



ANNUAL REPORT 2023

ISEC SICAV-RAIF

The Company is an investment fund organised as a public limited liability company (société anonyme) under the laws of the Grand Duchy of Luxembourg and qualifies as a société d'investissement à capital variable – fonds d'investissement alternatif réservé (SICAV-RAIF) governed by the Law.

The Company is an externally managed alternative investment fund ("AIF") pursuant to the law of 12 July 2013 on alternative investment fund managers (the "AIFM Law").

Company has appointed ISEC Services AB (the "AIFM") as its external alternative investment fund manager (within the meaning of article 5(1)(a) of the AIFM Directive).

FUND
ISEC SICAV-RAIF

COMPANY
REGISTRATION NUMBER
B272828

PERIOD
2022-11-11 - 2023-12-31

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MANAGEMENT AND ADMINISTRATION

REGISTERED OFFICE

11-13, Boulevard de la Foire
L-1528 Luxembourg
Grand Duchy of Luxembourg

BOARD OF DIRECTORS OF THE COMPANY

Mr. Marcus Andersson, Chairman, Executive Director (*until 9 March 2024*)
Mr. Michael Gunnarsson-Ferm, Executive Director (*until 2 May 2024*)
Mr. Yvon Lauret, Independent Director (*until 2 May 2024*)
Mr. Carl Barbäck, Chairman, Executive Director (*as from 9 March 2024*)
Mr. Joakim Stenberg, Executive Director (*as from 2 May 2024*)
Mr. Klaus Ebert, Independent Director (*as from 2 May 2024*)

ALTERNATIVE INVESTMENT FUND MANAGER (AIFM)

ISEC Services AB
Vattugatan 17
11152 Stockholm
Sweden

INVESTMENT MANAGER

Finserve Nordic AB
Riddargatan 30
11457 Stockholm
Sweden

DEPOSITARY

CACEIS Investor Services Bank S.A.¹
(Formerly RBC Investor Services Bank S.A.)
14, Porte de France
L-4360 Esch-sur-Alzette
Luxembourg

ADMINISTRATION AGENT, DOMICILATION, REGISTRAR AND TRANSFER AGENT

CACEIS Investor Services Bank S.A.¹
(Formerly RBC Investor Services Bank S.A.)
14, Porte de France
L-4360 Esch-sur-Alzette
Luxembourg

CABINET DE RÉVISION AGRÉÉ

Deloitte Audit Société à responsabilité limitée
20, Boulevard de Kockelscheuer
L-1821 Luxembourg
Luxembourg

¹ In October 2022, CACEIS and Royal Bank of Canada ("RBC") announced they had signed a memorandum of understanding for the intended acquisition by CACEIS of the European asset servicing business of RBC. As part of this acquisition, CACEIS would acquire the entire issued share capital of RBC Investor Services Bank S.A. ("IS Bank"). Completion of the sale of IS Bank occurred 3 July 2023 following regulatory approval and RBC Investor Services Bank S.A. became CACEIS Investor Services Bank S.A.

REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

The Board of Directors of the ISEC SICAV-RAIF (the “Company”) Umbrella is pleased to present the Audited Annual Report for the financial period ended 31 December 2023 and key facts that occurred during the past financial period.

The Company was founded on the 11 November 2022, however the sub-fund Nordic Factoring Fund Lux was launched on the 30 June 2023. This is the first annual statements for the Company.

Board of Directors

For the period under review, the following persons have been appointed directors of the Company:

- Mr. Marcus Andersson, *Chairman, Executive Director*
- Mr. Michael Gunnarsson-Ferm, *Executive Director*
- Mr. Yvon Lauret, *Independent Director*

Since year end, the following changes to the Board has occurred:

- Mr. Marcus Andersson was replaced by Mr. Carl Barbäck on 9 March 2024.
- Mr. Yvon Lauret was replaced by Mr. Klaus Ebert on 2 May 2024.
- Mr. Michael Gunnarsson-Ferm was replaced by Mr. Joakim Stenberg on 2 May 2024.

