



## SEMI-ANNUAL REPORT 2023 ISEC First Fund

ISEC First Fund is an open-ended mutual investment fund ("fonds commun de placement") with separate Sub-Funds set up under the laws of the Grand Duchy of Luxembourg.

The Management Company for the Fund is ISEC Services AB, a private limited company established under Swedish law and registered at Bolagverket. ISEC Services AB is licensed by the Swedish Financial Supervisory Authority, Finansinspektionen.

Active Sub-Fund in the umbrella is Investerum Global Value Fund. ISIN: LU0208850171.



**FUND**  
ISEC First Fund

**COMPANY  
REGISTRATION NUMBER**  
556542-2853

**PERIOD**  
2023-01-01 - 2023-06-30

**ISEC SERVICES AB**  
Vattugatan 17  
SE-111 52 Stockholm  
Phone: +46 8-509 31 300

[www.isec.com/funds](http://www.isec.com/funds)

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# ISEC FIRST FUND

A Luxembourg based mutual investment fund

Unaudited Semi-Annual Report  
as of June 30, 2023

Subscriptions shall only be valid if made on the basis of the KIID (Key Investor Information Document) or the current prospectus accompanied by the most recent Annual Report, including Audited Financial Statements as well as by the most recent Semi-Annual Report if published more recently than the most recent Annual Report, including Audited Financial Statements. No one is authorised to state other information than the one contained in the Prospectus as well as in the documents herein mentioned, which are available to the public.

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# ISEC FIRST FUND

## Table of contents

|  | Page |
|--|------|
| <b>Management and Administration</b>               | 2    |
| <b>Information to Unitholders</b>                  | 3    |
| <b>Report of the Investment Manager</b>            | 4    |
| <b>Statement of Net Assets</b>                     | 5    |
| <b>Investerum Global Value Fund</b>                |      |
| Statement of Investments                           | 6    |
| Geographical and Economic Portfolio Breakdowns     | 7    |
| <b>Notes to the Unaudited Financial Statements</b> | 8    |
| <b>Unaudited Appendix</b>                          | 11   |

# ISEC FIRST FUND

## Management and Administration

### MANAGEMENT COMPANY

ISEC Services AB  
Vattugatan 17  
111 52 Stockholm  
Sweden

### BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Chairman of the Board:  
Jonas ELIASSON  
Diakongränd 32  
128 68 Sköndal  
Sweden

Mikkel MÖRDRUP  
CEO ISEC Group AB  
Vattugatan 17  
111 52 Stockholm  
Sweden

Therece SELIN  
COO ISEC Group AB  
Vattugatan 17  
111 52 Stockholm  
Sweden

Marie FRIMAN  
c/o Apriori Law  
Nybrogatan 7  
114 34 Stockholm  
Sweden

### CONDUCTING OFFICERS

Helena UNANDER-SCHARIN  
CEO ISEC Services AB  
Vattugatan 17  
111 52 Stockholm  
Sweden

Niklaus Wildling  
Deputy CEO ISEC Services AB  
Vattugatan 17  
111 52 Stockholm  
Sweden

### DEPOSITARY AND CENTRAL ADMINISTRATION

RBC Investor Services Bank S.A.  
14, Porte de France  
L - 4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

### REGISTRAR AGENT

RBC Investor Services Bank S.A.  
14, Porte de France  
L - 4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

### PRINCIPAL PAYING AGENT IN LUXEMBOURG

RBC Investor Services Bank S.A.  
14, Porte de France  
L - 4360 Esch-sur-Alzette  
Grand Duchy of Luxembourg

### INVESTMENT MANAGER

Investerum AB  
Karlavägen 108, 14 tr  
115 26 Stockholm  
Sweden

### CABINET DE RÉVISION AGRÉÉ

Deloitte Audit  
*Société à responsabilité limitée*  
20 Boulevard de Kockelscheuer  
L - 1821 Luxembourg  
Grand Duchy of Luxembourg

# ISEC FIRST FUND

## Information to Unitholders

Information about the Net Asset Value of the units of each Sub-Fund and about the issue and redemption prices is available at all times at the registered office of the Management Company.

