee receiving total remuneration that takes them into the same remuneration as senior management, whose professional activities have a material impact on the Management Company risk profile. <p>The Remuneration Policy is the group (the “Group”) remuneration Policy and its implementation is overseen by the Group remuneration committee, under the ultimate responsibility of the board of managers of One group solutions S.à r.l.</p> <p>The Remuneration Policy has been defined in accordance with:</p> <ul style="list-style-type: none"> – the CSSF Circular 18/698 on authorisation and organisation of Luxembourg fund managers; and – ESMA Guidelines on sound remuneration policies under the UCITS Directive. <p>The Remuneration Policy:</p> <ul style="list-style-type: none"> – is consistent with, and promote sound and effective risk management, including with respect to sustainability risks; and – is in line with the business strategy, objectives, values and long-term interests of the Management Company and the funds it managed or its investors, and include measures to avoid conflicts of interest. <p>Further information are available at https://www.one-gs.com/legal.</p> <p><u>Variable remuneration:</u></p> <p>Individual variable remuneration, if any, is determined using a combination of the Management Company’s performance, team/group performance, individual contributions, and market levels for comparable roles. In determining the total remuneration of its staff, the Management Company considers the various components of such remuneration (being base salary, discretionary bonus allocation and benefits). In addition, the Management Company’s performance appraisal process is based on an assessment of the contribution of each individual to the Management Company. All employees and officers are also assessed as to their adherence to the Management Company’s culture which prioritises ethical conduct, adherence to legal and statutory guidelines, teamwork and collegiality, quality and accuracy, sound judgment and respect for individuals, clients and external parties.</p>
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Unaudited Information

	<p>Remuneration disclosures - Management Company staff:</p> <table border="1" data-bbox="528 376 1310 607"> <tr> <td>Total fixed remuneration paid to Management Company staff for the financial year</td> <td>1,728,387.85 EUR</td> </tr> <tr> <td>Total variable remuneration paid to Management Company staff for the financial year</td> <td>38,000.00 EUR</td> </tr> <tr> <td>Number of beneficiaries</td> <td>24</td> </tr> </table> <p>Remuneration disclosures - Management Company identified staff (*):</p> <table border="1" data-bbox="528 719 1310 1061"> <tr> <td>Total fixed remuneration attributable to LIMMAT CAPITAL SICAV ** paid to Management Company identified staff for the financial year</td> <td>12,274.00 EUR</td> </tr> <tr> <td>Total variable remuneration attributable to LIMMAT CAPITAL SICAV ** paid to Management Company identified staff for the financial year</td> <td>231.00 EUR</td> </tr> <tr> <td>Number of beneficiaries</td> <td>9</td> </tr> </table> <p>(*) senior management and risk takers involved in the management of the LIMMAT CAPITAL SICAV. (**) please note that this amount has been calculated pro rata the time allocated by the Management Company for the LIMMAT CAPITAL SICAV.</p>	Total fixed remuneration paid to Management Company staff for the financial year	1,728,387.85 EUR	Total variable remuneration paid to Management Company staff for the financial year	38,000.00 EUR	Number of beneficiaries	24	Total fixed remuneration attributable to LIMMAT CAPITAL SICAV ** paid to Management Company identified staff for the financial year	12,274.00 EUR	Total variable remuneration attributable to LIMMAT CAPITAL SICAV ** paid to Management Company identified staff for the financial year	231.00 EUR	Number of beneficiaries	9
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Number of beneficiaries	9												
Portfolio Manager Remuneration	<p>The Management Company delegated the portfolio management of LIMMAT CAPITAL SICAV to Limmat Capital Alternative Investments AG. The following information has been provided by Limmat Capital Alternative Investments AG.</p> <table border="1" data-bbox="528 1435 1294 1697"> <tr> <td>Total fixed remuneration attributable to LIMMAT CAPITAL SICAV * paid to portfolio manager identified staff**</td> <td>106'663 EUR</td> </tr> <tr> <td>Total variable remuneration attributable to LIMMAT CAPITAL SICAV * paid to the portfolio manager identified staff**</td> <td>0.00 EUR</td> </tr> <tr> <td>Number of beneficiaries</td> <td>2</td> </tr> </table> <p>(*) the remuneration attributable to the SICAV is pro rata the portion represented by its assets in the delegate portfolio of assets under management. (**) senior management and risk takers involved in the management of LIMMAT CAPITAL SICAV</p>	Total fixed remuneration attributable to LIMMAT CAPITAL SICAV * paid to portfolio manager identified staff**	106'663 EUR	Total variable remuneration attributable to LIMMAT CAPITAL SICAV * paid to the portfolio manager identified staff**	0.00 EUR	Number of beneficiaries	2						
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