The Board of Directors of the Company operates under of Luxembourg law. Their responsibilities are the overall management and control of the Company in accordance with the Prospectus and its articles of incorporation.

Management Company

The Board of Directors has appointed ISEC Services AB, as the Alternative Investment Fund Manager, (the “AIFM”), for the Company. The AIFM is authorized and supervised by the Swedish Financial Supervisory Authority, “*Finansinspektionen*”, and is responsible for the portfolio and risk management of the company, subject to the Board’s ultimate supervision. The AIFM has further delegated portfolio management to Finserve Nordic AB (the “Investment Manager”).

Asset under Management

As of 31 December 2023, total net assets of the Company was EUR 125 000.

Fund Launches

Name of the sub-fund	Launch date	NAV at end of period
Nordic Factoring Fund Lux	June 2023	100

Annual General Meeting

The next Annual General Meeting of the Company will be held on 10 May 2024.

Yours sincerely, the Board of Directors

The figures stated in this report are historical and not necessarily indicative of future performance.

REPORT OF THE INVESTMENT MANAGER OF NORDIC FACTORING FUND LUX

The sub-fund Nordic Factoring Fund Lux (the “Sub-Fund”) is a feeder fund within the meaning of the AIFM Law and shall have an exposure of at least 85% of its assets to the Nordic Factoring Fund AB, an investment fund incorporated and organized under the laws of Sweden and qualifying as an alternative investment fund incorporated under the laws of Sweden (the “Master Fund”) and being managed by Finserve Nordic AB. Investment Manager for the Sub-Fund is Mr Andreas Konstantino at Finserve Nordic AB.

The Sub-Fund allows its investors, qualifying as Well-Informed Investors, to invest indirectly into the Master Fund to gain exposure to the debenture (the “Debenture”) issued by the Master Fund.

The Master Fund engages in lending to companies and in trading securities. The company operates as an alternative investment fund in accordance with the Alternative Investment Funds Act (2013:561) and is managed by Finserve Nordic AB. Finserve Nordic AB has been granted authorization by the Swedish Financial Supervisory Authority to manage alternative investment funds under the same act.

The Company provides loan capital to businesses and other entities. It primarily invests in companies whose operations are based on invoice financing, where borrowers use receivables (such as invoices) as collateral. This can be done by lending capital and securing it with invoices or through other arrangements, such as tripartite agreements. Loans are typically secured by assets such as pledges or guarantees, although unsecured loans are also possible.

Additionally, the Company may invest in fund shares, bonds, and hold funds in credit institutions. Its primary currency is the Swedish Krona. When investments are made in other currencies, currency hedging is carried out to convert them to Swedish Krona. The Company aims for a well-diversified portfolio of investments to manage risks effectively.

Funding for operations comes from capital provided by the owner and through the issuance of profit-sharing loans from private individuals, companies, and institutional investors. Profit sharing for holders of profit-sharing loans will be in Swedish Krona. These profit-sharing loans are traded on the Nordic AIF Sweden segment under Main Regulated at Nordic Growth Market NGM AB (NGM) in Stockholm, Sweden.

Future outlook

In 2023, the Riksbank (Sweden’s central bank) continued to raise its policy rate, resulting in a total increase of 1.5% from 2.5%, in the beginning of the year, to 4% by the end of the year. Inflation has, in spring 2024, started to return to a more desirable level, and it is expected that the Riksbank will not continue with further rate hikes. Some analysts even believe that rates may decrease during 2024.

The geopolitical situation remains uncertain, and the conflict in Ukraine persists. The long-term effects on economic development and their impact on the companies to which the Master Fund lends are difficult to predict. The Master Fund maintains a well-diversified portfolio, including collateral such as invoice receivables and liquid assets. The income, in the form of interest revenue, may be influenced by the ability of the underlying engagements to repay interest.