Copies of the Annual Report, including Audited Financial Statements and all unaudited Semi-Annual Reports of the Fund may be obtained by holders of units from the registered office of the Management Company.

A detailed schedule of portfolio changes is available free of charge upon request at the registered office of the Management Company.

# ISEC FIRST FUND

## Report of the Investment Manager

### Investment Managers' Report until June 30, 2023

#### Investerum Global Value Fund

During the first quarter of the year, the markets were mainly characterized by concerns about the economic implications of increasing inflation. The rising long-term interest rates created an unsustainable situation for several niche banks, among others Signature Bank and Silicon Valley Bank, that did not have their risks under control. The aforementioned niche banks' businesses turned out to be based, perhaps to a slightly too large extent, on lending to non-profitable younger technology companies. A classic bank run became the final nail in the coffin for the niche banks and sealed their fates.

What will be memorable was how quickly conditions changed. On February 16th, Silicon Valley Bank was named one of America's best banks by the prestigious magazine Forbes. Less than a month later, on the tenth of March, the bank collapsed as the result of a bank run. Wiser from previous lessons from the Lehman crash, central banks around the world acted in a coordinated and prompt manner by ensuring liquidity and also forcing ownership changes. It appears that negative spillover effects from the banking crisis have been avoided.

The markets were also characterized by interest rate increases, inflation and continued strength in the stock markets. Earnings reports presented by companies were surprisingly positive. In particular reports from companies with strong brands that, through outstanding price leadership, were able to implement price increases to their customers. Another strong driving force behind the rise in equity markets was reduced inflation anxiety. During the end of the period, some sort of hype arose around companies with connections to Artificial Intelligence. Which led to considerable price increases in companies operating in the area. Most central banks raised their key interest rates several times during the period. In addition, representatives of several central banks warned that future increases are highly likely, which caused long-term interest rates to rise further.

During the period the fund has taken a position in Lannebo High Yield in order to better take advantage of the current interest rate environment.

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

# ISEC FIRST FUND

## Statement of Net Assets as of June 30, 2023

|  | Note | Investerum Global<br>Value Fund<br>EUR | Combined<br>EUR   |
|--|------|--|-------------------|
| <b>ASSETS</b>                          |      |  |                   |
| Investment portfolio at market value   | (3)  | 16,832,140                             | 16,832,140        |
| Cash at bank                           | (3)  | 387,933                                | 387,933           |
| Interest and dividends receivable, net |      | 2,215                                  | 2,215             |
| Other assets                           |      | 4,049                                  | 4,049             |
| <b>TOTAL ASSETS</b>                    |      | <b>17,226,337</b>                      | <b>17,226,337</b> |
| <b>LIABILITIES</b>                     |      |  |                   |
| Interest payable                       |      | 523                                    | 523               |
| Amounts payable on redemptions         |      | 5,952                                  | 5,952             |
| Management fees payable                | (4)  | 3,586                                  | 3,586             |
| Investment management fees payable     | (4)  | 14,316                                 | 14,316            |
| Subscription tax payable               | (7)  | 2,131                                  | 2,131             |
| Taxes and expenses payable             | (8)  | 35,203                                 | 35,203            |
| <b>TOTAL LIABILITIES</b>               |      | <b>61,711</b>                          | <b>61,711</b>     |
| <b>TOTAL NET ASSETS</b>                |      | <b>17,164,626</b>                      | <b>17,164,626</b> |
| <br>                                   |      |  |                   |
| <b>Net asset value per unit</b>        |      |  |                   |
| Class D                                |      | 18.953                                 |                   |
| <br>                                   |      |  |                   |
| <b>Number of units outstanding</b>     |      |  |                   |
| Class D                                |      | 905,624.9383                           |                   |

The accompanying notes form an integral part of these Financial Statements.