To the Shareholders of
ISEC SICAV-RAIF
11-13, Boulevard de la Foire
L-1528 Luxembourg

REPORT OF THE *REVISEUR D'ENTREPRISES AGREE*

Opinion

We have audited the financial statements of ISEC SICAV-RAIF (the “Company”), which comprise the statement of net assets as at 31 December 2023 and the statement of operations and changes in net assets for the period from 11 November 2022 to 31 December 2023, 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 the Company as at 31 December 2023, and of the results of its operations and changes in its net assets for the period from 11 November 2022 to 31 December 2023 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 the *réviseur d’entreprises agréé* for the Audit of the Financial Statements” section of our report. We are also independent of the Company 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 Company 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 Company for the Financial Statements

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

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

Responsibilities of the “réviseur d'entreprises agréé” for the Audit of the Financial Statements

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 dated 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 dated 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 Company'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 Company.
- Conclude on the appropriateness of the Board of Directors of the Company use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *réviseur d'entreprises agréé* to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *réviseur d'entreprises agréé*. However, future events or conditions may cause the Company 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.

For Deloitte Audit, *Cabinet de révision agréé*

PP

Yann Mérillou, *Réviseur d'entreprises agréé*

Partner

8 May 2024

STATEMENT OF NET ASSETS

*As at 31 December 2023**(All amounts are expressed in EUR)*

	Notes	As at 31 December 2023
Assets		
Investments at fair value	3	127,285
Forward foreign exchange contracts	4	5,688
Investments paid in advance		961,223
Receivable from a related party	10.3	113,613
Other receivables		3,714
Cash in hand		41,251
Formation expenses, net	6	63,380
Total assets		1,316,154
Liabilities		
Capital subscriptions received in advance	7	1,000,000
AIFM fees payable	11.1	14,167
Investment management fees payable	11.2	755
Formation expenses payable		71,700
Other payables and accrued expenses		104,532
Total liabilities		1,191,154
Net assets		125,000

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the period from 11 November 2022 (date of incorporation) to 31 December 2023

(All amounts are expressed in EUR)

	Notes	Period ended 31 December 2023
Interest on bank accounts		1,235
Other income	11.3	116,501
Total investment income		117,736
AIFM fees	11.1	(14,167)
Investment management fees	11.2	(755)
Directors' fees		(18,210)
Depositary fees		(13,573)
Administrator fees		(36,599)
Legal, audit and other professional fees		(36,147)
Amortization of formation expenses	6	(8,320)
Subscription tax	10	(9)
Total operating expenses		(127,780)
Net investment loss		(10,044)
Realized gain/ (loss)		
- on foreign currency conversion		(7,134)
Total realized loss		(7,134)
Change in unrealized appreciation/ (depreciation)		
- on investments	3, 5	11,490
- on forward foreign exchange contracts	4, 5	5,688
Total change in unrealized appreciation		17,178
Net increase in net assets resulting from operations		-
Capital contributions		155,000
Capital redemptions		(30,000)
Net increase in net assets resulting from capital transactions		125,000
Net assets at the beginning of the period		-
Net assets at the end of the period*		125,000

* See Note 1 for the launch date of the Sub-Fund.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 11 November 2022 (date of incorporation) to 31 December 2023

(All amounts are expressed in EUR)

1. GENERAL INFORMATION

ISEC SICAV - RAIF (the “Company”) has been incorporated on 11 November 2022 for an unlimited duration. The Company is organised as a public limited liability company (*société anonyme*) and qualifies as an umbrella reserved alternative investment fund with variable share capital (*société d’investissement à capital variable - société fonds d’investissement alternatif réservé*) governed by the law of 23 July 2016 relating to reserved alternative investment funds, as amended, (the “RAIF Law”). The Company is an externally managed alternative investment funds (“AIF”) pursuant to the amended law of 12 July 2013 on alternative investment fund managers (the “AIFM Law”).

The Company is registered with the Luxembourg Trade and Companies Register under number B272828. The Company’s registered office is located at 11-13, Boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg.

The Board, subject to the assignment of certain tasks to the AIFM, is responsible for the management of the Company in accordance with the Prospectus, Luxembourg laws and other relevant legal requirements in the best and exclusive interests of the shareholders. The Board is ultimately responsible for any decisions concerning the Company.

The Board has appointed ISEC Services AB (the “AIFM”) to act as the alternative investment fund manager of the Company. The AIFM is authorised in Sweden and is responsible, subject to the ultimate oversight of the Board, for the portfolio and risk management of the Company in accordance with the AIFM Law, the prospectus and the AIFM agreement. The AIFM has delegated the portfolio management activities to Finserve Nordic AB (the “Investment Manager”).

The Company has adopted an umbrella structure with a number of separate sub-funds (referred collectively as to the “Sub-Funds” or individually a “Sub-Fund”) with segregated liability between the sub-funds.

A separate portfolio of assets is maintained for each Sub-Fund and is invested for its exclusive benefit in accordance with its investment objective and policy. Because the Company has segregated liability between its Sub-Funds, any liability incurred on behalf of or attributable to any Sub-Fund shall be discharged solely out of the assets of that Sub-Fund.

As at 31 December 2023, the Company had the following active Sub-Fund:

Sub-Fund	Launch date	Term
ISEC SICAV - RAIF – Nordic Factoring Fund Lux	30 June 2023	Unlimited

The investment objective of the Company is to invest substantially all of its capital in any kind of investment within the widest meaning permitted under the RAIF Law in order to provide its shareholders with attractive returns and the benefit of the result of the management of its assets in consideration of the risk they assume in this respect.

The Sub-Fund has been established for the sole purpose to invest all or substantially all of its capital contributions in unsecured and non-subordinated profit participating loans (“PPLs”) issued by Nordic Factoring Fund AB (the “Master Fund”), a Swedish Crown denominated alternative investment fund managed by the Investment Manager, and whose purpose is to find investment opportunities through lending. The Master Fund’s contemplated investments will predominantly be in companies that are in some form of expansion, investment, restructuring, refinancing, bridge financing, generational shift financing or with seasonal needs, with a geographical focus on Scandinavia and Finland.

As such, the performance of the Sub-Fund is directly affected by the performance of the Master Fund. The financial statements of the Sub-Fund should be read in conjunction with the financial statements of the Master Fund, which are available at the Master Fund’s registered office.

The financial year of the Company starts on 1 January and ends on 31 December of each year, except for the first period which began on 11 November 2022 (date of incorporation) and ended on 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 11 November 2022 (date of incorporation) to 31 December 2023

(All amounts are expressed in EUR)

2. SUMMARY OF SIGNIFICANT ACCOUNTING AND VALUATION POLICIES

The principal accounting and valuation policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the period presented, unless otherwise stated.

2.1. Basis of preparation

The financial statements of the Company have been prepared on a going concern basis in accordance with Luxembourg legal and regulatory requirements relating to reserved alternative investment funds and Luxembourg Generally Accepted Accounting Principles (“Lux GAAP”).

The financial statements of the Company are prepared on a combined basis for the Company as a whole and for each existing Sub-Fund.

The currency used for the presentation of the combined information is the Euro (“EUR”). Items included in the individual financial statements of the Sub-Fund are measured using the EUR.

All values disclosed in the financial statements and notes have been rounded to the nearest EUR unless otherwise stated.

The Company’s balances, Statement of Net Assets and Statement of Operations and Changes in Net Assets are presented by the Sub-Fund.

2.2. Foreign currency conversion

The acquisition cost of securities expressed in a currency other than the reference currency of the Sub-Fund is converted at the exchange rates prevailing on the date of purchase.

Income and expenses expressed in currencies other than the reference currency of the Sub-Fund are converted at exchange rates ruling at the transaction date.

Assets and liabilities expressed in currencies other than the reference currency of the Sub-Fund are converted at exchange rates prevailing at period-end.

Foreign currency transaction gains and losses on investments are included in the Statement of Operations and Changes in Net Assets as part of the ‘Change in net unrealized appreciation (depreciation) on investments’. Other foreign exchange gains and losses are presented in the Statement of Operations and Changes in Net Assets within ‘Net foreign exchange gain/(loss)’.