# ISEC FIRST FUND

## Investerum Global Value Fund

### Statement of Investments as of June 30, 2023

(expressed in EUR)

| Description  | Quantity  | Currency | Cost              | Market Value      | % net assets |
|--|-----------|----------|-------------------|-------------------|--------------|
| <b>Open - ended investment funds (UCITS)</b>       |           |          |                   |                   |              |
| <b>Ireland</b>                                     |           |          |                   |                   |              |
| Ishares Plc /S&P 500                               | 79,013    | USD      | 1,095,750         | 3,170,625         | 18.47        |
|  |           |          | <b>1,095,750</b>  | <b>3,170,625</b>  | <b>18.47</b> |
| <b>Luxembourg</b>                                  |           |          |                   |                   |              |
| Fundsmith Equity Fund T EUR Acc                    | 61,660    | EUR      | 2,359,809         | 3,378,109         | 19.68        |
| Jup Glb Pan Eur -U2 EUR Acc -Cap                   | 27,013    | EUR      | 2,586,007         | 3,053,849         | 17.79        |
| T JU GL G UNC IC                                   | 5,081     | EUR      | 542,465           | 497,381           | 2.90         |
|  |           |          | <b>5,488,281</b>  | <b>6,929,339</b>  | <b>40.37</b> |
| <b>Sweden</b>                                      |           |          |                   |                   |              |
| Investerum Basic Value Acc A SEK*                  | 1,725,091 | SEK      | 2,817,543         | 3,279,936         | 19.11        |
| Investerum Equity Value A Acc*                     | 382,987   | SEK      | 466,525           | 475,394           | 2.77         |
| Lann High Yi Sek-Ac                                | 276,980   | SEK      | 3,010,682         | 2,976,846         | 17.34        |
|  |           |          | <b>6,294,750</b>  | <b>6,732,176</b>  | <b>39.22</b> |
| <b>Total Open - ended investment funds (UCITS)</b> |           |          | <b>12,878,781</b> | <b>16,832,140</b> | <b>98.06</b> |
| <b>TOTAL INVESTMENT PORTFOLIO</b>                  |           |          | <b>12,878,781</b> | <b>16,832,140</b> | <b>98.06</b> |

\* Related party Fund - refer to Note 4

The accompanying notes form an integral part of these Financial Statements.



# ISEC FIRST FUND

## Investerum Global Value Fund

### Geographical and Economic Portfolio Breakdowns as of June 30, 2023

(expressed as a percentage of net assets)

| <u>Geographical breakdown</u> | <u>%</u>     | <u>Economic breakdown</u> | <u>%</u>     |
|-------------------------------|--------------|---------------------------|--------------|
| Luxembourg                    | 40.37        | Investment Funds          | 98.06        |
| Sweden                        | 39.22        |                           | <b>98.06</b> |
| Ireland                       | 18.47        |                           |              |
|                               | <b>98.06</b> |                           |              |

# ISEC FIRST FUND

## Notes to the Unaudited Financial Statements as of June 30, 2023

### NOTE 1 – GENERAL

ISEC First Fund (the "Fund") is an open-ended mutual investment fund ("fonds commun de placement") with several separate Sub-Funds ("umbrella fund") set up under the laws of the Grand Duchy of Luxembourg.

The Fund is registered by Part I of the amended Law of December 17, 2010 since July 1, 2011.

On June 30, 2023, one Sub-Fund is in operation:

- Investerum Global Value Fund
  - Class D – Accumulation Units (dedicated to Retail Investors)

### NOTE 2 – INVESTMENT OBJECTIVES

The investment objective of the Fund is to manage the assets of the different Sub-Funds for the benefit of the Unitholders for the purpose of earning a rate of return reflective of the investment objectives of the Fund, and of seeking growth of capital in the short and/or medium to long term in accordance with, for each Sub-Fund, the investment objective mentioned in their respective Appendix of the prospectus, as defined for each Sub-Fund by the Board of Directors.

No assurance can however be given that the investment objective as described above will be achieved.

In addition to the investment objectives described below, the Board of Directors resolved by Circular Resolution dated November 18, 2008 to allow each Sub-Fund to invest, for defensive purposes and in the interest of the Unitholders, the liquidity, on a temporary basis, in money market instruments and Government Bonds up to 10% of the Total Net Assets of each Sub-Fund.