Closing exchange rates used

1 EUR = 11.1324 SEK

2.3. Formation expenses

Formation expenses represent set-up costs of the Company and its Sub-Fund and include legal, tax and other relevant professional services fees incurred in the set-up of the Company. Such items are amortized on a straight-line basis in a maximum period of amortization of 5 years.

2.4. Investments

Investments in the Master Fund are initially recorded at subscription price.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 11 November 2022 (date of incorporation) to 31 December 2023

(All amounts are expressed in EUR)

They are subsequently measured at fair value, determined on the basis of the Master Fund's net asset value at the reporting date, as adjusted to take into consideration (i) the fair value of the underlying lending portfolio, where the basis of accounting is other than fair value, (ii) the date on which the net asset value provided was calculated and (iii) the cash flows since the date of the latest net asset value provided.

The corresponding appreciation or depreciation on movements in the fair of the investment in the Master Fund is reflected in the Statement of Operations and Changes in Net Assets as 'Change in unrealized appreciation/ (depreciation) on investment'.

Realized gains and losses are recorded under 'Realized gain/(loss) on investments' in the Statement of Operations and Changes in Net Assets and represent the difference between the initial cost and the redemption or settlement price of the respective investments redeemed or settled.

Returns of capital and income received from the investment in the Master Fund are directly reinvested in the form of new profit participating loans.

2.5. Forward foreign exchange contracts

A forward foreign exchange contract is an agreement between two parties to exchange one currency for another at a specific price and date in the future.

Open forward foreign exchange contracts are valued by reference to the last available currency rates prevailing at the relevant reporting date.

The unrealized appreciation/ (depreciation) as at period-end is recorded under 'Forward foreign exchange contracts' in the Statement of Net Assets. The changes in such amounts are recorded under 'Change in unrealized appreciation/ (depreciation) on forward foreign exchange contracts' and the realized gain/ (loss) under 'Realized gain/ (loss) on forward foreign exchange contracts' in the Statement of Operations and Changes in Net Assets.

2.6. Receivables

Receivables are recognized at nominal value less provisions for any doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

2.7. Cash

Cash are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

2.8. Accrued expenses and other payables

Accrued expenses and other payables are recorded at their reimbursement value.

2.9. Interest income and expense

Interest income and expenses are recorded on an accrual basis.

2.10. Distributions

Distributions are recognized in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS*For the period from 11 November 2022 (date of incorporation) to 31 December 2023**(All amounts are expressed in EUR)***3. INVESTMENTS AT FAIR VALUE**

Issuer	Type of instrument	Maturity date	Interest rate	Number of PPLs	Currency	Cost	Fair value	Unrealised appreciation	% of net assets
Nordic Factoring Fund AB	PPLs	January 2049	Variable ⁽¹⁾	1,341,463	SEK	115,795	127,285	11,490	101.83%
Total						115,795	127,285	11,490	101.83%

⁽¹⁾ The PPLs entitle their holders to a variable return tracking positive earnings of the issuer arising from the underlying investment portfolio financed by the PPLs. Such returns shall be computed and paid annually by way of issuance of new PPLs in accordance with the general terms and conditions of the PPLs.

4. FORWARD FOREIGN EXCHANGE CONTRACTS

Currency purchased	Amount purchased (CCY)	Currency sold	Amount sold (CCY)	Maturity date	Unrealised appreciation
EUR	966,212	SEK	10,700,000	27-Feb-24	5,069
EUR	121,885	SEK	1,350,000	27-Feb-24	619
Total forward foreign exchange contracts					5,688

NOTES TO THE FINANCIAL STATEMENTS*For the period from 11 November 2022 (date of incorporation) to 31 December 2023**(All amounts are expressed in EUR)***5. CHANGE IN NET RESULTS ON INVESTMENTS AND FORWARD FOREIGN EXCHANGE CONTRACTS**

	Period ended 31 December 2023
Change in unrealized appreciation	
- on investments	11,490
- forward foreign exchange contracts	5,688
Total change in unrealized appreciation	17,178

6. FORMATION EXPENSES

	Period ended 31 December 2023
Cost	
At the beginning of the period	-
Additions during the period	71,700
At the end of the period	71,700
Accumulated amortization	
At the beginning of the period	-
Amortization for the period	(8,320)
At the end of the period	(8,320)
Net book value	
At the beginning of the period	-
At the end of the period	63,380

7. CAPITAL SUBSCRIPTIONS RECEIVED IN ADVANCE

The Sub-fund received capital subscriptions in advance for a total amount of EUR 1,000,000 pending the issuance of 10,000 class A shares.