The investment objective of each relevant Sub-Fund is as follows:

#### **Investerum Global Value Fund (denominated in EUR):**

Within the general investment objectives and policies of the Fund and with an objective of generating absolute value increase in the long term through active investment management the Sub-Fund will invest its net assets in a diversified portfolio of UCIs invested in equities (both listed equities and "Equity Funds"), part of the net assets may be invested in bonds (both listed bonds and "Bond Funds") and/or in money market instruments (both listed fixed income and "Money Market Funds") and/or in Equity Funds with an investment objective allowing part investments in bonds and money market instruments in respect to the following allocation:

- no more than 100% of the Sub-Fund's net assets will be invested in listed equities or Equity Funds;
- no more than 100% of the Sub-Fund's net assets will be invested in Bond Funds and/or Money Market Funds and/or in Equity Funds with an investment objective allowing part investments in bonds and money market instruments worldwide;
- no more than 20% of the Sub-Fund's net assets may be held in cash.

### NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with generally accepted accounting principles applicable to UCITS and in accordance with laws and regulations in force in the Grand Duchy of Luxembourg.

#### **a) Valuation of investments in portfolio**

Units or shares of UCIs are valued at their last determined and available net asset value ("NAV"), or, if such price is not representative of the fair market value of such assets, then the price shall be determined by the Board of Directors of the Management Company on a fair and equitable basis.

All other securities and other assets are valued at fair market value as determined in good faith pursuant to the procedures established by the Board of Directors of the Management Company.

#### **b) Valuation of cash**

The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.

#### **c) Net Realised profit/loss on sales of investments**

Net realised profit and loss on sales of investments sold are computed on the basis of the average cost of investments sold.

# ISEC FIRST FUND

## Notes to the Unaudited Financial Statements (continued) as of June 30, 2023

### NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

#### d) Foreign exchange conversion

All assets and liabilities, which are valued in a currency other than the base currency in which units of the relevant Sub-Fund are expressed, are converted into the base currency at the exchange rate prevailing as of June 30, 2023.

The exchange rates used for Sub-Fund Investerum Global Value Fund as of June 30, 2023 are the following:

|       |   |          |     |
|-------|---|----------|-----|
| 1 GBP | = | 1.160548 | EUR |
| 1 JPY | = | 0.006352 | EUR |
| 1 NOK | = | 0.085186 | EUR |
| 1 SEK | = | 0.084706 | EUR |
| 1 USD | = | 0.920048 | EUR |

Income and expenses expressed in a currency other than the base currency in which units of the relevant Sub-Fund are expressed are converted into the base currency at the applicable exchange rate prevailing at the transaction date.

#### e) Cost of investments

Cost of investments for each Sub-Fund expressed in a currency other than the base currency is converted at the exchange rate prevailing at the purchase date.

#### f) Income from investments

Dividends are recognised as income on the date the investments are first quoted ex-dividend, to the extent information thereon is reasonably available to the Fund. Interest is accrued prorata temporis on each net asset valuation.

#### g) Forward foreign exchange contracts

Profit or loss arising from un-matured forward foreign exchange contracts are determined on the basis of the applicable forward foreign exchange rates at the valuation date, and are recorded in the Statement of Net Assets. There are no forward foreign exchange contracts outstanding as of June 30, 2023.

### NOTE 4 – INVESTMENT MANAGEMENT FEES

In accordance with the Investment Management Agreement dated November 18, 2019, Investerum AB is entitled to the following Investment Management fees that are based on the average net assets of the Sub-Funds as determined on each valuation date and payable quarterly in arrears:

- An investment management fee of 1.00% per annum in favour of the Investment Manager. The Investment Management Fee may also cover distribution activities of the Investment Manager and can be shared with any appointed distributors/intermediaries in compliance with applicable laws and regulations in respect of Investerum Global Value Fund.

The overall maximum level of the Investment Management Fee (taking into account net amount of possible rebates from the other UCITS and/or UCIs in which the Sub-Fund invests) that may be charged by the Sub-Fund itself and by investment in other UCITS and/or UCIs in which the Sub-Fund invests, shall be calculated based on the weight allocated to each of these underlying investments, and it shall not exceed 4.00% p.a. for Class D. Possible performance fees charged from the Sub-Fund itself and/or to the other UCITS and/or UCIs in which the Sub-Fund invests in are not taken into account in the maximum level of the Investment Management Fee.

As of June 30, 2023, the maximum total of investment management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested is as follows:

|                              | CCY | Total Maximum Investment Management Fee |
|------------------------------|-----|---|
| <b>ISEC First Fund</b>       |     |   |
| Investerum Global Value Fund | EUR | 1.00%                                   |

If the Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same Management Company or by any other company to which the Management Company is linked by common management or control or by a substantial direct or indirect holding, that Management Company or other company may not charge subscription or redemption fees on account of the Fund's investment in the units of other UCITS and/or other UCIs. These positions are identified by an "\*" in the statement of investments of each Sub-Fund.

The Management Company is entitled to receive out of the assets of the relevant Sub-Fund a Management Company fee of 0.0625% per annum with an annual minimum fee of EUR 43,636.

# ISEC FIRST FUND

## Notes to the Unaudited Financial Statements (continued) as of June 30, 2023

### NOTE 5 – PERFORMANCE FEES

In addition to the Investment Management fees described in note 4 above, the Investment Manager is also entitled to a performance fee, as fully described in the prospectus. Performance fee is payable yearly in arrears and is accrued in each NAV calculation.

The performance fee is defined as follows:

- 20% per annum of the performance which exceeds the return of the Sub-Fund Investermum Global Value Fund.

As at June 30, 2023, there are no performance fees for the Sub-Fund Investermum Global Value Fund.

### NOTE 6 – CENTRAL ADMINISTRATION AGENT, DEPOSITARY, REGISTRAR AND TRANSFER AGENT FEES

The Fund pays to the Depositary, the Central Administration Agent and the Registrar and Transfer Agent annual fees which can vary up to a maximum of 0.5% of the net asset value at the Fund level subject to a minimum fee per Sub-Fund of EUR 19,600 and a minimum fee of EUR 21,000 at the Fund level.

These fees are payable on a monthly basis and do not include any transaction related fees and costs of sub-custodians or similar agents. The Depositary, the Central Administration Agent as well as the Registrar Agent are also entitled to be reimbursed of reasonable disbursements and out-of-pocket expenses which are not included in the above mentioned fees.

### NOTE 7 – SUBSCRIPTION TAX

Under present Luxembourg law, the Fund is subject to “subscription tax” at the annual rate of 0.01% for all Class C units which are dedicated to Institutional Investors and at the annual rate of 0.05% for all Class D Units payable quarterly and calculated on the basis of the net assets calculated as at the end of each calendar quarter.

In case some Sub-Funds are invested in other Luxembourg investment funds, which in turn are subject to the subscription tax provided for by the law of December 17, 2010, as amended, relating to undertakings in collective investment, no subscription tax is due from the Sub-Funds on the portion of assets invested therein.

### NOTE 8 – TAXES AND EXPENSES PAYABLE

For the period ended June 30, 2023, the following taxes and expenses are payable:

|                            | <b>Investermum<br/>Global Value<br/>Fund<br/>EUR</b> |
|----------------------------|--|
| Transfer Agency Fees       | 12,905   |
| Audit Fees                 | 7,192  |
| Legal Fees                 | 6,022  |
| Administrative Agency Fees | 3,378  |
| Trailer Fees               | 2,528  |
| UCITS V Fees               | 2,092  |
| Distribution Fees          | 670  |
| Custodian Fees             | 416  |
|                            | <b>35,203</b>  |

### NOTE 9 – DIVIDENDS DISTRIBUTED

During the period ended June 30, 2023, no dividend was paid out.

### NOTE 10 – EVENTS THAT OCCURRED DURING THE PERIOD

There are no significant events during the financial period ended June 30, 2023.

### NOTE 11 – POST BALANCE SHEET EVENTS

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 July 3, 2023, following regulatory approval and RBC Investor Services Bank S.A. became CACEIS Investor Services Bank S.A..

# ISEC FIRST FUND

## Unaudited Appendix

### **SFTR (EU regulation N 2015/2365)**

During the period to which this report relates, the 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.