8. SHARE CAPITAL

According to Luxembourg law, the share capital of the Company shall at all times be equal to its total net asset value as determined in the Prospectus, i.e. the total of its assets less the total of its liabilities.

8.1. The Company

The issued share capital of the Company is EUR 30,000 represented by 300 fully paid-up shares issued for the purpose of the incorporation of the Company. The initial share capital does not form part of the net asset value of any sub-fund and thus are disclosed in the financial statements by way of this note only. Such shares have been fully redeemed on 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS*For the period from 11 November 2022 (date of incorporation) to 31 December 2023**(All amounts are expressed in EUR)***8.2. ISEC SICAV - RAIF – Nordic Factoring Fund Lux**

The Sub-Fund's share capital consists of class A shares.

The initial subscription price of class A shares to be issued to shareholders on 30 June 2023 was EUR 100 per share.

Thereafter, class A shares are subscribed on the last business day of each month, except December (unless the Board of Directors decides differently), at a price equal to the net asset value per share of the Sub-Fund calculated on the applicable Valuation Day.

Class A shares are redeemable on the last day of each month at the net asset value calculated as at the quarter-end preceding the date of the redemption request.

No dividends shall be paid to the shareholders as class A shares are capitalizing. There is no unfunded commitment at period-end.

9. NET ASSET VALUE PER SHARE

The net asset value ("NAV") per share of each class is calculated by dividing the net assets of the Sub-Fund (which is equal to the total assets minus the total liabilities) attributable to such class by the aggregate number of shares of such class then outstanding, calculated as of the close of business on each valuation date in accordance with the valuation rules set forth in the Prospectus and Lux GAAP. The NAV per share shall be rounded to 3 decimals.

	<u>As at 31 December 2023</u>
Total net assets at the end of the period	
Class A shares	125,000
Number of shares in issue at the end of the period	
Class A shares	1,250
Net asset value per share at the end of the period	
Class A shares	100.000

10. TAXATION

According to legislation in force, the Company is not subject to corporate income tax, municipal business tax and net wealth tax and distributions of profits by the Company do not give rise to a withholding tax.

The Company is however liable in Luxembourg to a subscription tax, payable quarterly on the basis of 0.01% per annum of its net asset value at the end of the relevant calendar quarter. No stamp duty or other tax is payable in Luxembourg on the issue of units. This tax is reflected under "Subscription tax" in the statement of operations and changes in net assets.

NOTES TO THE FINANCIAL STATEMENTS

For the period from 11 November 2022 (date of incorporation) to 31 December 2023

(All amounts are expressed in EUR)

11. TRANSACTIONS WITH RELATED PARTIES

11.1. AIFM fees

The AIFM is entitled to receive, out of the assets of the Sub-Fund, a fee calculated based on the assets under management (AUM) applying a decreasing scale and subject to a minimum annual fee of EUR 42,500. The fee is calculated and accrued monthly using the rates set out below:

Rate per annum	AUM
0.050%	First USD 10 million
0.040%	Above USD 10 million and up to USD 100 million
0.035%	Above USD 100 million

11.2. Investment management fees

In compensation for its services provided to the Company and its Sub-Fund, the Investment Manager is entitled to receive, out of the assets of the Sub-Fund, an annual investment management fee equal to 1.25% of the AUM.

11.3. Expense recoveries from the Investment Manager

For the period from the date of incorporation to 31 December 2023, all of the preliminary expenses incurred in the incorporation of the Company and its Sub-Fund as well as depositary, administrator, auditors and other fees shall be recovered in full from the Investment Manager.

Such expense recoveries are presented under the caption 'Other income' in the Statement of Operations and Changes in Net Assets. Any receivable outstanding at period-end in respect of such expense recoveries is shown under the caption 'Receivable from a related party' in the Statement of Net Assets.

11.4. Related party shareholding

As at 31 December 2023, all class A shares in issue in the Sub-Fund are held by the Investment Manager.

12. CONTINGENCIES

As at 31 December 2023, there was no material contingent liability or asset.

13. COMMITMENTS

As at 31 December 2023, there is no commitment outstanding toward the Master Fund and there is no unfunded commitment from the Sub-Fund's shareholders.

14. EVENTS AFTER THE REPORTING DATE

No events have taken place after period-end that would have a material impact on these financial statements.

DISCLOSURES UNDER THE ALTERNATIVE INVESTMENT FUND MANAGERS (AIFM) DIRECTIVE (UNAUDITED)

AIFM Remuneration

ISEC Services AB's current remuneration policy is available on the website www.isec.com. A table on remuneration related information for 2023 is below:

Total Salaries for ISEC Services AB for 2023 in SEK

	Fixed salaries	Variable salaries	Total salaries	Head Counts
Board of Directors	618,266	-	618,266	5
Senior Management	2,277,487	-	2,277,487	3
Employees in Control Functions	4,860,452	-	4,860,452	9
Other Employees	2,759,581	-	2,759,581	6
Total salaries	10,515,786	-	10,515,786	23

No remuneration was paid directly by the Company to the staff of the AIFM.

Risk Management

Investors should be aware that an investment in the sub-fund involves a degree of risk and should inform themselves about these risks in the latest version of the Issuing Document. In accordance with Article 21(4) and (5) of the AIFM Law, as complemented by Articles 108 and 109 of Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012, alternative investment fund managers are required to provide investors with certain information in addition to the information which they receive pursuant to the Issuing Document of the sub-fund. Please note that the form, kind, and complexity of the information provided herein may vary in future reports in accordance with legislative and regulatory requirements.

The AIFM has established a risk management function that is functionally and hierarchically separate from its operating units and implements, subject to continuous improvements and regular (at least annual) review, adequate risk management systems in order to identify, measure, manage, and monitor appropriately all risks relevant to the sub-fund investment strategy and to which the sub-fund is or may be exposed. The following risk categories are deemed to be material for the Fund:

- Market risk: The risk of a negative impact on the value of an equity investment of adverse developments in relation to the risk/value drivers specific to the underlying asset.
- Credit/Counterparty risk: The risk of loss resulting from a counterparty to a transaction defaulting on its contractual obligations prior to the final settlement of the transaction (replacement risk).
- Liquidity risk: Certain investments may be illiquid; in case of liquidity needs the sub-fund faces the risk of not being able to liquidate its investments in a timely and cost-effective manner.
- Operational risk: The risk of loss resulting from inadequate processes and failures in relation to people and systems of the various service providers to the Fund or from external events, including legal and documentation risk and risk resulting from the transaction, settlement and valuation procedures operated on behalf of the sub-fund. Quantitative and qualitative risk indicators and limits for Fund have been defined and are regularly monitored by the AIFM.

These risk indicators and limits were determined in accordance with the investment policy, objectives, restriction and policies as well as the investment style of the Sub-fund. Further risk categories may be added as and when identified as being material to the sub-fund by the risk management function, as the case may be in coordination with the portfolio manager.

**INFORMATION CONCERNING SECURITIES FINANCING TRANSACTIONS REGULATION (SFTR)
(UNAUDITED)**

During the period to which this report relates, the Sub-fund did not engage in transactions which are subject to EU regulation N 2015/2365 on the transparency of securities financing transactions and of reuse. Accordingly, no global, concentration or transaction data, or information on the reuse or safekeeping of collateral is required to be reported.

**INFORMATION CONCERNING SUSTAINABLE FINANCE DISCLOSURE REGULATION (SFDR)
(UNAUDITED)**

In the frame of the SFDR regulation, the Sub-Fund of the structure is subject to the article 6 of the regulation. Therefore, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.